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The Structural Funds in 1996

Eighth annual report

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Note to the reader

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INTRODUCTION

This Report is compiled in accordance with Article 16 of Regulation (EEC) No 2052/88 as amended and the detailed provisions of Article 31 of Regulation (EEC) No 4253/88 as amended. It presents the application in 1996 of the Structural Funds regulations, particularly the implementation of their Objectives (Objectives 1 to 6). The report is structured in accordance with the requirements of the Regulations, but also contains some changes. The innovation introduced in the Seventh Annual Report (1995) of dealing with a horizontal subject throughout the report has been retained, the topic chosen for this report being support for technology development. As in previous years too, full treatment has been given to the financial information and the prospects for 1996 in the context of programming for 1994-99. The structure of the report continues to evolve, however. For the first time, all the information on the various items of assistance from the Structural Funds in each Member State has been brought together in a single Chapter so as to provide an overall - but accurate - view of the structural programmes implemented in each country. Similarly, assessment activities have also been covered in a single Chapter.

The Report therefore falls into two main parts. The first - Chapters I to IV - takes a general look at what was achieved in 1996 at Community level. Chapter I covers the implementation of structural assistance in 1996 (Community support frameworks and single programming documents, Community Initiatives, innovative measures) in the context of multiannual programming. This is a presentation for the Community as a whole. Chapter II looks at budget implementation in 1996, also in multiannual terms, and other financial issues such as financial management and monitoring of utilisation. It also covers complementarity with the other Community policies, a topic which, as in previous years, continues to receive particular attention. Chapter III is devoted to various institutional matters concerning the Structural Funds, ranging from relations between the Community's different institutions to socio-economic and regional partnership and public information on the work of the Funds. Chapter IV looks at work on assessment in general, both evaluations forming part of Structural Fund programmes (prior appraisals and interim and *ex post* evaluations and those carried out on more specific topics (major projects, subject-based assessments, methods of evaluation).

The second part of the Report - Chapters V to X - looks in detail at the implementation of the Structural Funds, once again from a number of points of view. Chapter V deals with programmes and achievements in each Member State. The following Chapters, which contain only financial tables, give details of financial implementation in 1996 (Chapter VI), implementation from 1994 to 1996 (Chapter VII), the regional breakdown of financial implementation (Chapter VIII), major projects (Chapter IX), and ERDF and ESF pilot projects (Chapter X).

A. 1996

1. The first Cohesion Report¹

The Commission adopted the first Report on Economic and Social Cohesion in November 1996, in accordance with Article 130b of the EC Treaty, which requires a report "on the progress made towards achieving economic and social cohesion and on the manner in which the various means provided for in this Article have contributed to it". The report analyses progress towards cohesion in the Member States, the regions and social groups and the effects on cohesion of the policies of the Member States and the Union.

The Member States have demonstrated constant progress towards greater convergence over the last ten years. *Per capita* income in the four poorest Member States has risen from 66% of the Community average to 74%. Unemployment is now the main economic challenge facing Member States. Although 7 million net jobs have been created over the last ten years, this has not absorbed the increase in the labour force so that the total number unemployed in the Union in 1995 was 18 million, a rate of just under 11%. Unemployment is particularly high in Spain, where it now accounts for one quarter of the labour force, and in Finland, where the figure has risen sharply to one-sixth of the labour force.

¹ COM(96) 542 final of 6 November 1996.

The regions at the centre of the Union are considerably richer than those on the periphery, i.e. Greece, southern Italy, southern Spain, Portugal, Ireland, northern Finland, the new Länder, the French overseas departments. The 25 richest regions have an average *per capita* income two and a half times greater than the poorest regions and the situation has hardly changed in this respect over time. In 1995 the unemployment rate in the 25 worst hit regions was 22.4%, almost five times higher than in the 25 least affected regions (4.6%). There is a high concentration of unemployment at sub-regional level, particularly in urban areas, where the numbers unemployed may account for between one third and one half of the labour force.

Disparities in income are caused not only by geographical but also by social factors. This report looks at the proportion of the population living below the poverty line (defined as an income of 50% or less of the national figure). At the end of the 80s, the highest figures in this regard were recorded in Portugal (27%), Italy (22%), Greece (20%), Spain (17%) and the United Kingdom (17%). Poverty appears to be increasing slightly, although it has fallen in some of the poorest Member States (Ireland, Spain and Portugal). Poverty is frequently related to unemployment, which itself has a substantial impact on society: in the first half of 1996, the rate of unemployment among young people under 25 years of age was 21%, double the average for all age groups together where it stood at 12.5% for women and 9.5% for men. The most worrying feature is the "hard core" of long-term unemployed: in 1995, 49% of people out of work had been looking for a job for a year or more.

The report also looks at the impact of national policies on cohesion. From a macroeconomic viewpoint, the Member States have, in general, made considerable progress in bringing inflation and interest rates under control and reducing the public debt and deficits. These results are important, because they are a pre-condition for increased investment and the success of cohesion policies. The regional policies of the Member States also make a contribution, but expenditure is concentrated mainly in the richest countries. Between 1989 and 1993, Germany and Italy alone accounted for two thirds of total expenditure on regional development. It should also be noted that budgetary restrictions generally result in a fall in national expenditure on regional policy.

The main means of fighting poverty are national policies on taxation and public expenditure. Typical figures for these net transfers are 4% of GDP from regions which are net contributors and 8% of GDP to those which are net beneficiaries. These transfers have had a substantial influence on regional and social cohesion and have reduced income disparities within the Member States by an average of 23%.

Combined with national efforts, the Union's cohesion policies have helped create a new situation in Europe which gives the less-favoured regions and social groups new opportunities. Assistance from the Structural Funds has had a significant impact on *per capita* income, for example, by increasing growth in the four poorest countries by half a percentage point per year. It is also estimated that it has resulted in over 600 000 net new jobs in those countries and 530 000 in the old industrial areas eligible under Objective 2, which in both cases means a reduction in unemployment rates of about 2.5%. An in-depth study of the rural areas eligible under Objective 5(b) in 20 regions shows that the population has stabilised in about half of them and has even increased in six others. Income fell in only two of those regions. By assisting the poorest regions, Community policies have increased the economic potential of the whole Union. Estimates suggest, for example, that for every ECU 100 spent in the Objective 1 regions, ECU 30 to 40 return to benefit other regions through their exports to the Objective 1 regions.

As for the Community policies other than cohesion, it appears that wherever expenditure is substantial, some if not most of the poorest countries and regions have been among the main beneficiaries. The common agricultural policy is the most significant example since it accounted for almost half the Community budget in 1994. The 1992 CAP reform benefited the cohesion countries since three of these four countries (Greece, Spain and Ireland) are, alongside France and Denmark, among the main beneficiaries. The impact on regional cohesion is positive, since there is a financial transfer from urban areas (which are generally richer) to rural areas (which are generally poorer). Nevertheless, estimates prior to the reform suggest that these transfers have benefited mainly a limited

number of profitable holdings. After the reform, disparities were reduced, although to a lesser extent than if the Commission's proposal to cap direct aids had been accepted.

The Cohesion Report shows that all regions and all sections of society may benefit from those Community policies where expenditure is lower but which create a climate for change. However, the more central regions and the more advantaged social groups are often better placed to do so. For example, the single market has had a considerable impact on competitiveness throughout the Union, despite unfounded fears that it would prove crushing for the poorer countries. Spain, Portugal and Ireland in particular have seen their chances of finding export opportunities grow. However, as regards trade and investment, the position of Greece and southern Italy has scarcely improved. Turning to transport networks, the countries eligible under the Cohesion Fund have seen improvements in passenger transport although it is true that the countries at the centre of the Community, at the very heart of the transport network, benefit still more from these policies. In the case of telecommunications networks, the infrastructure required to develop the information society is less advanced in the poor regions, which undoubtedly threatens to widen the gap between rich and poor regions in this respect².

The Cohesion Report concludes by looking at ways of making the policies more effective. Here too, the watchword is shared responsibilities. The Member States must take the initiatives required to reduce public debt while maintaining programmes based on investment, growth and job creation; the Community policies other than cohesion policy can in turn improve synergies and coordination with the goals of cohesion. The Structural Funds should concentrate more on the most serious problems and the regions in difficulty. Administrative procedures require simplification and the system of monitoring and evaluation must be made more rigorous. The partnership with those involved at regional and local level and with the private sector could be developed. Finally, the Structural Funds must give priority to combating unemployment and creating lasting jobs and the instruments used must reflect this priority.

2. Support for employment

During 1996 the employment situation remained a major cause for concern within the Union. The guidelines for macroeconomic policy offer a consistent framework for a lasting solution to employment problems, and the multiannual programmes of the Member States adopted in accordance with the recommendations of the Essen and Madrid European Councils are of the utmost importance, since they embody strategic commitments to making the labour market more efficient and increasing investment in human resources. These practical policies therefore ensure synergy with assistance from the Structural Funds. In its communication on Community structural assistance and employment³, the Commission pointed to the growing need to ensure consistency between the strategy of the Union and the measures in the Member States part-financed by the Structural Funds. That communication is part of the Confidence Pact for employment⁴, which seeks in particular to use the available financial margins in various ways: to support innovative measures for small firms; to improve the dynamic management of employment and investment in human resources; to increase compatibility between working life and family life; and to promote local initiatives for development and employment. The Confidence Pact also stresses the need to improve the political, economic and social partnership in order to improve the way local potential is used to encourage job creation.

In 1996, implementation of this framework for action took two main directions. On the one hand, the communication on Community structural assistance and employment provided a basis for the Commission's guidelines to the Member States in preparation for the second phase of programming for Objective 2 (1997-99)⁵. On the other, at the Florence European Council in June 1996, the

² See part B of this chapter: A special focus on technology development.

³ COM(96) 109 final of 20 March 1996. See Chapter II.D. Complementarity with the other Community policies.

⁴ CSE(96) 1 final of 5 June 1996.

⁵ C(96) 952 final of 29 April 1996. See Chapter I.A.3. Objective 2.

Commission proposed promoting territorial pacts for employment to complement existing national policies. At the invitation of the European Council, the pilot regions were selected by the Member States. That approach was confirmed by the Dublin European Council, which called for the swift implementation of 60 pilot projects with the aim of promoting broad regional or local partnerships demonstrating an exceptional level of mobilisation for employment. Following assessment of the difficulties and prospects by each of the local parties concerned, a joint strategy based on that assessment is devised and given form in commitments by all those involved in a territorial employment pact, with the aim of improving the integration and coordination of measures for employment and, over time, carrying out model operations which can inspire other initiatives.

An employment pact may be promoted at regional or local level, in cities, rural areas or employment areas, provided that unemployment is a major problem and the region is eligible under one of the Objectives of the Structural Funds. The range of partners should be as wide as possible⁶. As regards the schedule and financing, the reflection phase began at the end of 1996 and the Member States are expected to make the final selection of pact areas in 1997. The pacts can be financed in part by contributions from the EIB and the EIF, and the Monitoring Committees for the Structural Fund programmes should use the financial margins for manoeuvre available⁷ to implement them. The Commission contributes to implementation of the pacts in three ways: by supporting these initiatives and circulating the experience gained from them; by providing financial support for preparatory technical assistance work and by organising a mechanism to monitor all the preparatory work, the final content, and the improvements made to structural assistance.

3. The implementation of assistance in 1996 : The main points in this report

A very busy year

The implementation of multiannual programming in 1996 shows that the various forms of assistance are now being put into effect in the Member States and the regions⁸. The Objectives of the Structural Funds are being implemented through almost 500 individual operations; of these only 50 for all the Objectives taken together, representing less than 3% of total assistance under all the Objectives, were additional to the programmes already adopted in 1994 et 1995. The Objective 2 programmes adopted in 1994 for 1994-96 were wound up and there was active preparation concerning the areas eligible and the main thrust of those to continue them in 1997-99. During the preparation of these programmes, the plans for which were presented and discussed in the second half of the year, the Commission set several priorities for assistance, all of which are concerned with job creation.

Turning to the Community Initiatives, the new programme decisions (123, accounting for 17% of funding under the Community Initiatives, including the reserve) meant that almost all the Initiatives have been translated into operational programmes, half of them in their entirety; 1996 was the year when all the Initiatives began to function. The financial reserve of ECU 1 665 million (at 1995 prices) was allocated by the Commission on the basis of a number of priorities - combating unemployment, equal opportunities and combating exclusion, the environment and the territorial dimension of structural policies. These led to the creation of new strands: Employment "Integra" (combating exclusion), Adapt "BIS" (adaptation to the information society), Interreg II C (trans-national cooperation on spatial development planning). In 1996 the pilot projects became active after a year's delay: following successful calls for proposals, selection by the Commission was followed by the start of work on the ground during the year.

This meant that 1996 was a busy year in the 1994-99 programming cycle, the second year of effective implementation since most of the programmes had been adopted at the end of 1994, or in 1995

⁶ See Chapter III.B. Regional partnership.

⁷ These are the resources made available by the indexing of amounts of finance, either from the new Objective 2 programmes established for 1997-99, or from the adjustment of programmes under Objectives other than Objective 2 following the mid-term review.

⁸ See Chapter I. The implementation of assistance.

(particularly in the case of the new Member States). All the Monitoring Committees, including those for the Community Initiatives, are now operational and meet once or twice a year, or sometimes more frequently⁹. As provided for in the regulations, their work in 1996 was mainly of three types: project selection, the adjustment of programmes to the needs of actual implementation (particularly as regards the transition between the first and second phases of Objective 2), and the introduction of interim assessment, comprising, for all assistance under the various Objectives, the selection of independent assessors, the adoption of terms of reference for the assessment reports and the fixing of dates for these reports to be completed (normally mid-1997). This meant that the delay in getting started which occurred in 1995 was made up.

Careful monitoring

As in previous years, the Commission was involved in monitoring implementation on the ground, which entailed devoting considerable thought to ways of improving and simplifying management of the Structural Funds in partnership with the Member States¹⁰. This included implementation of the SEM 2000 guidelines ('sound and efficient management'): beginning work on a better definition of expenditure eligible for part-financing under the Structural Funds and improvements to budget forecasting and the financial control system. The Commission also continued to improve work on assessment, whether carried out on its own initiative or that of the Member States¹¹. This entailed support for the preparation of interim assessments to make them into programme management instruments, preparation of a detailed methodology for evaluating the account taken of the environment and equal opportunities, the completion of *ex post* evaluations from the previous period as part of the work on preparing the Cohesion Report, completion of an evaluation of major projects and the launching of thematic assessments on RTD, the environment, small firms and equal opportunities under the Structural Funds. In preparation for the new Objective 2 programmes and the mid-term review of the programmes under the other Objectives, the Commission continued producing policy guidelines¹² designed to achieve the main goal of creating new jobs, principally through the territorial pacts for employment. The Commission issued communications to encourage culture and tourism as sources of economic activity to develop the regions. It also ensured that horizontal priorities such as the environment and equal opportunities are taken into account when programmes are actually implemented.

A close eye was kept on the four principles underlying the 1988 reform of the Funds. There was an improvement in the way partnership¹³ took shape in the Monitoring Committees although the situation varied depending on the assistance and the Member State. Realising that much remained to be done and could be done, the Commission acted in three ways: a fresh start and the search for new forms of partnership through the territorial pacts for employment, increasing the capacity of the partners through training for the local-authority partners as well as for the economic and social partners, and consideration of ways of strengthening the partnership without loss of effectiveness as part of the broader consideration given to the shape of the Funds after 1999.

The principle of additionality stipulates that Structural Fund resources that are applied in all areas under a given Objective in a Member State should not replace public or comparable expenditure which would otherwise be eligible under the Structural Funds, ensuring that the Community funding has full economic impact. In accordance with Article 9 of the Coordination Regulation, the Commission and the Member State concerned verify, when programmes are established, that public structural or comparable expenditure is maintained at least at the same level as in the previous programming period. Furthermore, to permit the on-going verification of this principle, the Commission and the Member State concerned agree the arrangements for verifying additionality at

⁹ See Chapter V. Summary by Member State.

¹⁰ See Chapter II.B. Checks and financial management.

¹¹ See Chapter IV. Evaluation.

¹² See Chapter II.D. Complementary with the other Community policies.

¹³ See Chapter III.B. Regional partnership and Chapter III.C. Dialogue with the economic and social partners.

the time when the programming documents are adopted. The Member State provides the Commission with relevant financial information and indications of the transparency of the financial flows in question. After the programming period, an *ex post* verification is carried out to ascertain whether the Member State has complied with its undertakings to maintain the level of expenditure in question.

During 1994, 1995 and 1996, the prior appraisal of virtually all the programmes for Objectives 1, 2¹⁴ and 6 was completed. However, two problems remained at the end of 1996: Objective 1 in France, where the Commission was still awaiting an update of the figures in the SPDs, and Objective 2 in Luxembourg (1994-96), where the lack of any financial information on additionality made it impossible to resume suspended payments. In 1996, the first steps were taken towards prior verification of additionality under the Objective 2 SPDs for 1997-99. Data provided by the national authorities in Finland demonstrated compliance with this principle before the end of the year. Further information about all the other Member States was expected early in 1997.

The arrangements for the on-going assessment of additionality form part of the programming documents and are an obligation arising from the partnership agreement with each Member State. They entail the annual updating of the data initially provided in the programming documents. At the end of 1996, the results of the on-going assessment of additionality were mixed. A number of Member States (Austria, Belgium, France, Netherlands and the United Kingdom for Objective 1; Finland and Sweden for Objective 6) had sent the Commission no up-to-date figures. Germany, Spain, Greece and Italy reported eligible national public expenditure lower than estimated in the prior verification of Objective 1 and, in accordance with monitoring rules, the Commission is awaiting explanations. Portugal has sent data on a number of occasions but methodological improvements are still expected.

In 1996 the *ex post* verification of additionality covered the Objective 1 programmes for 1989-93 and the Objective 2 programmes for 1994-96. In the case of Objective 1, the situation was satisfactory for Spain and Ireland but for Portugal the data sent require adjustment and in the case of Greece a methodological problem had to be resolved to compare the data for the two programming periods. France and Italy did not send the Commission the information required. In the case of Objective 2, where the prior appraisal for 1997-99 and the *ex post* assessment for 1994-96 are being carried out in parallel, further information on the period 1994-96 was expected early in 1997. This also applied to the prior appraisal of the Objective 2 SPDs.

Despite delays and problems in the submission of data, the implementation of the principle of additionality has involved close and intensive cooperation between the Commission and the Member States. Although much still remains to be done to ensure the systematic transmission of uniform data to the Commission, substantial progress has already been made and this will facilitate work in the future.

Considerable financial activity

The main task in 1996 consisted of clear progress in making up the backlog, where too the situation varies depending on the Objective and the Member State¹⁵. After the first three years, half the assistance from the various Objectives had been committed by the Commission and one third had been paid. Financial activity in 1996 alone accounted for 37% of commitments made since 1994 (as against 28% for 1994 and 35% for 1995) and 44% of payments for that period (as against 21% for 1994 and 35% for 1995). Similarly, the Community Initiatives took off dramatically, with over half the assistance committed (thanks to the system of single commitments for amounts of less than ECU 40 million) and 22% paid. For most of the Initiatives 1996 was the year when they really began operations.

¹⁴ Programmes for 1994-96.

¹⁵ See in particular Chapter I. The implementation of assistance.

Execution of the Community budget for the Structural Funds was virtually 100% in 1996¹⁶. Taking all the Funds, all the forms of assistance and all types of appropriations together, ECU 26.141 billion was committed of the ECU 26.587 billion available, a rate of 98% while rates in the first two years of programming were around 90%. Payments totalled ECU 22.448 billion out of ECU 23.678 billion available, a rate of 95% as compared with 81% in 1995. This very satisfactory rate of implementation in 1996 and the increase in appropriations available as a result of the Edinburgh decisions meant that the amounts implemented in 1996 increased very sharply: by 19% (ECU 4.203 billion) over 1995 in the case of commitments and by 30% (ECU 5.233 billion) in the case of payments.

Commitments under the various Objectives totalled ECU 23.117 billion (89% of total commitments), of which Objective 1 accounted for 66% (ECU 15.369 billion). Shares of total commitments by Fund ranged from 2% for the FIG (ECU 406.6 billion) to 53% for the ERDF (ECU 13.802 billion); all except the FIG committed all the appropriations available. Payments under the Objectives amounted to ECU 20.445 billion (91% of total payments), of which Objective 1 accounted for 72%. Shares of total payments by Fund ranged from 2% for the FIG (ECU 448 billion) to 53% for the ERDF (ECU 11.901 billion).

B. A SPECIAL FOCUS ON RESEARCH AND TECHNOLOGICAL INNOVATION

One of the characteristics of the current Structural Funds programming period (1994-1999) is the Commission's desire to strengthen coherence between the Community's structural and other policies. While the 7th Annual Report on the Structural Funds (1995) highlighted the inclusion of environmental concerns in all structural operations, this Report describes the operations undertaken for the technological development of the regions. Given the wide variety of measures financed by the Structural Funds, the Report covers all the measures and sectors aided by the Funds with this objective in mind, notably research and development, the information society and innovation.

1. The context

The need for complementarity between the Community's structural and other policies is laid down in Article 130b of the EC Treaty which states that formulation and implementation of the Community's policies and actions and the implementation of the internal market must take into account the objective of strengthened economic and social cohesion, and must in particular seek to reduce disparities between the levels of development of the various regions. In addition, Article 130f sets for the Community the objective of strengthening the scientific and technological basis of Community industry and encouraging it to become more competitive at international level while promoting all the research activities deemed necessary by virtue of other Chapters of the Treaty. To effect the interaction required by the Treaty, when preparing the new programming period the Commission adopted guidelines in 1993 in a Communication entitled "Cohesion and RTD policy - synergies between research and technological development policy and economic and social cohesion policy"¹⁷. The Communication set out the national and regional disparities in living standards, expenditure and staff involved in RTD, the participation rates of the least-favoured regions in both RTD and the cohesion instruments. It also highlighted the significant disparities between the rich and least-favoured regions in terms of RTD indicators: the disparities between the Member States in terms of public expenditure on RTD, which ranged from 1 to 13 in 1993, were even greater than the disparities in GDP per inhabitant, which ranged from 1 to 5. The Communication also stressed the difficulty the least-favoured regions have in participating in the Community's framework programmes on research and development.

While observing the primary objectives of each policy, the Communication proposed that complementarity should be increased with a view to making up for the delays in RTD in the least-favoured regions, that account should be taken of economic and social cohesion in the fourth RTD

¹⁶ See Chapter II.A. Budget implementation.

¹⁷ COM(93)203 final, 12 May 1993.

framework programme and the importance of RTD and innovation in the development aid provided by the Structural Funds should be strengthened. This was achieved in practice by significantly increasing the Structural Fund appropriations for RTD and innovation¹⁸. The cohesion dimension was better integrated in the 4th RTD framework programme, most notably in operations 3 (dissemination of the results) and 4 (training and researcher mobility). For example, 1% of each specific RTD framework programme is reserved for operations to disseminate and exploit the results, and an "Innovation Programme" in tandem with the operations under Article 10 of the ERDF Regulation was launched in 1995 to introduce regional innovation and technology transfer strategies (RITTS), regional innovation strategies (RIS) and regional technology transfer projects (RTT)¹⁹. In the case of researcher training and mobility, 29% of the applications for study grants come from the Objective 1 - 6 regions and those same regions account for 26% of the coordinators for Euroconferences, while host facilities in the Objective 1 regions have increased from 4% in the 3rd RTD framework programme to 15% in the 4th programme. Research workers in the Objective 1 regions also participated in many of the research projects under the 4th programme since in 1996 40% of projects implementing the RTD framework programmes included at least one participant from an Objective 1 region.

Yet the disparities persist

Despite this progress, the scientific and technological indicators show that the technology gap between Member States and regions is still significant. Thus, in the case of RTD expenditure, the disparities between the cohesion countries and the other Member States are very great in terms of gross expenditure as a percentage of GDP, private sector involvement and the number of scientists and engineers employed. Sources of innovation funding are harder to come by in these Member States and there is a significant trade deficit in technology. Research and innovation activities in the four Member States in question are highly concentrated in just a few regions, usually in and around the capital.

RTD - what the Report on economic and social cohesion teaches us :

The most dynamic and successful laboratories and enterprises are located in the heart of Europe in "islands of innovation" which host almost 80% of the laboratories involved in international cooperation in RTD and where an interactive network to develop new products and production processes is characteristic.

In 10 years the expenditure on RTD as a percentage of GDP has increased from 0.4% to 0.63% in Portugal, from 0.34% to 0.6% in Greece, 0.8% to 1.24% in Ireland. In Spain, it increased from 0.48% to 0.93%.

As regards Member State participation in the RTD framework programmes, the situation is encouraging in some respects. While the relative position of the Member States in terms of expenditure on the 2nd and 3rd RTD framework programmes has not changed, the share of the four cohesion countries has increased from one framework programme to the next. At the same time, the relative position of France, the United Kingdom and Germany only increased marginally or actually decreased.

In qualitative terms, research institutes and public universities continue to be the major participants from Objective 1 regions, with little private sector input. New scientific knowledge has nevertheless been obtained and applied through the rapid launch of new products and production processes. Small firms find it hard to benefit from the programmes, however, and while the programmes have brought about closer cooperation between partners from the north and south of Europe, there is a risk that such closeness will diminish the research in terms of its relevance to the specific economic and industrial needs of the least-favoured regions.

The cohesion regions are much slower in adapting to the information society which involves in the first place introducing a high-performance telecommunications system. There is less access to

¹⁸ See below.

¹⁹ See Chapter I.B.2. Innovative actions and technical assistance

telecommunications networks and to funding and fewer people subscribe to information services there than in the rest of the Community. Investment in telecommunications in the cohesion countries is, in general, 40% less than of investment in the core regions.²⁰

Table 0-1: General RTD and telecommunications indicators

	EL	E	IRL	P	B	DK	D	F	I	NL	UK	Divergence
RTD (1)												
Total expenditure (% GDP)	0.47	0.87	0.91	0.5	1.69	1.54	2.81	2.42	1.38	2.06	2.21	-66%
Private expenditure (% GDP)	0.1	0.52	0.55	0.12	1.23	0.85	2.02	1.48	0.77	1.11	1.47	-75%
Total number of scientists and engineers (% employees)	1.4	2.2	5	1.1	4.4	3.8	5.9	5.1	3.2	4	4.6	-45%
Scientists and engineers in the private sector (% employees)	0.2	0.6	1.6	0.1	2.4	1.5	3.8	2.3	1.3	1.6	2.8	-75%
TELECOMMUNICATIONS (2)												
Telephone lines (% inhabitants)		40.2						54.3				-26%
Faults (per 100 lines)		32.6						11.3				+188%
Digital lines (%)		60.6						71.2				-15%
Connection to mobile telephone (USD)		83.8						64.6				+30%
Cellular terminals (% habitants)		3.7						9.1				-59%
Cable television (% households)		8						51.4				-84%
ISDN coverage (%)		32.3						85				-62%
ISDN subscriptions (%)		0.2						2.4				-1%
Internet hosts (%)		0.6						5.3				-89%

(1) Source : 5th Periodic Report on the Socio-economic Situation and Development of Community Regions: reference year 1992

(2) Source : Communication "Cohesion and the Information Society" (COM(97)7 final)

The increasing speed of technological change

The pace of technological change has increased in recent years and the Community and its least-favoured regions are not always equipped to cope with it. The White Paper on Growth, competitiveness and employment highlighted the factors and conditions needed to increase competitiveness on world markets in a time of increased economic, social and technological change. On the one hand, innovation must no longer be seen as a linear process, but as the result of numerous interactions between research laboratories and enterprises either developing or using new technology. The demand for technology to meet new and increasing needs brings this interaction about. Innovation itself takes several forms and is geared as much to the products as to an enterprise's production processes and structure. In this context priority should be given to investing in intangibles in the enterprises themselves (SMEs in particular) and to balancing the demand for technology with supply (especially at regional level). Research and development must thus be extended through the dissemination of results and technology transfer, and be boosted by the need to satisfy new social needs (including, for example, the environment, health, biotechnology, culture).

On the other hand, the development of the information society is bringing about an upheaval in the way enterprises are organised, and will shortly do the same to lifestyles and working practices. A highly sophisticated ability to adjust will be required in response, with accompanying measures needed at several levels, all interlinked. Improvements to basic telecommunications services and infrastructure are needed to complete the European communications networks serving the entire Community territory. It is also necessary however to spread the use of the new information and communication technologies, to SMEs in particular, and to encourage in this regard technological awareness and RTD in this field. The changes will be accepted only if the users of the new information and communications technologies are sufficiently trained. There is thus a need to improve training for the users and the public at large by making teaching and training relevant, and for the producers of these technologies through training and vocational retraining.

²⁰ For more information see in particular: "European Report on the scientific and technological indicators 1994" (November 1994, EUROFFICE); "Fifth periodic Report on the Socio-economic Situation and Development of Community Regions" (1994, EUROFFICE); "First Report on Economic and Social Cohesion"; Communication "Cohesion and the Information Society" (COM (97)7 final of 22 January 1997).

2. Structural Funds and development of the technological potential of the regions

The Structural Funds as the instrument for lasting technology development

All the above has had an effect on Structural Funds aid in the period 1994-99. As the first Report on Economic and Social Cohesion points out, regional technology development requires policies that accompany enterprises undergoing technological change and help the workforce adjust so that regional economic structures can modernise and diversify. The Structural Funds not only provide the regions with the necessary infrastructure for this adjustment, they encourage the regional and local actors to increase regional competitiveness by basing it on innovation and high-valued added industries. To achieve this, investment in technology development has increased strongly between the first and second programming periods, passing from ECU 3.5 billion to ECU 7.5 billion, i.e. 6% of the Community funding.²¹

The approach too has evolved. In the first programming period, the Structural Funds aimed above all to improve regional capabilities in science and technology by improving RTD infrastructure²² and by helping to develop skills formerly unexploited. This assistance helped public administrations to appreciate the strategic importance of technology development for regional productivity, it encouraged both the forging of links between universities and business and private sector involvement, and facilitated access to the RTD framework programme. In numerical terms, the Objective 2 regions devoted the greatest share of appropriations to RTD (9% of the total budget, as against 3% in the Objective 1 regions), but Community funding in 1994 accounted for a fifth of national spending on research and development in Ireland and a third in Portugal.

The programmes for the period 1994-99 promote a new approach. In the first place, the share devoted to the development of technological potential in the Objective 1 regions has increased appreciably (6.5% compared to 2% earlier), while the share in the Objective 2 regions has reached 19% and the place of new technologies and their dissemination is increasing in the other Objectives and the Community Initiatives. Secondly, it would appear that the regional capacity to innovate and adopt new technologies depends not only on regional supply (R & D capacity and mechanisms to spread the technology), but also, and to an increasing extent, on demand, or more precisely the receptiveness of the economic structure (in particular the SMEs) which is often insufficient because unable to identify and express its needs. The current programmes therefore try to strengthen enterprise involvement in technology development, to encourage technology transfer from the most developed to the least developed regions and to train users by investing in research infrastructure and developing a definitive strategy based on the market demand rather than on the scientific and technological supply.

²¹ See Chapter I.A. Assistance by Objective.

²² Thanks to programmes such as Ciência in Portugal (which has created more than 50 new RTD facilities and improved 100 existing ones), the science and technology plan in Greece, the scientific infrastructure programmes in Spain, the national research and technology development programme in Italy, etc.

More support for technology development is needed

While qualitative progress has undoubtedly been achieved, thanks in particular to the boost given by the Community Initiatives and pilot projects, more assistance is necessary. In the field of research and technology development, 1996 provided an opportunity to reassess the relationship between the cohesion policy and the RTD policy. The relationship was on the one hand studied in the first Cohesion Report. Then, following the conclusions of the panel assessing RTD measures taken during the last five years, in April 1997 the Commission adopted the proposal on the 5th framework programme for 1999-02.²³ Following the Green Paper on Innovation²⁴, it also adopted an Action Plan for Innovation²⁵. It also decided to prepare a Communication on cohesion, innovation, RTD and competitiveness, extending the 1993 communication on the same subject. This was adopted in 1997.

On information technologies, the Commission adopted a Communication entitled "Cohesion and the information society"²⁶ with a view to having greater account taken of this new dimension in the Structural Fund programmes. The Communication recognises the interdependence of economic and social cohesion and the development of the information society in Europe. This involves successfully exploiting the interaction between these two spheres of activity at increasingly sophisticated levels of complementarity. The introduction of the information society is a pivotal factor for regional development. The new developments in information and communications technologies have significant and inescapable effects on employment opportunities, lifestyles and the regional organisation and spread of economic activity. The information society affects the ability of enterprises to diversify and adapt their product range, to increase their penetration into regional and local markets and to imagine new and more effective forms of organisation. The general impact of the information society on all society activities, i.e. education and training, health services, leisure and recreations, public administration, etc, is also creating a new pattern for social relationships.

While the communication acknowledges the Structural Funds' contribution to completing and improving telecommunications infrastructure, it also calls for a new approach. A whole series of factors going beyond telecommunications alone are a precondition for true entry into the information society, among which can be cited, the educational and training levels reached by the general population, the roles of the public and private sectors in promoting the information society, public awareness, the ability to organise and invest in an efficient information society strategy. In this regard the communication recognizes the extra effort that must be made as regards telecommunications infrastructure and legislation so that cohesion might be more effectively integrated into the process. The communication notes however that a major effort is needed to stimulate demand by identifying the regional strategies for the information society, by developing training programmes for businessmen and public administrators, by supporting new applications development, by launching public information campaigns through the establishment of public/private partnerships. The Structural Funds are the instrument through which such an integrated, coordinated approach can be developed and through which inter-regional partnerships can be tried out.

²³ COM(97) 142 final of 30 April 1997. See also the Communications "Inventing tomorrow - Europe's research at the service of its people" COM(96) 332 final of 10 July 1996; "Towards the 5th Framework Programme: Additional material for the policy debate" (96) 595 final of 20 November 1996; "Towards the 5th Framework Programme: scientific and technical objectives", COM(97) 47 of 12 February 1997.

²⁴ COM(95) 688 final of 13 December 1995.

²⁵ The First Action Plan for Innovation in Europe, COM(96) 589 final of 21 November 1996.

²⁶ COM(97) 7 final of 22 January 1997.

PART A

THE STRUCTURAL FUNDS IN 1996

CHAPTER I

IMPLEMENTATION OF PROGRAMMING

A. ASSISTANCE BY OBJECTIVE¹

1. General overview

1.1. The implementation of the Objectives in 1996

The main feature of 1996 was the implementation on the ground of programmes already under way. Although 1996 was the third year of the 1994-99 programming period, it was, for most Objectives, Member States and regions, and for most measures, only the second full year of activity. The Commission adopted only 50 new measures (35 OPs, 8 SPDs, 3 major projects, 4 global grants), which concern Objective 1 of the Greek, Spanish, Irish and Italian CSFs, Objective 3 (United Kingdom only), Objective 5(a) with the adoption of all the OPs under the Italian CSF, and the final stages in launching programming in Sweden with the adoption of the Swedish SPDs under Objectives 4, 5(a) and 5(b). The new assistance totals ECU 3 448 million (comprising 55% from the ESF, 32% from the ERDF and 13% from the EAGGF), and represents less than 3% of total assistance adopted for 1994-99 as a whole.

Structural Fund programming now involves 492 forms of assistance (i.e. OPs, SPDs, global grants and major projects), by far the largest proportion in the form of SPDs and OPs, which account for 48% each of the total number of measures (global grants account for 2% and major projects for 1%). On average, taking all Objectives together, there are 33 measures per Member State; however, the range is wide, from 8 in Denmark and Luxembourg to 97 in Italy.

Table I-1: CSF/SPD - Assistance and number of programming documents at the end of 1996 (ECU million)

	Structural Fund assistance*					Forms of assistance**					
	Total	ERDF	ESF	EAGGF	FIEG	Total	OP	MP	GG	SPD	Forecasts
Belgium	1.618,8	673,5	678,6	241,0	25,6	25	10	0	0	12	3
Denmark	682,8	65,6	328,3	148,9	139,9	8	0	0	0	7	1
Germany	18.723,2	7.817,0	6.492,9	4.253,9	159,5	60	30	0	0	29	1
Greece	13.844,9	9.360,0	2.559,5	1.795,4	130,0	32	32	0	0	0	0
Spain	29.346,0	15.947,4	8.265,3	4.002,6	1.130,7	94	71	3	9	10	1
France	11.177,9	3.483,6	4.277,6	3.187,9	228,1	50	0	0	0	49	1
Ireland	5.672,0	2.596,9	1.979,7	1.047,7	47,7	11	10	1	0	0	0
Italy	17.955,8	9.721,7	4.684,4	3.182,4	367,4	97	67	1	2	26	1
Luxembourg	73,8	7,6	24,6	40,5	1,1	8	2	0	0	5	1
Netherlands	1.780,3	305,8	1.229,3	190,1	55,1	16	0	0	0	15	1
Austria	1.467,4	352,8	530,7	581,9	2,0	17	0	0	0	16	1
Portugal	14.047,5	8.730,5	3.160,9	1.947,9	208,1	17	16	0	1	0	0
Finland	1.413,0	313,1	491,3	581,6	27,0	9	0	0	0	8	1
Sweden	1.205,2	314,9	652,5	193,7	44,1	16	0	0	0	15	1
United Kingdom	8.659,1	3.397,5	4.555,3	582,7	123,6	32	0	0	0	31	1
TOTAL	127.667,7	63.088,1	39.910,9	21.978,2	2.689,9	492	238	5	12	223	14

* Period 1994-99 for Objectives 1, 3, 4 (Spain, France, Netherlands), 5(a) agriculture, 5(a) fisheries, 5(b); period 1994-96 for Objectives 2 and 4 (Belgium, Denmark, Germany, Luxembourg); period 1995-99 for Austria, Finland, Sweden (except Objective 2 in Finland: 1995-96)

** Operational programmes; major projects; global grants; single programming documents; forecasts of implementation for Objective 5(a) agriculture.

Much of the delay in launching programmes that occurred in 1994 was made up in 1996 as programming was implemented. This is illustrated by financial implementation: commitments made in 1996 represent 37% of total commitments since 1994, taking all the Objectives together; and, even more significantly, payments in 1996 alone represent 44% of total payments since 1994, which is a sign that the measures have now taken off. Implementation also involved more and closer monitoring of programmes under the Monitoring Committees, where the Commission encouraged the sound financial management of assistance, the selection of projects in line with by the Community's priorities (combating unemployment, conserving the environment, promoting equal opportunities,

¹ Throughout this Report, unless otherwise specified, sums of money are expressed at current prices, i.e. in the context of programming, prices for the year the assistance was adopted and amended, and in the context commitments or payments, prices for the year of financial implementation.

supporting small firms), and the introduction of an effective and efficient system of interim assessment. 1996 was also the year for preparing the second stage of programming for Objective 2 assistance and some Objective 4 programming².

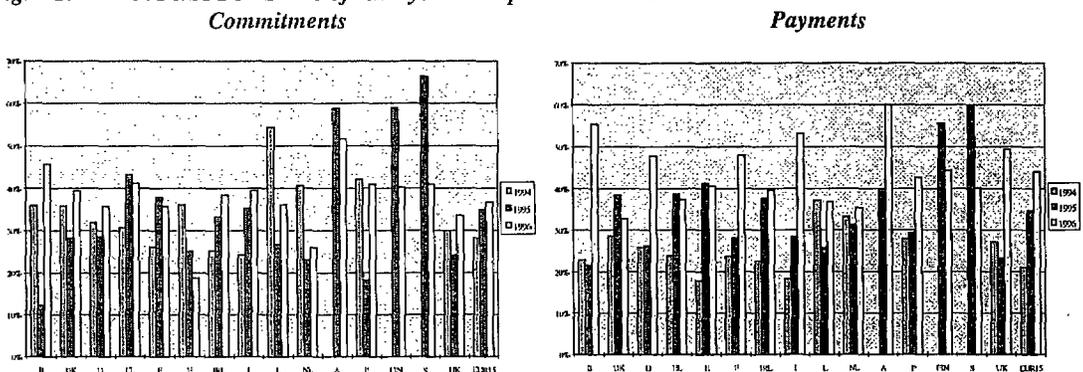
1.2. 1996 in the context of programming for 1994-99

By the end of 1996, practically all the assistance planned for 1994-99 had been adopted. Programme implementation had gathered pace rapidly over the three years and now reached cruising speed for most Objectives, Member States and assistance. Comparing 1996 with the first two years, we find that 37% of commitments for the period 1994-96 were made in 1996, 28% in 1994 and 35% in 1995. On the payments side, the picture is even clearer: of payments made since 1994, 44% were made in 1996 compared with 21% in 1994 and 35% in 1995.

Table I-2: CSFs/SPDs - Implementation 1994 to 1996 (ECU million)

	Commitments				Payments			
	1994	1995	1996	1994-96	1994	1995	1996	1994-96
B	251,4	86,4	361,8	699,6	108,1	102,2	262,7	473,0
DK	121,0	95,4	120,9	337,2	64,9	87,5	74,5	226,9
D	2 703,5	2 422,2	3 351,6	8 477,2	1 605,2	1 631,0	2 967,2	6 203,4
EL	1 884,6	2 653,0	1 590,0	6 127,6	1 051,3	1 705,8	1 646,1	4 403,1
E	4 018,5	5 837,4	5 498,7	15 354,5	1 975,4	4 537,3	4 460,9	10 973,6
F	1 903,7	1 326,5	2 022,6	5 252,8	803,2	949,4	1 623,0	3 375,6
IRL	725,9	954,2	1 181,3	2 861,5	513,2	856,5	900,8	2 270,4
I	1 572,6	2 282,5	2 606,2	6 461,2	767,5	1 191,9	2 227,0	4 186,4
L	19,2	9,4	6,6	35,2	9,4	6,5	9,3	25,2
NL	323,0	183,8	287,1	793,9	189,3	178,2	201,4	568,9
A	0,0	300,5	209,6	510,2	0,0	143,8	216,8	360,6
P	3 169,8	1 379,7	2 968,0	7 517,4	1 596,9	1 667,2	2 434,6	5 698,7
FIN	0,0	304,5	211,9	516,3	0,0	147,2	117,2	264,4
S	0,0	277,4	140,4	417,8	0,0	115,9	78,3	194,2
UK	1 646,8	1 331,2	2 521,0	5 499,0	965,6	826,2	1 751,4	3 543,2
EUR15	18 339,8	19 444,1	23 077,6	60 861,5	9 649,9	14 146,5	18 970,9	42 767,3

Fig. I-1: CSFs/SPDs - Share of each year in implementation 1994 to 1996



Financial implementation in the first three years in relation to the overall financing planned for the period 1994-99 confirms this gathering momentum. Taking all the Objectives together, the share of financing committed represents almost half the total, and the share paid represents one third of that for the whole period. However, the situation varies from one Objective to another. Objective 2 is a special case: the rate of implementation during the first phase, 1994-96, should be assessed in the light of the delay in launching the programmes, which led to a reduction in the amount originally allocated to the first phase, with transfer of financing to the second phase, 1997-99. Of the financing originally

² See below section 3 for Objective 2, and section 4 for Objectives 3 and 4.

provided for the first phase, 89% was committed, and 47% paid. The Objectives where most progress has been made on implementation are Objectives 1 and 6 and Objective 3, with over half the financing committed and one third paid. Next come Objectives 5(a), for both agriculture and fisheries, for which between 40% and 50% of the financing was committed and a little over a quarter paid. Implementation is least advanced under Objectives 5(b) and 4, where less than a third of the financing has been committed, and less than a quarter paid.

There are also wide differences between Member States. In four Member States (the United Kingdom, Portugal, Spain, Ireland) rates of commitment exceed 50% of assistance, and in a further seven Member States (Denmark, Luxembourg, France, Germany, the Netherlands, Greece, Belgium) the rate is between 40% and 50%, ranging from 43% to 49% (Denmark and Luxembourg are both above the average, which is 48%). Only four Member States, Italy and the new Member States, have commitment rates under 40%, but even here the rate exceeds one third of available financing. This situation is broadly repeated on the payments side, with rates of 40% or over in three Member States (the United Kingdom, Portugal, Ireland), and rates between 30% and 40% in seven Member States (Spain, Denmark, Luxembourg, Germany, France, the Netherlands, Greece), of which the first four mentioned are above the average of 33%. In three Member States (Belgium, Italy, Austria) the rate of payment is between 20% and 30%, while in the remaining two new Member States (Finland and Sweden) implementation is below 20%.

Table I-3: CSFs/SPDs - 1996 in the context of programming for 1994-99 - (ECU million)

	B	DK	D	EL	E	F	IRL	I	L	NL	A	P	FIN	S	UK	Total
Financing	1.618,8	682,8	18.723,2	13.844,9	29.346,0	11.177,9	5.672,0	17.955,8	73,8	1.780,3	1.467,4	14.047,5	1.413,0	1.205,2	8.659,1	127.667,7
Commitments	699,6	337,2	8.477,2	6.127,6	15.354,5	5.252,8	2.861,5	6.461,2	35,2	793,9	510,1	7.517,4	516,3	417,8	5.499,0	60.861,5
% of financing	43%	49%	45%	44%	52%	47%	50%	36%	48%	45%	35%	54%	37%	35%	64%	48%
Payments	473,0	226,9	6.203,4	4.403,1	10.973,6	3.375,6	2.270,4	4.186,4	25,2	568,9	360,6	5.698,7	264,4	194,2	3.543,2	42.767,3
% of financing	29%	33%	33%	32%	37%	30%	40%	23%	34%	32%	25%	41%	19%	16%	41%	33%
No of measures *	25	8	60	32	94	50	11	97	8	16	17	17	9	16	32	492

* OP/SPD/GG/MP/ Forecast of implementation

Structural assistance and development of the technological potential of the regions

Financing to encourage the technological development of the regions (research-development, innovation, information society) has been significantly increased in current programmes, as mentioned in the Introduction. The overall volume of financing increased from about ECU 3.5 billion to ECU 7.6 billion, or 7% of all Community financing. The increase is more marked in the Objective 1 regions than in those covered by the other Objectives, because the initial level of financing was lower.

There are wide differences from one Objective and from one Member State to another. For all Objectives taken together, of the easily identifiable types of financing, the two most significant are financing for RTD and for telecommunications, which account respectively for 81% and 12% of Community financing for RTD and innovation; however, their relative weight varies from one Objective to another. For Objectives 1 and 6, RTD represents 83% of Structural Fund financing, followed by investment in telecommunications with 15% of appropriations. In areas eligible under Objectives 2 and 5(b), a major share (over a quarter of Community appropriations) goes to support the development of data transmission and investment in telecommunications, all directly linked to the information society.

Table I-4: CSFs/SPDs - Financing of technological development in the 1994-96/99 programming period (ECU million)

	TOTAL		Structural Funds					Member States			
		%	ERDF	ESF	ERDF	Total	%	Public	Private	Total	%
RTD (1)	12354,37	80%	4485,334	1292,771	336,035	6.113,7	81% (4)	3.887,4	2.083,5	6.240,6	79% (5)
Telecommunications (2)	2364,976	15%	1320,505	31,5	0	234,6	12% (4)	1.374,2	850,2	1.430,4	18% (5)
Data transmission (3)	648,741	4%	136,692	121,172	0,58	458,5	6% (4)	140,4	60,1	190,3	2% (5)
TOTAL	15368,09	100%	5942,531	1445,443	336,615	7.506,8	49%	4.641,8	3.265,9	7.861,3	51%

(1) Including science parks, innovation, technology transfer

(2) Infrastructure and services. This row does not necessarily correspond to the sum of the two subcategories, as it is not always possible to identify them within programmes.

(3) Within the framework of the information society, data transmission applications in such fields as health, education and transport.

(4) as % of total Structural Funds

(5) as % of total Member States

NB: In view of the programming procedure and the different approaches adopted by the Member States, some caution should be exercised in interpreting the data, especially for expenditure related to the information society, which is often associated with other fields such as industry and RTD.

2. Objectives 1 and 6

2.1. Implementation of Objectives 1 and 6 in 1996

The forms of assistance still awaiting approval were adopted in 1996: 18 altogether, representing a contribution from the Structural Funds of ECU 1 331 million (77% ERDF, 19% EAGGF, 3% ESF). These measures comprise 11 OPs (1 in Greece, 6 in Spain, 1 in Ireland and 3 in Italy), 4 global grants (2 in Spain and 2 in Italy), and 3 major projects (Spain). They represent only 1.4% of total assistance adopted for the period 1994-99, and are much fewer in number than the programming documents adopted in 1995 (26) and especially in 1994, when the present programming period was launched (141).

Objectives 1 and 6 are programmed through 6 CSFs and 14 SPDs. The various forms of assistance now number 185 SPDs, OPs, global grants or major projects. As to the breakdown of financing between different Funds, it is worth noting the following points.

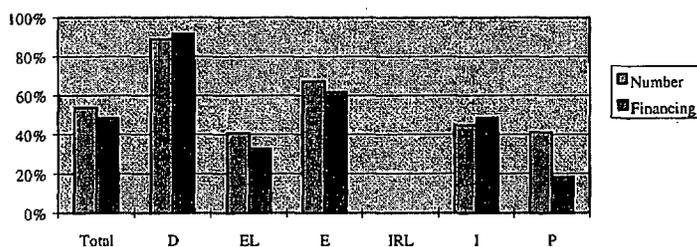
- Almost one quarter of the forms of assistance (but 29% of total financing) involve financing from three of the Funds, if not all four. Fourteen programmes are financed by all four Funds (including 12 SPDs in Belgium, France, the Netherlands, Finland, Sweden, and the United Kingdom). These fourteen programmes represent 8% of the number of programmes, but a volume of financing of 11% of the total contribution. Thirty-one measures are financed from three Funds (17% of the total number, and 18% of total appropriations), with the predominant combination being joint financing by the ERDF, the ESF and the EAGGF (30 programmes) and one programme receiving financing from the ERDF, the ESF and the FIFG.
- On the other hand, 102 measures, or 55% of measures but 43% of total financing, are financed by a single Fund. They comprise 60 ERDF measures (32% of the total of 185 forms of assistance), including 7 global grants and 5 major projects, 22 ESF OPs, 17 EAGGF OPs and 3 FIFG OPs.
- There are 38 measures financed by two Funds. They represent 21% of assistance measures, but 28% of total financing. Most of them are OPs under the ERDF and the ESF (32 measures), with the others being financed either by the ERDF and the EAGGF (4 measures), or by the ESF and the EAGGF (2 measures), or by the ERDF and the FIFG (1 measure).

The implementation of the various forms of assistance is predominantly regionalised. Regional measures account for 106 out of a total of 185, i.e. 57%, breaking down as follows.

- SPDs represent 13% of the total, in contrast with the 92 OPs, global grants or major projects within CSFs.
- Of the 92 regional measures within CSFs, almost half are in Spain (43), and none at all in Ireland.
- The Member States where regional programmes account for the highest percentage of the total number of programmes for implementing the CSF are Germany (89% of the CSF), and Spain (67%); these are the only two Member States where over half the measures in the CSF are implemented as regional programmes.
- The ratio between the regional programmes and the CSF as a whole in terms of the volume of financing is substantially similar, although slightly less than that for the number of measures: 52% of the financing under CSFs is implemented under regionalised measures.
- The proportion of financing implemented regionally is once again highest in Germany (over 92% of appropriations within the CSF) and Spain (62%). In two Member States, Greece and Portugal, the share of regional programmes in total appropriations (33% and 18% respectively) is considerably smaller than the number of regionalised programmes relative to total programmes within the CSF (41% in both cases).

Table I-5: Objective 1 - Share of regional and multiregional programmes in total assistance (ECU million)

	SPD	CSF							TOTAL
		Total	D	EL	E	IRL	I	P	
Regional programmes									
Number	14	92	16	13	43	0	13	7	106
% of total Obj.1	13%	87%							57%
Financing	6.336,4	42.086,5	12.520,6	4.510,6	15.685,4	0,0	6.836,5	2.533,4	48.422,9
% of total Obj.1	13%	87%							52%
Multiregional programmes									
Number	0	79	2	19	21	11	16	10	79
% of total Obj.1	0%	100%							43%
Financing	0,0	44.661,4	1.160,2	9.334,3	9.750,5	5.672,0	7.231,1	11.513,3	44.661,4
% of total Obj.1	0%	100%							48%
Total									
Number	14	171	18	32	64	11	29	17	185
% of total Obj.1	8%	92%							100%
Financing	6.336,4	86.747,9	13.680,8	13.844,9	25.435,9	5.672,0	14.067,6	14.046,7	93.084,3
% of total Obj.1	7%	93%							100%



1996 was first and foremost a year when programmes were implemented on the ground.³ For almost one half of the measures (86 altogether, or 46%), this implementation led to changes in the programmes. Basically, there were three sorts of changes: by far the most numerous were financial reprogramming of the measures (in 86% of cases); they also involved, in 37% of cases, financial decisions relating to an increase in assistance from the Funds, or more frequently, transfers between the different Funds and indexation of financial amounts; lastly, in one third of cases, they involved changes to the programmes such as amendments to planned actions or operations, but without necessarily adjusting priorities. Amendments were made in ten of the thirteen eligible Member States,⁴ and 10% of the changes concerned programmes amended more than once.⁵

Promotion of technological innovation in the regions eligible under Objectives 1 and 6:

Support for technological development is increasing in importance in relation to the period 1989-93. It more than doubled in the Objective 1 regions and countries, rising to 7% of all Community financing (from 2.5% between 1989 and 1993). This increase is partly the result of including new regions under Objective 1, with substantially higher levels of R&D expenditure than the original regions, but it is also due to an appreciable increase in financing in the original regions too, especially in Italy, Ireland and Greece. In general, common trends are emerging, including increased participation by the private sector, which reflects a shift towards an approach more closely geared to the demand for innovation and technology, the adoption by certain regions of technological development strategies — a step encouraged by the Commission in the first instance in pilot projects — and a relative increase in ESF financing.

Objective 1 programmes give priority to RTD but also cover telecommunications (15%). The scale of RTD measures varies from one Member State to another. The types of measure financed relate to:

- infrastructure (building and rehousing of research centres, university laboratories and centres for the dissemination of results) and support for the scientific and technological system (RTD and innovation)

³ For more details, see Chapter V. Country-by-country survey.

⁴ The Dutch, Austrian and Swedish SPDs have not been changed.

⁵ Five programmes were amended twice (Saxony-Anhalt (Economic development), Ireland (Local Development), Basilicata, Sicily, Northern Ireland) and one programme was amended 3 times.

projects, developing and disseminating know-how). As a rule, assistance concentrates less on creating new infrastructure than on enhancing infrastructure financed in the previous period;

- support for industry (grants and loans for the development of new products and processes and for technology transfer; services, standardisation and technological audit; setting up and supporting centres for innovation and technology transfer; support for participation in the Fourth Framework Programme for research);
- co-operation between the various actors in technological development (businesses, especially small businesses; technology centres, universities, etc.) and technology transfer;
- training measures (post-graduate training, training of research workers, management training in the field of research/technology).

Financing of **telecommunications** mainly involves basic services and infrastructure, where there are wide disparities between Objective 1 regions and the rest of the Union; basic services and infrastructure are a condition for the development of information technology in these regions. This concerns digitalisation and the modernisation and extension of networks. Expenditure planned for advanced services covers:

- better access to these services for business users;
- extension of the ISDN (Spain, Portugal, Italy, Greece) and optical fibre links;
- extension of GSM coverage (Spain, Italy, Ireland) and development of satellite telecommunications services (Italy).

There are a few measures directly related to **data transmission applications**. They correspond to projects in the fields of government (Greece, Portugal), health services (Greece, Spain), education (France, Greece, the United Kingdom, Spain) or electronic transactions (Italy).

A comparison between the various Member States shows four typical situations: some Member States (Netherlands, Germany, France) do not use Community appropriations for telecommunications, but rather for RTD, to an extent at least equal to the average for Objective 1; others (Spain, Greece, Portugal) have adopted the opposite priority, i.e. they use a large proportion of appropriations for telecommunications and incur RTD investment expenditure below average for Objective 1; the other Member States plan to spend Community appropriations in both areas, but some (Belgium, Ireland, the United Kingdom) concentrate on RTD, with above average expenditure, while their investment in telecommunications is below average for Objective 1. Italy is alone in planning above average investment both for RTD and for telecommunications.

Table I-6: Objectives 1 and 6 and technological development, 1994-99 (ECU million)

	TOTAL		Structural Funds					Member States			
		%	ERDF	ESF	EAGGF + FIEG	Total	%	Public	Private	Total	%
RDT (1)	9 136.4	77%	3 632.2	1 062.5	328.9	5 023.7	78% (4)	2 599.4	1 513.5	4 112.9	64% (3)
Telecommunications (2)	3 498.4	29%	1 303.0	31.5	0.0	1 334.5	21% (4)	1 340.9	822.9	2 163.8	34% (5)
Data transmission (3)	183.7	2%	82.0	10.8	0.0	92.8	1% (4)	67.6	36	103.6	2% (5)
TOTAL	11 873.6	100%	5 017.2	1 104.8	328.9	6 451.0	54%	4 007.9	2 372.4	6 380.3	54%

(1), (2), (3), (4), (5): See notes to Table I-4 (Chapter I)

The role of the information society in the SPDs of the **Objective 6** regions is particularly important. Sweden and Finland take an overall approach to the **information society**, which leads them not only to devote more of the available financing to measures linked to the information society, but also to concentrate their efforts on improving the conditions of demand, by improving the technical knowledge of staff, supplying schools with the required connections and developing suitable services and applications. The overall priority is reflected in measures for the development of information technologies, RTD and education, but also in measures to enhance the competitiveness of businesses (by making available new applications and information networks) and in measures to correct the isolation of these regions (development of public services, health, and regional identity through information technology).

2.2. 1996 in the context of programming for 1994-99

Table I-7: Objectives 1 and 6 - 1996 in the context of programming for 1994-99 (ECU million)

	B	D	EL	E	F	IRL	I	NL	A	P	FIN	S	UK	Total
Financing	740,1*	13.680,9**	13.844,9**	25.435,9**	2.199,4*	5.672,0**	14.068,2**	150,0*	165,6*	14.047,5**	459,9*	252,0*	2.369,4*	93.085,7
Commitments	229,7	5.933,1	6.127,6	12.987,3	794,6	2.861,5	5.063,5	42,0	33,8	7.517,4	158,2	56,4	1.038,2	42.843,2
% of financing	31%	43%	44%	51%	36%	50%	36%	28%	20%	54%	34%	22%	44%	46%
Payments	171,5	4.564,5	4.403,1	9.403,6	537,9	2.270,4	3.481,6	31,5	27,0	5.698,7	82,6	31,5	815,9	31.519,8
% of financing	23%	33%	32%	37%	24%	40%	25%	21%	16%	41%	18%	12%	34%	34%
No of measures ***		18	32	64	6	11	29	1	1	17	1	1	3	185

* Programmed by SPDs

** Programmed by CSPs

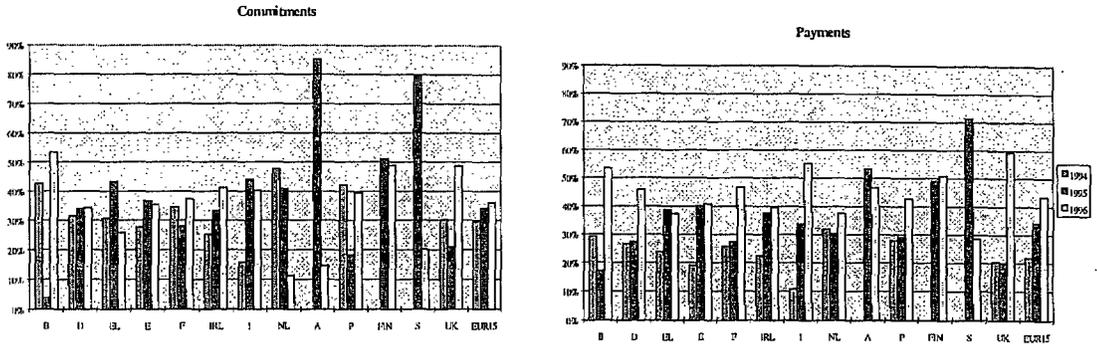
*** OP, SPD, GG, MP

After the first three years of the programming period, the forms of assistance adopted accounted for the full amount of financing provided for Objectives 1 and 6 and for each Member State. Implementation as a percentage of total assistance is progressing, since almost half the assistance was committed and one third paid. 1996 was the best year for implementation since 1994, providing further confirmation of the tendency to make up for the time lost at the beginning of the period. Commitments are an indicator of the launching of new measures at Community level and on the ground; those made in 1996 represented 36% of total commitments made between 1994 and 1996, compared with 30% in 1994, and 34% in 1995. Most significantly, payments really began to take off in 1996, showing that measures were being carried out on the ground. 1996 accounted for 44% of total payments made since 1994, compared with 22% in 1994 and 34% in 1995. However, it must be recognised that the slow start in 1994 and also to some extent in 1995 has not yet been fully offset, at least in certain Member States. Some countries have already committed the 1997 instalment for certain programmes (some German Länder, Greece, Ireland, Portugal, Northern Ireland). However, others have been able to commit the 1996 instalment only on the basis of reprogramming (Italy, France), which cut financing for the first two years to the actual take-up level, and increased financing for subsequent years.

Table I-8: Objectives 1 and 6 - Implementation 1994 to 1996 (ECU million)

	Commitments				Payments			
	1994	1995	1996	1994-96	1994	1995	1996	1994-96
B	98,0	9,0	122,7	229,7	50,2	29,6	91,8	171,5
D	1.869,5	2.022,6	2.041,0	5.933,1	1.218,1	1.252,0	2.094,4	4.564,5
EL	1.884,6	2.653,0	1.590,0	6.127,6	1.051,3	1.705,8	1.646,1	4.403,1
E	3.593,5	4.778,9	4.614,8	12.987,3	1.797,8	3.772,2	3.833,6	9.403,6
F	275,2	222,5	297,0	794,6	139,3	147,4	251,2	537,9
IRL	725,9	954,2	1.181,3	2.861,5	513,2	856,5	900,8	2.270,4
I	796,2	2.228,6	2.038,7	5.063,5	379,3	1.176,1	1.926,1	3.481,6
NL	20,0	17,2	4,8	42,0	10,1	9,6	11,8	31,5
A	0,0	28,8	5,0	33,8	0,0	14,4	12,6	27,0
P	3.169,8	1.379,7	2.968,0	7.517,4	1.596,9	1.667,2	2.434,6	5.698,7
FIN	0,0	81,0	77,2	158,2	0,0	40,5	42,1	82,6
S	0,0	44,9	11,5	56,4	0,0	22,5	9,0	31,5
UK	313,7	218,6	505,9	1.038,2	167,6	163,8	484,5	815,9
TOTAL	12.746,4	14.639,0	15.457,8	42.843,2	6.923,6	10.857,6	13.738,6	31.519,8

Fig. I-3: Objectives 1 and 6 - Share of each year in implementation 1994 to 1996



Altogether, of the original Member States, appropriations committed represented over 50% of total assistance for three (Portugal, Spain, Ireland), over 40% for three (Greece, the United Kingdom, Germany), over 30% for three (France, Italy, Belgium) and less than 30% for only one (the Netherlands). On the payments side, rates of implementation are 40% of assistance for Portugal and Ireland, over 30% in four Member States (Spain, Greece, United Kingdom, Germany) and under 25% in four (France, Italy, Belgium, the Netherlands). In the new Member States, commitments are well advanced in Finland (one third) and represent a quarter of total assistance in Austria and Sweden, whereas payments represent less than 20% of total assistance in all three new Member States.

It is worth stressing that, in general, implementation in 1994-96 of commitments and payments in the three Member States that have made most progress (Portugal, Spain, Ireland: ECU 23 366 million in commitments and ECU 17 373 million in payments) represented 55% of total commitments and payments made between 1994 and 1996. Including in addition financial implementation in Greece, the United Kingdom and Germany, the share of the six countries that have made most progress with total implementation in 1994-96 is 85% (ECU 36 465 million in commitments and ECU 27 156 million in payments). In relation to total assistance under Objectives 1 and 5 (ECU 93 086 million), commitments in the three Member States that made most progress represented 25% of assistance, and payments 19%. Taking the six Member States that made most progress, the share was 39% of assistance for commitments and 29% for payments.

3. Objective 2

3.1. Implementation of Objective 2 in 1996

Formally, 1996 was the last year of implementation for the first phase of programming under Objective 2, which is divided into two stages: 1994-96 and 1997-99. In practice and on the ground, this was the second year of implementation, since the programmes were adopted with some delay, at the end of 1994. The Commission encouraged the various partners to speed up the implementation of programmes on the ground, and the effort in this direction enabled sufficient appropriations to be committed by the end of 1996 to ensure that transfers to the second stage (1997-99) did not exceed 11% of the assistance originally programmed.

Thus implementation in 1996⁶ largely made up the time lost owing to delays when the programmes were launched. Adjustments to programmes under way were very numerous. There were 101 amendments to the total of 82 programmes, including 76 amendments affecting the amount of assistance, such as indexation of sums of money, or transfer to the second phase, 1997-99, of assistance that had not been taken up;⁷ 73 programmes were subject to financial reprogramming, some of them more than once; and 35 slight adjustments had to be made to the programme content, involving the addition, removal or amendment of measures. The programmes of all the Member States

⁶ For more details, see Chapter V. Country-by-country survey.

⁷ Transfers involved 61 programmes out of 82, or 74% of programmes.

except Austria and Sweden, were amended.⁸ By far the greater number of adaptations resulted from the normal course of multi-annual programming: sums of money need to be indexed; content is adapted in the light of practical implementation, in particular the needs of the recipients. This does not reflect on the way the programmes were designed, as long as the adaptations are not too far-reaching, which they were not. In general, while the adaptations had to take account of the initial delay with commitments, they enabled the lost time to be made up in 1996 and helped to limit the transfer of appropriations to the second stage (1997-99).

The promotion of technological innovation in the areas eligible under Objective 2:

When programmes were being drawn up for 1994-96, support for technological development in the areas eligible under Objective 2 was one of the general priorities, as a basic feature in the productive environment of declining industrial regions in the process of conversion. This support was appreciably increased in relation to 1989-93, rising from about 9% of Community financing under the CSFs to 17% in the SPDs for 1994-96. The ERDF accounts for a total of 80% of this financing, and the ESF 20%. In comparison with the other Structural Fund Objectives, Objective 2 programmes are characterised by the very high priority given to RTD, which receives three quarters of Community appropriations. The low share of telecommunications is partly due to the fact that these areas have no pressing need for investment in basic services, since they are usually well equipped. However, Objective 2 programmes probably do involve expenditure on telecommunications and data transmission applications, although such expenditure cannot easily be identified in specific measures, since it will usually be spread over other measures of an economic nature. Measures involving RTD are resolutely geared to innovation and technology transfer for the benefit of businesses. They involve:

- measures to promote innovation,
- measures to support technology transfer,
- measures to support research in firms, especially small firms,
- the development of labour in activities linked to RTD.

Expenditure in the field of telecommunications and data transmission applications represents one quarter of Community financing; it is shared more or less equally between basic and advanced services. However, it is dispersed among other measures, and corresponds to specific initiatives such as the development of a growth centre for advanced information technology (France) or regional infrastructure for advanced telecommunications (Spain). It is difficult to quantify these initiatives they are scattered over a variety of economic development measures.

Table I-9: Objective 2 and technological development, 1994-96 (ECU million)

	TOTAL		Structural Funds				Member States			
		%	ERDF	ESF	Total	%	Public	Private	Total	%
RTD (1)	2.736,6	96%	811,2	221,7	1.032,9	97% (4)	1.207,0	497,0	1.704,0	96% (5)
Telecommunications (2)	56,0	2%	12,7	0,0	12,7	1% (4)	16,2	27,2	43,4	2% (5)
Data transmission (3)	56,2	2%	21,1	0,0	21,1	2% (4)	28,3	6,7	35,0	2% (5)
TOTAL	2.849,1	100%	845,0	221,7	1.066,7	37%	1.251,5	531,0	1.782,5	63%

(1), (2), (3), (4), (5): See notes to Table I-4 (Chapter 1)

⁸ The most numerous changes were those to the Italian and French programmes (29 and 22 respectively). 15 programmes were amended more than once, i.e. 43% of the adaptations made in 1996: 8 SPDs or OPs were amended twice (Liège, Bremen, North Rhine-Westphalia, Aragon, Lazio, Umbria, Veneto, Twente), 3 SPDs were amended 3 times (Lower Saxony, Emilia-Romagna, Tuscany), 3 SPDs were amended 4 times (Aquitaine, Liguria, Piedmont), and one SPD was amended 6 times (Marche).

3.2. 1996 in the context of programming for 1994-96

Table I-10: Objective 2 - 1996 in the context of programming for 1994-96 (ECU million)

	B	DK	D	E	F	I	L	NL	UK	EUR9	A	FIN	S	EUR3
Assistance 1994-96 before transfers	163,0 *	56,0 *	733,0 *	1.130,0 **	1.763,2 *	684,0 *	7,0 *	300,0 *	2.142,0 *	6.975,2	101,0 ⁽¹⁾	69,2 ⁽²⁾	160,0 ⁽¹⁾	330,2
Assistance 1994-96 after transfers	133,5	54,1	703,4	996,2	1.581,6	524,0	5,3	224,1	2.017,4	6.239,7	101,0	55,8	160,0	316,8
1994-96 before transfers	160,0	56,0	733,0	1.130,0	1.763,2	684,0	7,0	300,0	2.142,0	6.975,2	-	69,2	-	2.142,0
Commitments	140,6	53,1	665,9	1.036,4	1.560,2	514,0	6,0	204,2	2.060,7	6.241,0	65,5	52,4	105,8	223,7
% of assistance	105%	98%	95%	104%	99%	98%	113%	91%	102%	100%	65%	94%	66%	71%
Payments	30,0	23,7	339,7	607,2	835,3	245,1	4,3	91,8	1.090,3	3.287,5	33,0	29,8	38,1	100,9
% of assistance	37%	44%	48%	61%	53%	47%	80%	41%	54%	53%	33%	53%	24%	32%
Transfer of 1994-96 to 1997-99	28,7	2,7	40,1	139,3	208,6	169,7	1,8	80,1	155,1	826,0	-	14,4	-	14,4
No of measures	4	2	9	8	19	11	1	5	13	72	4	1	5	10
Indicative allocation 1997-99	186,0	63,0	834,0	1.318,0	2.059,0	798,0	8,0	359,0	2.500,0	8.147,0	-	119,1	-	119,1
Assistance 1997-99 after transfer	214,7	67,7	894,1	1.457,3	2.267,6	967,7	9,8	439,1	2.655,1	8.973,1	-	133,5	-	133,5

* Programmed by SFDS; ** Programmed by CSFs; *** OPSFD

(1) 1995-99

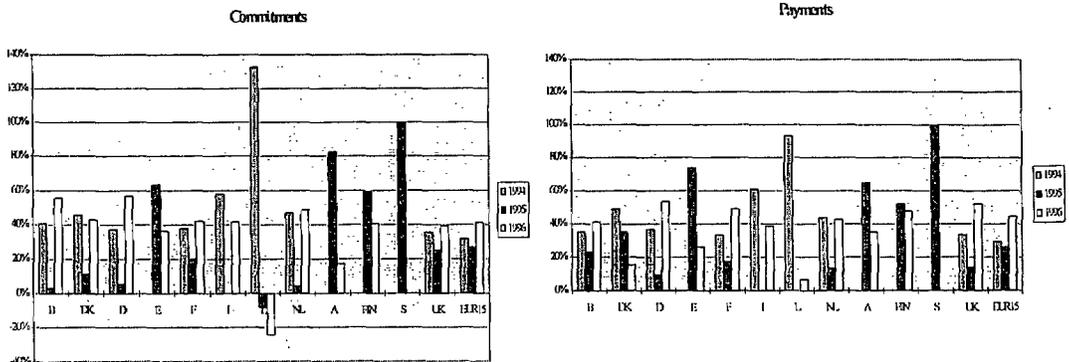
(2) 1995-96

At the end of the first phase (1994-96), 100% of the adjusted financial allocations to the original Member States had been committed, and 53% paid, which corresponded to a rate of commitment of the initial assistance of 89% and a rate of payment of 47%. For the new Member States, commitments represented 71% of adjusted assistance and payments 32%. For Objective 2 as a whole, 1996 was certainly a year of catching up for financial implementation, since the amounts committed in 1996 represented 41% of commitments for the three-year period, compared with 31% of the total committed in 1994 and 27% in 1995. This applies even more to payments, since the appropriations paid in 1996 represented 45% of all appropriations between 1994 and 1996, with payments in 1994 accounting for 29% and those in 1995 for 26%.

Table I-11: Objective 2 - Implementation 1994 to 1996 (ECU million)

	Commitments				Payments			
	1994	1995	1996	1994-96	1994	1995	1996	1994-96
B	57,5	4,6	78,4	140,6	17,6	11,8	20,7	50,0
DK	24,3	6,0	22,8	53,1	11,7	8,4	3,7	23,7
D	248,8	38,0	379,1	665,9	124,4	32,5	182,8	339,7
E	0,0	659,2	377,2	1.036,4	0,0	448,0	159,3	607,2
F	591,3	313,1	655,8	1.560,2	278,2	145,1	412,2	835,5
I	300,0	0,0	214,0	514,0	150,0	0,0	95,1	245,1
L	8,0	-0,5	-1,5	6,0	4,0	0,0	0,3	4,3
NL	95,9	9,2	99,1	204,2	40,2	12,3	39,3	91,8
A	0,0	54,2	11,4	65,5	0,0	21,4	11,6	33,0
FIN	0,0	31,1	21,3	52,4	0,0	15,6	14,2	29,8
S	0,0	105,8	0,0	105,8	0,0	38,1	0,0	38,1
UK	731,8	518,3	810,6	2.060,7	365,9	153,0	571,5	1.090,3
TOTAL	2.057,6	1.738,9	2.668,3	6.464,7	991,9	885,9	1.510,5	3.388,4

Fig. I-4: Objective 2 - Share of each year in implementation 1994 to 1996



Progress with payments varied from one Member State to another. In two of the original Member States (Luxembourg, Spain), the rate of implementation of adjusted assistance was over 60%, it was over 50% in another two Member States (United Kingdom, France) and over 40% in four Member States (Germany, Italy, Denmark, the Netherlands). Only in Belgium was the implementation rate for payments as a proportion of adjusted assistance below 40%. Of the new Member States, Finland has a very good rate of implementation of payments — over 50% in two years — while rates of payment for Austria and Sweden are below 40% (at one third and one quarter respectively), but programming covers the period 1995-99.

The Commission has decided, pursuant to Article 9 of the Framework Regulation, to transfer, by means of a formal Commission decision reducing assistance for 1994-96, appropriations not taken up by the end of the period 1994-96 to programmes for 1997-99 for the same regions, thus making for easier financial management and avoiding overlapping between the two phases of programming for Objective 2. The proportion of initial assistance transferred varies considerably from one Member State to another. For three of the original Member States (Denmark, Germany, the United Kingdom), it stands at between 5% and 7%. In three Member States (Spain, France, Belgium), transfers account for less than 20%, with Spain and France at the average level for the nine countries concerned. For a further three Member States (Italy, Luxembourg, Netherlands), transfers represent a quarter of the initial assistance. For the new Member States, only Finland programmed Objective 2 in two phases (1995-96 and 1997-99); it also transferred an appreciable fraction of the appropriations to 1997-99 (21%). Transfers for the French and Italian programmes alone represented 45% of total Objective 2 appropriations transferred (while the share of these countries in total assistance is 35%). With the addition of the transfers for the Spanish and United Kingdom programmes, the total for these four Member States represents 80% of transfers for the ten Member States (which is comparable to the share of the four Member States concerned in Objective 2 assistance as a whole).

3.3. Preparing for the period 1997-99

In the context of Objective 2, a large part of the year was spent preparing for the second phase of programming in 1997-99. In accordance with Article 9 of the Framework Regulation, the Commission established the list of regions eligible under Objective 2 for the period 1997-99⁹ in the nine Member States concerned¹⁰ on 26 July 1996, after receiving a favourable opinion from the Advisory Committee on the Development and Conversion of Regions. The list is the same as the one for the period 1994-96, with the exception of a few minor changes in Italy, the Netherlands and Spain, where the extension of eligibility to certain areas of the Madrid region brought in areas inhabited by a further 5 000 people. As this increase was offset by a reduction in Zaragoza, however, the population eligible under Objective 2 as a percentage of total population has not changed, and it remains constant within each Member State. The overall percentage covered is still 16.4% of total population of the Union. Total financing available between 1997 and 1999 is ECU 8 147 million (at 1996 prices), a real increase of 13.8% in relation to the period 1994-96, as decided by the Edinburgh European Council. On 19 July, the Commission had established the indicative allocation of commitment appropriations by Member State for 1997 to 1999.¹¹

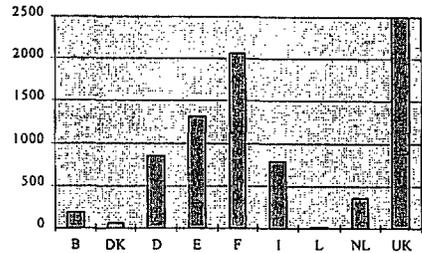
⁹ Commission Decision 96/472/EC of 26 July 1996, OJ No L 193, 3.8.1996.

¹⁰ The areas eligible under Objective 2 in the three new Member States were defined in 1995 for the period 1995-99.

¹¹ Commission Decision 96/468/EC of 19 July 1996, OJ No L 192, 2.8.1996.

Table I-12: Indicative allocation by Member State of total financing 1997-99 (ECU million - 1996 prices)

Belgium	186	Italy	798
Denmark	65	Luxembourg	8
Germany	854	Netherlands	359
Spain	1.318	United Kingdo	2.500
France	2.059		
TOTAL		8.147	



On 30 April 1996 the Commission sent the Member States guidelines for preparing new programmes for the second phase 1997-99. Job creation was to be the paramount priority in the new programmes, and was to be achieved by improving production structures and raising qualification levels in the labour force. This general aim should be supported through four priorities: competitiveness and development of SMEs, which means paying special attention to locally-generated potential and exploiting local potential through local development and employment initiatives; research and development and innovation (see box); environment and sustainable development, targeted especially on remedying the damage caused by industry and on exploiting eco-products and environmental services; and finally, equal opportunities for men and women, with the central issue of reconciling working and family life.

Promotion of technological innovation: a priority under Objective 2 for 1997-99

One of the four priorities in the Commission's guidelines for the preparation of programmes for 1997-99 is research and development along with innovation. The guidelines stress the importance of R&D in increasing competitiveness, and they encourage the regions to seek greater synergy and effectiveness from actions for research, development and innovation, and to establish regional innovation and technological development strategies. Specifically, the Commission urges that programmes should aim at taking advantage of certain factors:

- better use should be made of those facilities which already exist in the area for industrial research; such facilities are usually already in place in Objective 2 areas, and they provide a basis for improving co-operation between firms and research institutes in areas such as production processes, the introduction of advanced technologies and new product development;
- priority should be given to the practical application of research results and the transfer of technological innovations to local business and industry;
- innovation should be encouraged, not only in terms of technology but also, since it underpins the emergence of new sectors of economic activity, in terms of human and organisational factors, especially in relation to the capacity of firms to absorb technology and their access to information regarding customer needs for new products and services;
- the emphasis in small firms should be on practical ICT applications services within firms, and measures to raise awareness, disseminate best practices and improve information services, and set up co-operation networks between firms for the transmission of data;
- training of workers should concentrate on specific measures to encourage adjustment and raise awareness of the new technological environment with special reference to the increasing links between service sector activities and industrial production.

Initial information available on the programmes prepared by the Member States in the last quarter of 1996 indicates that the **RTD** effort has been substantially increased, rising to over 18% of Community financing for the period 1997-99.

The Commission guidelines also highlight a number of ways in which the content and quality of conversion plans and programming documents for 1997-99 might be improved. They involve improved application of the principles of partnership and additionality, and the use of appropriately quantified impact indicators, especially as regards job creation.

Most of the Member States' conversion plans were presented to the Commission in August and September 1996; after prior appraisal, the preparation of SPDs began in October and lasted until early 1997.

4. Objectives 3 and 4

4.1. Implementation of Objectives 3 and 4 in 1996

1995 was not a full year of implementation for Objective 3 because the CSFs and SPDs of the three new Member States were adopted in the course of the year; in 1996, however, all the programmes were established and implemented. Although there was still some concern about the low level of commitments in certain Member States, the implementation of Objective 3 was encouraging.¹² In most of the Member States, the initial stage of implementation enabled the programmes to gather momentum and structures and aims were established. The advertising effort was a significant factor here. Moreover, all the programmes were successful, to a varying extent, in achieving concentration of Objective 3 measures on the most disadvantaged groups. In all the Member States, the notion of "integration pathways" was reflected in practical measures. The results clearly show that integrated projects providing a wide range of aid, such as back-up, counselling and periods of work experience, attract much more attention than individual training measures.

Measures under Objective 4 really got under way in late 1995 and early 1996, with a few exceptions (Spain, Ireland, Luxembourg and Finland, where the level of implementation was fairly high in 1995). The CSF for Belgium and the SPDs for Denmark, Germany, France, and Luxembourg, which had been approved for 1994-96, were extended until 1999. The programming documents of the other Member States (Spain, Italy, the Netherlands) had been approved in 1994 for the entire period 1994-99. The SPDs for Austria and Finland, approved in July 1995, and that for Sweden, approved in February 1996, also cover the period to 1999.

A progress report on the implementation of Objective 4 and Adapt¹³ was sent at the end of 1996 to the Council, the European Parliament, the Economic and Social Committee and the Committee of the Regions. According to that report, the main effects of implementing Objective 4 were: to reinforce active labour market policies to reach workers in employment; the establishment and involvement of a wide partnership in the design, implementation and monitoring of actions; the organisation and strengthening of continuing training structures in a number of countries. It proposed addressing certain weaknesses in implementation. This means in particular reinforcing anticipation and linkage with training plans, the need to focus on SMEs and giving priority to the workers most at risk of unemployment as a result of industrial change.

The promotion of technological innovation in the areas eligible under Objectives 3 and 4:

Information technologies are an important factor in measures under Objective 3, which encourages the emergence of job potential in the context of the information society. The relevant measures concern training to provide a wide range of basic IT skills, often the first stage in the process of reintegration into the world of work, especially for people previously employed in traditional sectors or for young people. Objective 3 measures also contribute to the development of more advanced skills to make full use of new technologies.

Example of project: the use of communications technologies in Germany (Objective 3). In Kiel an association is helping women who wish to re-enter the labour market after dedicating several years to their families by providing them with a year's training in using information and communications techniques and project creation. Working within social institutions, the women draw up the forma for information brochures, develop Internet sites and produce and distribute calendars of events intended for children. Their abilities are assessed at the beginning of the course and this provides the basis for individual training plans. The training is intended both to utilise information and communications technologies and to develop creativity and a sense of initiative among those taking part. The ESF is contributing ECU 63 500 towards the total cost of the measure amounting to ECU 325 000.

The ESF Regulation specifies that Objective 4 "should concentrate on operations in the areas of training related to the introduction, use and development of new or improved production methods, in particular new organisational techniques and new technologies". Thus a large part of the measures implemented under this

¹² For more details, see Chapter V. Country-by-country survey.

¹³ SEC(96) 2150. See also Chapter V. Country-by-country survey.

Objective are directly related to technological development. They aim at:

- improving the technical skills of employees through training in new technologies, especially **information and communication technologies (ICT)**. This may involve, for example, training relevant to the introduction of "green" technologies, design software and computer-assisted design, data transmission, the development of automated techniques, the application of ICT, total quality management and the introduction of EDI (Electronic Data Interchange) between producers, suppliers and customers on the one hand, and contractors and subcontractors on the other;
- the use of new technologies as a basis for training measures in the context of improving training systems. This involves the application of ICT to training methods and the design of new teaching tools (especially multimedia training techniques), and the development of co-operation networks between training institutes (public and private training establishments, scientific and research institutes, chambers of commerce, social partners, etc.).

Example of project: hypermedia training in Finland (Objective 4). The HYPMED project is aimed at the staff of small firms in the region of Jyväskylä and is being carried out jointly by the Jyväskylä Technology Centre Ltd, firms and the research institute on information technologies of the University of Jyväskylä. It is intended to improve know-how among the staff of small firms in the sectors which are currently of greatest importance to the region (paper, energy, the environment, information and communications technology) to encourage them to use the hypermedia and devise their own applications, for example, in the areas of staff training and customers, product documentation and marketing. Training in running a multimedia project is an integral part of the project and may be carried out alongside preparation for a university diploma. Firms which took part in the first phase of training and which apply this technology will take part in a number of national and Community research projects on multimedia and hypermedia technologies.

4.2. 1996 in the context of programming for 1994/95-96/99

Table I-13: Objectives 3 and 4 - 1996 in the context of programming for 1994/95-96/99 (ECU million)

	B	DK	D	E	F	I	L	NL	A	FIN	S	UK	Total
Objective 3													
Financing	401,9 **	268,1 *	1.682,1 **	1.480,3 **	2.562,4 *	1.300,1 **	20,7 **	935,3 *	334,0 *	258,4 *	347,0 *	3.177,5 *	12.767,9
Commitments	192,6	127,0	820,4	666,5	1.200,0	350,3	9,9	434,5	129,8	95,3	73,0	2.051,8	6.151,0
% of financing	48%	47%	49%	45%	47%	27%	48%	46%	39%	37%	21%	65%	48%
Payments	156,4	115,2	521,8	516,7	906,6	202,7	8,9	377,9	103,8	51,3	36,5	1.400,3	4.398,0
% of financing	39%	43%	31%	35%	35%	16%	43%	40%	31%	20%	11%	44%	34%
No of measures ***	5	1	12	11	1	16	2	1	1	1	1	2	54
Objective 4													
Financing	70,3 **	38,9 *	265,3 *	368,8 *	653,4 *	398,8 *	2,3 *	156,2 *	61,0 *	84,6 *	173,0 *	-	2.273
Commitments	16,4	13,0	56,2	167,8	187,1	98,9	0,9	22,2	11,7	23,6	37,5	-	635,3
% of financing	23%	33%	21%	46%	29%	25%	38%	14%	19%	28%	22%	-	28%
Payments	8,2	10,7	23,5	76,0	97,3	49,4	0,6	11,1	9,4	12,9	18,8	-	317,9
% of financing	12%	27%	9%	21%	15%	12%	25%	7%	15%	15%	11%	-	14%
No of measures***	5	1	1	1	1	1	1	1	1	1	1	-	15

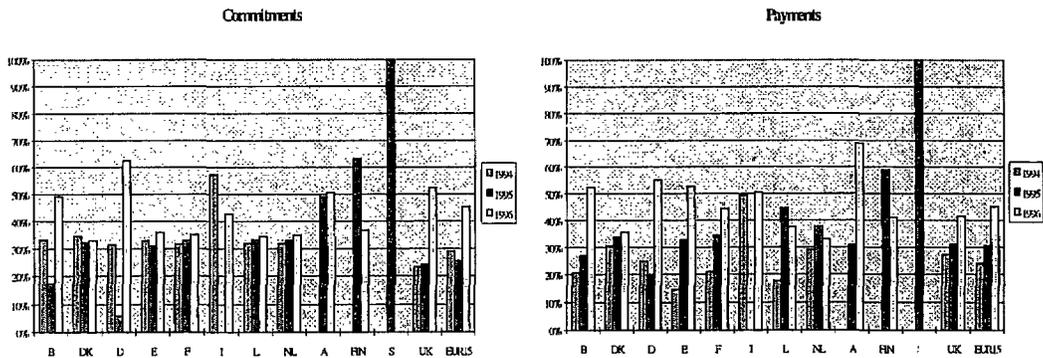
* Programmed by SPD; ** Programmed by CSF; *** OP/SPD

Objective 3 programmes are progressing satisfactorily on the whole, and financial implementation was better in 1996 than in the two preceding years. In general, this progressive acceleration reflects the trends initially provided for in the multiannual programme budgets. However, the commitments and payments made by the Commission are only an imperfect reflection of actual achievements and payments at the level of the Member States. ESF programmes are closed each year, and actual achievements for a given year are known only at the end of June of the following year, when the Member States send the Commission the annual reports on implementation. The Commission's figures for financial implementation do, however, reflect a trend towards greater implementation. Within this general tendency, implementation of the programmes of the new Member States (Austria, Finland and Sweden), which were adopted in 1995, lag somewhat behind the general trend. The decline in payments for Sweden and Finland is more apparent than real, since the level of implementation actually rose in 1996. The table does not take account of the share of appropriations unused in the initial year of 1995, which was carried over to 1996, since these appropriations already paid were used for payments for measures carried out in 1996.

Table I-14: Objective 3 - Implementation from 1994 to 1996 (ECU million)

	Commitments				Payments			
	1994	1995	1996	1994-96	1994	1995	1996	1994-96
B	64,4	33,4	94,8	192,6	32,2	42,3	81,9	156,4
DK	44,0	41,0	42,0	127,0	35,2	39,0	41,0	115,2
D	259,6	48,2	512,6	820,4	129,8	104,5	287,5	521,8
E	219,6	207,0	239,9	666,5	74,9	169,7	272,1	516,7
F	381,6	396,8	421,6	1.200,0	190,8	312,9	402,9	906,6
I	200,5	0,0	149,9	350,3	100,2	0,0	102,4	202,7
L	3,2	3,3	3,4	9,9	1,6	4,0	3,4	9,0
NL	138,4	143,8	152,2	434,5	110,8	142,6	124,6	377,9
A	0,0	64,1	65,7	129,8	0,0	32,0	71,8	103,8
FIN	0,0	60,3	35,0	95,3	0,0	30,2	21,1	51,3
S	0,0	73,0	0,0	73,0	0,0	36,5	0,0	36,5
UK	478,0	497,0	1.076,8	2.051,8	382,4	436,2	581,7	1.400,3
TOTAL	1.789,2	1.567,9	2.793,9	6.151,0	1.057,8	1.349,8	1.990,3	4.398,0

Fig. I-5: Objective 3 - Share of each year in implementation 1994 to 1996

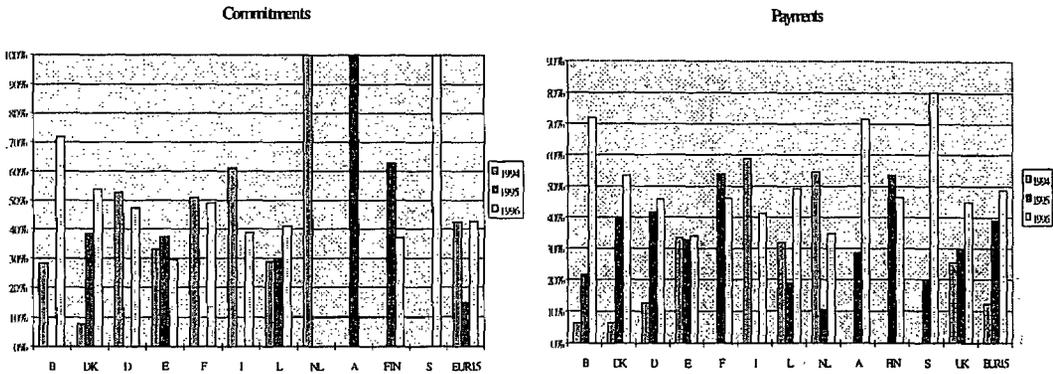


The level of implementation of Objective 4 was fairly low in 1994 and 1995. This was mainly because Objective 4 is a new Objective, because the problems of industrial change are complex, and because of the need to set up a wider partnership. All this made it necessary in most of the Member States to raise awareness and provide information, and to support the setting up of projects. However, the rate of implementation did rise throughout 1996. Measures are concentrated mainly on further training for workers, so as to improve their technological skills and their adaptation to new ways of organising work.

Table I-15: Objective 4 - Implementation 1994 to 1996 (ECU million)

	Commitments				Payments			
	1994	1995	1996	1994-96	1994	1995	1996	1994-96
B	4,6	0,0	11,8	16,4	2,3	0,0	5,9	8,2
DK	1,0	5,0	7,0	13,0	0,5	2,5	7,7	10,7
D	29,6	0,0	26,6	56,2	14,8	0,0	8,7	23,5
E	55,6	62,7	49,5	167,8	27,9	38,1	10,0	76,0
F	95,4	0,0	91,7	187,1	47,7	0,0	49,6	97,3
I	60,6	0,0	38,3	98,9	30,3	0,0	19,1	49,4
L	0,3	0,3	0,4	0,9	0,1	0,2	0,3	0,6
NL	22,2	0,0	0,0	22,2	11,1	0,0	0,0	11,1
A	0,0	11,7	0,0	11,7	0,0	5,9	3,5	9,4
FIN	0,0	14,8	8,8	23,6	0,0	7,4	5,5	12,9
S	0,0	0,0	37,5	37,5	0,0	0,0	18,8	18,8
TOTAL	269,3	94,5	271,5	635,3	134,7	54,1	129,1	317,9

Fig. I-6: Objective 4 - Share of each year in implementation 1994 to 1996



5. Objective 5(a)

5.1. Objective 5(a) agriculture

Objective 5(a) is a horizontal Objective, relating to farming throughout the Union and supporting the modernisation of agricultural structures. This ties it closely to the common agricultural policy. Objective 5(a) measures are taken pursuant to specific regulations, the most important being Regulation (EEC) No 2328/91 for production structures, Regulations (EEC) No 866/90 and No 867/90 for marketing and processing of products, and Regulation (EEC) No 1360/78 for aid to producer groups.

Measures financed under Objective 5(a) agriculture:¹⁴

Objective 5(a) may be summarised as follows:

Competitiveness and employment: These two basic objectives are pursued through: aid for training,¹⁵ setting-up aid to young farmers,¹⁶ aid for investment in agricultural holdings,¹⁷ back-up measures to assist agricultural holdings (management services, self-help, accounting),¹⁸ aid to producer groups,¹⁹ investment aid for processing and marketing of agricultural and forestry products.²⁰

Territorial balance and employment: This objective is to be achieved in particular through specific measures to assist mountain and hill farming and farming in certain less-favoured areas,²¹ which are intended to compensate for the natural handicaps faced by farming in those areas.

Following amendments to several programming documents coming under Regulations (EEC) No 866/90 and No 867/90, and updating of the forecasts for expenditure under Regulation (EC) No 2328/91, the indicative financial programming for Objective 5(a) measures outside Objective 1 and 6 regions²² for 1994-99, in force on 31 December 1996, is as follows:

¹⁴ For more details, see Annual Reports for 1994 and 1995.

¹⁵ Regulation (EEC) No 2328/91, Article 28.

¹⁶ Regulation (EEC) No 2328/91, Articles 10 and 11.

¹⁷ Regulation (EEC) No 2328/91, Articles 5 to 9.

¹⁸ Regulation (EEC) No 2328/91, Articles 13 to 16.

¹⁹ Regulation (EEC) No 1360/78.

²⁰ Regulations (EEC) No 866/90 and 867/90.

²¹ Regulation (EEC) No 2328/91, Articles 17 to 20.

²² In Objective 1 and 6 regions, measures under Objective 5(a) are programmed within CSFs/SPDs.

Table I-16: Objective 5(a) agriculture - Forecasts of implementation 1994-99 (ECU million)

Indicative total:	5.195,9	Production	4.190,3	81%
		Processing and marketing	1.005,6	19%

Promotion of technological innovation under Objective 5(a) agriculture:

Measures under Regulations (EEC) No 866/90 and No 867/90 on improving the processing and marketing conditions for agricultural and forestry products contribute to the application of new processing techniques, which, in particular through innovative investment, help to develop new products and to open up new markets. A clear indication of the importance of these activities in the framework of the Regulations is the priority given to such investment among the selection criteria governing the aid arrangements. Although it is not the main purpose of the measures to encourage the development of new technologies, they have a major rôle to play in technology transfer, and in the practical application on an industrial or commercial scale of research and demonstration projects. They may organise and facilitate the dissemination of technological innovation with a view to improving the competitiveness of production, processing and marketing of agricultural products. In practice, the measure offers the following opportunities:

- the main aspect of the development of new products is the creation of new types of packaging, not only in response to evolving demand but also to contribute to improving product quality;
- new markets are opened up by promoting products for non-food use, such as new packaging materials and products for the strengthening and treatment of plants (organic plant protection methods).

Implementation of Objective 5(a) agriculture in 1996**Table I-17: Objective 5(a) agriculture - physical implementation 1995**

Member State	Setting-up aid for young farmers (Art. 10)			Investment aid for young farmers (Art. 11)			Investment aid (Art. 7)			Compensatory allowances (Art. 19)
	Number of beneficiaries			Number of beneficiaries			Number of beneficiaries			Number of holdings
	Obj. 1	Other	Total	Obj. 1	Other	Total	Obj. 1	Other	Total	
Belgium	71	557	628	39	471	510	123	1.344	1.467	6.636
Denmark	-	514	514	-	394	394	-	1.384	1.384	n.a.
Germany	402	3.443	3.845	46	548	594	1.877	2.793	4.670	228.919
Greece	1.085	-	1.085	371	-	371	2.726	-	2.726	180.825
Spain	4.623	998	5.621	2.458	316	2.774	10.241	2.837	13.078	185.373
France	156	7.631	7.787	29	2.681	2.710	67	9.146	9.213	131.997
Ireland	884	-	884	32	-	32	133	-	133	92.636
Italy	222	1.489	1.711	25	540	565	447	3.852	4.299	49.969
Luxembourg	-	72	72	-	41	41	-	71	71	2.402
Netherlands	n.a.	n.a.	n.a.	2	24	26	9	217	226	4.850
Portugal*	1.059	-	1.059	-	-	-	2.353	-	2.353	82.139
United Kingdom	n.a.	n.a.	n.a.	23	24	47	1.084	695	1.779	57.181
Total EU 12	8.502	14.704	23.206	3.025	5.039	8.064	19.060	22.339	41.399	1.022.927
Austria	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	92000
Finland	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0	23181
Sweden	9	105	114	n.a.	n.a.	n.a.	n.a.	n.a.	0	74733
Total EU 15	8.511	14.809	23.320	3.025	5.039	8.064	19.060	22.339	41.399	1.212.841

n.a.: not applicable

* 1994 figures

In 1996, the Commission proposed that the Council should consolidate Regulations (EEC) No 866/90 and No 867/90, along with Regulation (EEC) No 1360/78 on aid to producer groups,²³ to incorporate a number of amendments to these Regulations. The purpose of consolidation is to insert successive amendments to the original texts and to simplify and clarify certain aspects. The Council and the European Parliament had not completed their examination of this proposal by the end of 1996. The implementation for 1996 is shown below.

²³ COM(96) 58 final, OJ No C 115, 19.4.1996. The consolidated regulations were adopted by the Council on 20 May 1997 (Regulations (EC) Nos 950/97, 951/97 and 952/97 - OJ No L 142, 2.6.1997).

Table I-18: Objective 5(a) agriculture - financial implementation 1996 (commitments - ECU million)

Member State	Indirect measures "production structures"	Processing and marketing (Reg. 866/90)	Total
Belgium	21,8	5,0	26,8
Denmark	17,0	5,1	22,1
Germany	143,3	48,5	191,8
Spain	0,0	25,0	25,0
France	174,8	45,9	220,7
Italy	0,0	131,7	131,7
Luxembourg	4,3	0,0	4,3
Austria	44,8	31,2	75,9
Netherlands	2,1	7,0	9,1
Finland	53,3	0,0	53,3
Sweden	15,5	11,0	26,5
United Kingdom	15,2	0,0	15,2
TOTAL	492,1	310,4	802,4

In general, the implementation of measures to improve the conditions for the processing and marketing of agricultural and forestry products as provided for in Regulations (EEC) No 866/90 and No 867/90 continued in the framework of programming for 1994-99. The work of the Monitoring Committees showed that, after some delay getting started, the rate of implementation of programmes gathered pace in most of the Member States. Monitoring and assessment procedures continued to improve in the framework of partnership. More specifically, the implementation of measures in the Italian CSF led to the approval of 13 OPs to improve the conditions for processing and marketing agricultural products and 12 OPs for forestry products. Objective 5(a) measures got under way in Sweden when the SPD was adopted in 1996. The SPD for the United Kingdom was amended in 1996 to take account of the decision to limit application of the measure to Wales and Scotland from 31 March 1996. There was also a Council decision defining new less-favoured areas in Ireland. This extension covers about 105 000 hectares and increases the less-favoured areas in Ireland to 73% of total usable agricultural area.

On 4 September 1996, the Commission adopted a report on young farmers and the problem of succession in European agriculture for presentation to the Council, to Parliament and to the Economic and Social Committee and the Committee of the Regions. This report, the Commission's contribution to the debate on the establishment of young farmers, considers the economic, social, legal and fiscal difficulties encountered by new farmers. It goes on to examine the present Community measures for promoting their installation and assisting young people in rural environments, describing how these are applied and with what results in the Member States. Proposals and recommendations are made for action at both Community and national level to make help for young farmers in the Community more consistent and effective.

Several Member States have sent the Commission their ideas on strengthening Community policy in favour of mountain and hill-farming areas. The Commission is continuing the dialogue with the Member States on practical needs in the different mountain regions.

1996 in the context of programming for 1994-99

Table I-19: Objective 5(a) agriculture - financial implementation of programmes (ECU million)

	B	DK	D	E	F	I	L	NL	A	FIN	S	UK	Total
Assistance	170,4 *	127,0 *	1.086,5 *	276,0 *	1.745,5 *	626,1 **	38,4 *	118,0 *	392,8 *	337,3 *	92,2 *	185,7 *	5.195,8
Commitments	79,8	60,8	514,6	102,4	738,6	249,2	16,5	34,3	137,4	114,7	40,2	100,4	2.188,9
% of assistance	47%	48%	47%	37%	42%	40%	43%	29%	35%	34%	44%	54%	42%
Payments	59,1	41,3	387,2	84,5	449,0	99,8	10,6	18,6	107,9	57,3	34,7	75,7	1.425,8
% of assistance	35%	32%	36%	31%	26%	16%	28%	16%	27%	17%	38%	41%	27%
No of measures***	6	2	11	2	2	26	2	2	2	2	2	2	61

* Programmed by SPD (Reg. No 866/90 and No 867/90) and forecasts of implementation (Reg. No 2328/91)

** Programmed by CSF (Reg. No 866/90 and No 867/90) and forecasts of implementation (Reg. No 2328/91)

*** OP/SPD/Forecasts d'exécution

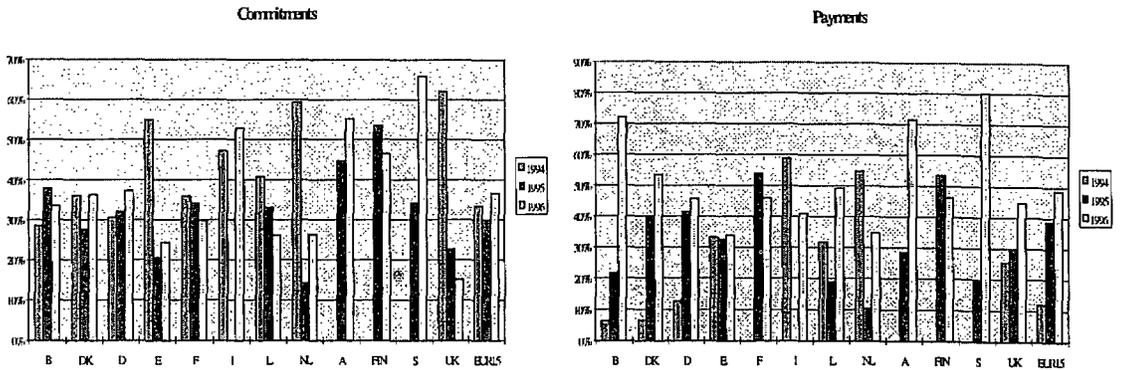
The first two years of the period 1994-99 were marked by delays in the approval and implementation of programmes. In 1996, lost time was made up in most of the Member States. In terms of financial commitments, this is reflected in the rate of implementation of the amount entered in the programmes, which rose to 84% in 1996 compared with 66% in 1995. For the whole range of programmes in force, budget commitments in 1996 represented 37% of commitments made between 1994 and 1996. The problems with implementation in 1996 were concentrated in certain countries, as most of the Member States had achieved a normal rate of annual implementation. There are a number of reasons for the problems, and they vary from one Member State to another. They include changes in the method of granting investment aid, technical problems arising at the beginning of the period of implementation in one of the three new Member States and the lack of interest in the measures proposed among potential beneficiaries, owing to the difficult economic environment. The under-utilisation of appropriations explains why two Member States in 1996, Spain and Luxembourg, transferred appropriations within Objective 5(a) to measures relating to the processing and marketing of agricultural products.

For the first three years of programming, the rate of financial implementation was fairly satisfactory in terms of commitments, as 42% of total assistance entered in the programmes was committed between 1994 and 1996. However, the level of payments is still quite low: at the end of 1996, payments represented 27% of the assistance provided for in 1994-99.

Table I-20: Objective 5(a) agriculture - implementation 1994 to 1996 (ECU million)

	Commitments				Payments			
	1994	1995	1996	1994-96	1994	1995	1996	1994-96
B	22,8	30,2	26,8	79,8	3,8	12,8	42,6	59,1
DK	21,9	16,7	22,1	60,8	2,7	16,5	22,1	41,3
D	157,6	165,1	191,8	514,6	48,9	160,9	177,3	387,2
E	56,3	21,1	25,0	102,4	28,2	27,7	28,7	84,6
F	265,8	252,1	220,7	738,6	0,0	242,1	206,9	449,0
I	117,5	0,0	131,7	249,2	58,7	0,0	41,1	99,8
L	6,7	5,5	4,3	16,5	3,4	2,0	5,2	10,6
NL	20,4	4,9	9,1	34,3	10,2	2,0	6,5	18,6
A	0,0	61,5	75,9	137,4	0,0	30,8	77,1	107,9
FIN	0,0	61,4	53,3	114,7	0,0	30,7	26,6	57,3
S	0,0	13,7	26,5	40,2	0,0	6,9	27,9	34,7
UK	62,4	22,8	15,2	100,4	19,3	22,4	34,0	75,7
TOTAL	731,4	655,1	802,4	2.188,9	175,1	554,6	696,0	1.425,8

Fig. I-7: Objective 5(a) agriculture - Share of each year in implementation 1994 to 1996



5.2. Objective 5(a) fisheries

Implementation of Objective 5(a) fisheries in 1996

The purpose of FIFG structural assistance in the fisheries and aquaculture sector is to achieve a sustainable balance between resources and exploitation by adjusting fishing efforts, and to support and strengthen the entire European fisheries sector. For the adjustment of fishing effort, the FIFG contributed in 1996 to financing the reduction of the European fleet in accordance with the Multi-annual Guidance Programmes for 1993-96, through the permanent withdrawal of vessels (scrapping, exportation or the creation of joint enterprises). Efforts to strengthen the European fisheries and aquaculture industry also continued, especially in the areas of modernisation of the fleet, processing and marketing of products, aquaculture and port facilities. The main developments in 1996 were as follows.²⁴

Suspension of FIFG aid to the fishing fleet: After the breakdown of negotiations on the 4th Multi-annual Guidance Programme for 1997-2002,²⁵ the Commission concluded on 23 December 1996 that from 1 January 1997 arrangements for FIFG contributions to the fleet (aid towards adjusting fishing effort and for the renewal or modernisation of the fleet) should be suspended. Such aid represents about 50% of FIFG appropriations altogether. The Council set a deadline of 30 April 1997 for taking a decision.

Specific measures for conversion of the Italian fleet using drifting gillnets ("Spadare").²⁶ Under the conversion plan drawn up for this segment of the fleet by the Italian authorities, the Commission proposed to the Council the adoption of a specific measure to enable aid to be granted to the fishermen and shipowners involved.²⁷ The tide-over allowance for fishermen (granted on condition they undertake to switch to another type of fishing or to a different job outside the industry) may not exceed ECU 918.23 a month per person (with a maximum duration of six months). It may be combined with a severance grant of up to ECU 50 000 for those giving up economic activity altogether, or up to ECU 20 000 for those switching to another job inside or outside the fishing industry. For shipowners, aid between ECU 20 000 and ECU 156 000 is offered for definitive withdrawal from fishing, or between ECU 10 000 and ECU 146 000 for conversion to other types of fishing, depending on the engine power and the year of departure or conversion.

²⁴ For more details, see Chapter V. Country-by-country survey.

²⁵ This programme defines fishing efforts for each country and each segment of the fleet. The Council did not, in the course of 1996 (meetings in October, November and December), reach an agreement on the reduction of effort proposed by the Commission (COM(96) 203 final of 30 May 1996 and COM(96) 237 final of 29 May 1996).

²⁶ These are fishing vessels flying the Italian flag and fishing for tuna and swordfish in the Mediterranean with drifting gillnets.

²⁷ COM(96) 682 final of 16 December 1996.

Amendments to the FIFG Regulation: Regulation (EC) No 3699/93 laying down the criteria and arrangements regarding Community structural assistance in the fisheries and aquaculture sector, amended twice already in 1995, was amended twice more in 1996. The third amendment²⁸ adapted the arrangements for FIFG premiums by capping appropriations by country and year for temporary cessation of activity, and by holding constant premiums for permanent withdrawal of vessels over thirty years old. The fourth amendment²⁹ introduced official recognition of origin, with reference to a specified geographical zone for a product or process, under promotion campaigns part-financed by the FIFG.

1996 in the context of programming for 1994-99

The rate of consumption of appropriations returned to a satisfactory level in 1996, following the difficulties of the previous year, which had been one of preparation for this new financial instrument.³⁰ However, in many cases, actual implementation (expenditure implemented as a percentage of that planned) was well below budget implementation because the budgetary implementation of programmes was faster at the beginning of the period (virtually automatic commitments) than later. This means that the actual implementation of the programmes on the ground has to be monitored carefully. However, programme implementation has made considerable progress in a number of countries thanks to a closer partnership between the Commission and the national authorities and a greater ability to submit coherent and appropriate projects by those engaged in the industry.

Table I-21: Objective 5(a) fisheries - 1996 in the context of programming for 1994-99 (ECU million)

	B	DK	D	E	F	I	L	NL	A	FIN	S	UK	Total
Assistance	24,5	139,9	76,0	121,9	189,9	134,4	1,1	46,6	2,0	23,0	40,0	88,7	888,0
Commitments	24,5	69,9	37,6	59,7	63,3	44,8	1,1	15,5	2,0	23,0	40,0	44,3	425,7
% of assistance	100%	50%	50%	49%	33%	33%	100%	33%	100%	100%	100%	50%	48%
Payments	19,6	30,3	20,0	42,7	41,1	23,1	0,3	12,7	1,0	6,9	12,0	20,1	229,9
% of assistance	80%	22%	26%	35%	22%	17%	30%	27%	50%	30%	30%	23%	26%
No of measures	1	1	1	1	1	1	1	1	1	1	1	1	12

Table I-22: Objective 5(a) fisheries - Implementation 1994 to 1996 (ECU million)

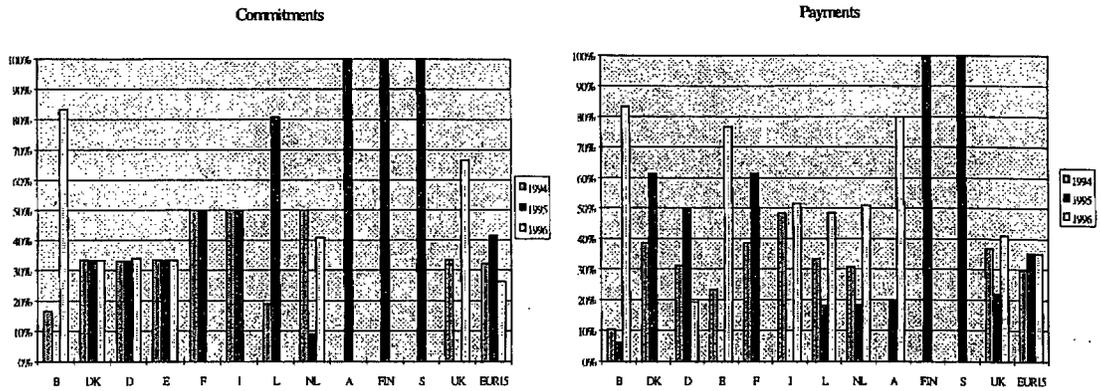
	Commitments				Payments			
	1994	1995	1996	1994-96	1994	1995	1996	1994-96
B	4,1	0,0	20,4	24,5	2,0	1,2	16,3	19,6
DK	23,3	23,3	23,3	69,9	11,7	18,6	0,0	30,3
D	12,4	12,5	12,8	37,6	6,2	9,9	3,9	20,0
E	19,9	19,9	19,9	59,7	10,0	0,0	32,7	42,7
F	31,7	31,6	0,0	63,3	15,8	25,3	0,0	41,1
I	22,4	22,4	0,0	44,8	11,2	0,0	11,9	23,1
L	0,2	0,9	0,0	1,1	0,1	0,1	0,2	0,3
NL	7,8	1,4	6,4	15,5	3,9	2,3	6,5	12,7
A	0,0	2,0	0,0	2,0	0,0	0,2	0,8	1,0
FIN	0,0	23,0	0,0	23,0	0,0	6,9	0,0	6,9
S	0,0	40,0	0,0	40,0	0,0	12,0	0,0	12,0
UK	14,8	0,0	29,6	44,3	7,4	4,4	8,3	20,1
EUR15	136,5	176,9	112,3	425,7	68,3	81,0	80,6	229,9

²⁸ Council Regulation (EC) No 965/96 of 28 May 1996, OJ No L 131, 1.6.1996.

²⁹ Council Regulation (EC) No 25/97 of 20 December 1996, OJ No L 6, 10.1.1997.

³⁰ Taking all the Objectives together, from 1994 to 1996 ECU 748 million (64%) was paid of the ECU 1 168 million committed. The percentages were 70% for Objective 1, 54% for Objective 5(a) and 50% for Objective 6. By the end of 1996, 45% of the total programme assistance for the programming period (including FIFG assistance to programmes under Objectives 1 and 6) had been committed.

Fig. I-8: Objective 5(a) fisheries - Share of each year in implementation 1994 to 1996



6. Objective 5(b)

6.1. The implementation of Objective 5(b) in 1996

The main effort in 1996 involved continuing the implementation of the SPDs approved in earlier years, but in many cases 1996 was the first year of effective and full application of the programmes. The Commission also approved some new programmes, the five Swedish SPDs. This brings the total number of SPDs implementing Objective 5(b) to 83.

The programmes³¹ were implemented in the framework of partnership. The various Monitoring Committees for Objective 5(b) ensure that implementation is properly monitored, and that evaluation procedures are organised and carried out. In 1996, the 83 different Monitoring Committees continued their work on a number of important questions. The first relates to information systems to ensure that the committees are informed of the type of projects actually approved and the financial implications of the commitments and payments made during the year. The second is the organisation of programme assessment, i.e. the preparation of an assessment plan, terms of reference for the contract assessors and monitoring of the actual appointment of assessors.³² The preparation of assessment procedures was a challenge to which most of the Monitoring Committees rose satisfactorily. The Monitoring Committees also specified the arrangements for providing technical assistance and the details of the communications programmes.

Promotion of technological innovation in the areas eligible under Objective 5(b):

Measures identified as being directly linked to technological development in rural areas represent about 1.2% of Community appropriations programmed in the SPDs. Within this assistance, the ERDF represents 75% of Community financing, the ESF 15% and the EAGGF 10%. Measures in favour of RTD represent over two thirds of the technological development and innovation measures financed, a figure comparable to that for the Objective 1 programmes. They concentrate on technology transfer, diversification of production and the identification of new markets. A distinctive feature of Objective 5(b) programmes is the share of Structural Fund appropriations spent on data transmission applications, i.e. contributing to the penetration of the information society in rural areas that are often isolated. These measures account for 27% of Community appropriations for technological development, the development of new applications such as distance working and distance learning. Expenditure in the sector of telecommunications is fairly low (less than 10%) and concerns the improvement of infrastructure in the most isolated areas.

³¹ For more details, see Chapter V. Country-by-country survey.

³² See Chapter IV. Evaluation.

Table I-23: Objective 5(b) and technological development, 1994-99 (ECU million)

	TOTAL		Structural Funds					Member States				
		%	ERDF	ESF	EAGGF	Total	%	Public	Private	Total	%	
RTD (1)	211.7	67%	41.9	8.6	7.1	57.6	68% (4)	81.1	73.0	154.1	66% (5)	
Telecommunications (2)	21.9	7%	4.0	0.0	0.8	4.8	6% (4)	17.1	0.0	17.1	7% (5)	
Data transmission (3)	84.5	27%	18.0	4.1	0.6	22.7	27% (4)	44.5	17.3	61.8	27% (5)	
TOTAL	318.1	100%	63.9	12.7	8.5	85.1	27%	142.7	90.3	233.0	73%	

(1), (2), (3), (4), (5): See notes to Table I-4 (Chapter I)

6.2. 1996 in the context of programming for 1994-99**Table I-24: Objective 5(b) - 1996 in the context of programming for 1994-99 (ECU million)**

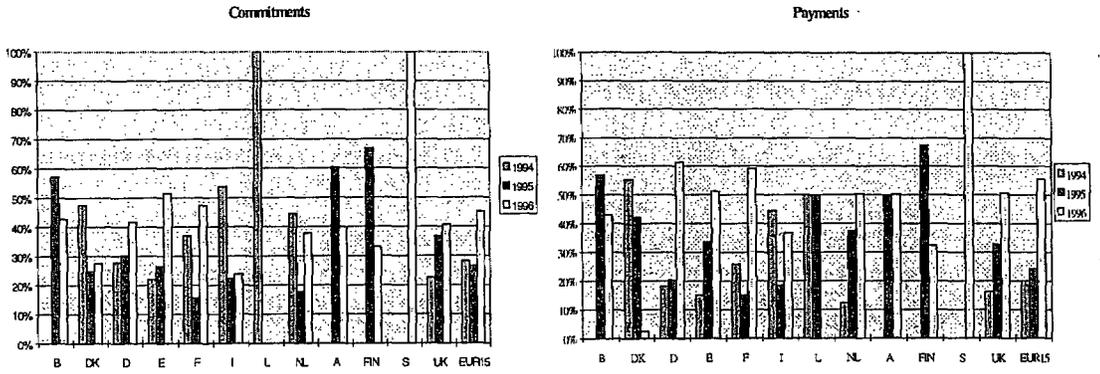
	B	DK	D	E	F	I	L	NL	A	FIN	S	UK	Total
Assistance	78,1	54,8	1.229,0	666,9	2.245,8	904,3	6,0	150,0	411,0	194,0	141,0	820,5	6.901,3
Commitments	16,0	13,5	449,5	334,4	709,1	140,6	0,8	41,2	130,0	49,1	64,9	203,6	2.152,6
% of assistance	21%	25%	37%	50%	32%	16%	14%	27%	32%	25%	46%	25%	31%
Payments	8,1	5,8	346,8	242,8	508,1	84,7	0,4	25,3	78,5	23,6	22,6	140,9	1.487,6
% of assistance	10%	11%	28%	36%	23%	9%	7%	17%	19%	12%	16%	17%	22%
No of measures	3	1	8	7	20	13	1	5	7	2	5	11	83

At the end of 1996, the rate of financial implementation was satisfactory on the whole, as most of the programmes were approved between 1995 and the first quarter of 1996. For the total of 83 SPDs, commitments represented 31% of assistance for the period as a whole. In some Member States, the regional authorities succeeded in implementing programme measures quite rapidly, and were able in 1996 to request commitment of the appropriations for 1997. It is clear, however, that some Member States are too slow, and will have to make a major effort if they are not to be left behind. This is the more important as the Commission does not make payments until the projects have been fully completed, and as at the end of 1996, the level of payments had reached 22% of assistance for 1994-99. With this in view, care should be taken to promote measures enhancing information and advertising to potential beneficiaries. In certain Member States, the Commission, in agreement with the authorities concerned, paid special attention to the situation of commitments and payments, in view of the especially difficult progress of the projects.

Table I-25: Objective 5(b) - Implementation in 1994 to 1996 (ECU million)

	Commitments				Payments			
	1994	1995	1996	1994-96	1994	1995	1996	1994-96
B	0,0	9,2	6,9	16,0	0,0	4,6	3,5	8,1
DK	6,4	3,4	3,7	13,5	3,2	2,5	0,1	5,8
D	126,0	135,8	187,7	449,5	63,0	71,2	212,6	346,8
E	73,5	88,6	172,3	334,4	36,8	81,7	124,4	242,8
F	262,7	110,5	335,9	709,1	131,4	76,6	300,2	508,1
I	75,5	31,5	33,6	140,6	37,8	15,8	31,2	84,7
L	0,8	0,0	0,0	0,8	0,2	0,2	0,0	0,4
NL	18,3	7,3	15,6	41,2	3,1	9,5	12,7	25,3
A	0,0	78,3	51,6	130,0	0,0	39,2	39,3	78,5
FIN	0,0	32,8	16,3	49,1	0,0	15,9	7,7	23,6
S	0,0	0,0	64,9	64,9	0,0	0,0	22,6	22,6
UK	46,1	74,6	82,9	203,6	23,1	46,4	71,4	140,9
TOTAL	609,4	571,9	971,4	2.152,6	298,4	363,4	825,7	1.487,6

Fig. I-9: Objective 5(b) - Share of each year in implementation 1994 to 1996



B. OTHER ASSISTANCE

1. Community Initiatives

1.1. Overview

Allocation of the reserve and new strands

A major event in 1996 was the adoption by the Commission on 8 May of a Decision allocating the reserve for Community Initiatives. Financial decisions adopted in the two preceding years³³ meant that the total reserve available for a supplementary allocation between the Member States was ECU 1 665 million (at 1995 prices), comprising ECU 690 million for Objective 1 and Objective 6 areas, and ECU 975 million for areas not eligible under those Objectives. After a series of consultations, the Commission endorsed the allocation of the reserve between Initiatives and between Member States as agreed with all its institutional partners and in particular in accordance with the code of conduct agreed with Parliament. The allocation took into account the following priorities: the fight against unemployment; equal opportunities for men and women; the environment; and the strengthening of the territorial and spatial aspects of the structural policies. It allows industrial conversion Initiatives (Rechar, Resider, Retex and Konver) and the Leader, Pesca, Urban, Adapt and Employment Initiatives to be strengthened and extended until 1999. The Commission also endorsed changes to the guidelines for the Urban, Adapt and Employment Initiatives, as well as new guidelines for Interreg II C:

- the guidelines for Urban were amended with a view to promoting: equal opportunities; the fight against long-term unemployment; and the urban environment in medium-sized towns;
- the Employment and Adapt Initiatives were each strengthened and supplemented by a new strand: Employment - Integra (combating social exclusion) and Adapt - BIS ("*Building the Information Society*") respectively;
- Interreg II C provides for action on three separate fronts, in each case involving general trans-national cooperation: development planning; flood prevention and drought control.

³³ See 1995 Annual Report.

Table I-26 : Allocation of the reserve for the Community Initiatives and allocation for 1994-99 (ECU million, at 1996 prices)

	Adapt		Employment		Leader		Pesca		SMEs		Regis		Urban	
	Reserve	1994-99	Reserve	1994-99	Reserve	1994-99	Reserve	1994-99	Reserve	1994-99	Reserve	1994-99	Reserve	1994-99
B	6,80	38,63	13,04	45,79	2,06	10,22	0,45	2,49	-	12,35	-	-	8,50	19,22
DK	1,62	31,73	2,87	14,10	1,80	9,96	3,15	19,88	-	2,55	-	-	-	1,53
D	23,24	256,70	40,99	200,99	30,67	208,22	-	23,47	2,25	188,98	-	-	17,03	115,81
GR	2,81	33,53	4,97	70,69	15,01	163,98	3,34	30,99	-	83,88	-	-	5,35	51,48
E	31,52	-	55,65	450,14	48,31	405,45	3,59	45,94	-	252,75	-	218,37	27,16	241,85
F	23,65	278,44	41,71	191,20	38,29	229,11	5,29	33,76	-	58,88	-	267,35	24,98	81,10
IRL	6,21	27,84	10,96	88,61	15,68	84,05	1,01	7,85	-	28,98	-	-	4,86	20,68
I	25,82	219,69	45,57	401,39	41,00	328,76	2,87	37,26	-	191,63	-	-	18,36	136,02
L	-	0,31	-	0,31	0,22	1,24	-	-	-	0,31	-	-	-	0,51
NL	10,94	69,62	19,31	62,58	3,03	11,60	2,02	12,94	-	10,41	-	-	13,11	22,60
AT	1,76	13,59	3,09	26,56	3,26	27,05	-	-	-	8,98	-	-	3,59	13,54
P	-	21,43	4,35	45,47	11,92	130,29	3,16	29,28	-	124,80	-	126,53	5,16	49,75
FIN	3,42	23,56	3,42	33,16	3,46	28,72	0,42	3,49	-	11,09	-	-	3,87	7,83
S	1,62	13,12	2,86	23,96	1,98	16,47	0,49	4,06	-	17,21	-	-	1,54	4,97
UK	24,36	316,81	44,28	193,77	11,83	78,46	5,92	43,57	-	68,78	-	-	24,96	124,14
Networks	-	-	-	-	-	34,69	-	5,10	-	25,51	-	-	-	-
TOTAL	163,78	1.638,16	293,08	1.848,72	228,50	1.768,26	31,71	300,08	2,25	1.087,07	-	612,24	158,49	891,02
of which: OI	51,39	525,33	93,06	1.068,99	115,62	1.086,11	12,08	153,92	-	845,61	-	612,24	61,58	602,81

	Rechar		Konver		Resider		Retex		Peace		Interreg		TOTAL	
	Reserve	1994-99	Reserve	1994-99	Reserve	1994-99	Reserve	1994-99	Reserve	1994-99	Reserve	1994-99	Reserve	1994-99
B	1,01	16,96	2,96	14,61	3,31	28,16	1,01	5,48	-	16,09	99,76	55,22	293,68	
DK	-	-	-	2,39	-	-	-	-	-	-	4,03	22,10	13,47	104,23
D	21,66	183,05	115,19	338,40	15,54	209,36	6,48	76,07	-	44,61	455,02	317,67	2.256,07	
GR	1,51	3,04	9,77	22,74	1,51	6,22	3,03	78,82	-	25,21	632,35	72,52	1.177,72	
E	-	34,21	-	23,70	-	73,64	29,64	105,43	-	117,09	693,31	312,96	2.544,79	
F	2,55	36,25	15,63	87,00	4,73	67,33	12,10	37,33	-	18,78	269,80	187,72	1.637,54	
IRL	-	-	-	-	-	-	-	9,46	-	60,44	3,03	165,78	41,75	493,69
I	0,19	1,88	18,47	64,55	6,50	92,11	6,69	75,05	-	33,58	388,07	199,06	1.936,41	
L	-	-	-	0,36	1,01	13,55	-	-	-	-	-	3,67	1,23	20,25
NL	-	-	15,13	27,28	5,04	23,69	-	1,02	-	115,97	189,44	184,55	431,17	
AT	-	1,85	-	-	-	5,24	-	2,59	-	6,31	49,83	18,00	149,21	
P	1,37	2,25	6,05	13,99	2,02	9,05	10,08	174,90	-	8,32	354,95	52,43	1.082,67	
FIN	-	-	-	-	-	-	-	-	-	4,31	48,91	18,91	156,75	
S	-	-	-	3,35	-	-	-	-	-	7,27	47,52	15,76	130,67	
UK	18,22	182,28	38,44	140,89	4,76	50,36	3,96	40,79	-	241,74	12,05	123,68	1.605,28	
Networks	-	-	-	-	-	-	-	-	-	-	-	-	-	65,31
TOTAL	46,52	461,76	221,64	739,27	44,42	578,70	72,99	606,95	-	302,18	416,66	3.544,19	1.680,05	14.378,59
of which: OI	15,48	158,60	110,24	281,97	11,58	173,02	39,12	430,68	-	302,18	195,51	2.630,66	705,72	8.872,11

For the purpose of conducting new operations following the adoption of the reserve, the Member States were invited to propose to the Commission the incorporation of the additional financing until 1999 through adjustment of the financing tables for the current programmes. In the case of the changes to the Urban, Adapt and Employment guidelines and the new Interreg II C strand, the Member States were invited to propose to the Commission new programmes or supplements to existing programmes. The time-limits, calculated from the date of publication of the amended guidelines in the Official Journal,³⁴ were four months in the case of Adapt and Employment and six months in the case of Urban and Interreg II C. The final months of the year were given over to talks on those changes, which were expected to lead to Commission decisions from the beginning of 1997 onwards.

Implementation of the Community Initiatives in 1996

Altogether 123 of the 430 operational programmes scheduled for 1994-99 were adopted in 1996. They entail an aggregate contribution from the Structural Funds of ECU 2 380 million, i.e. 17% of the Community Initiatives total for 1994-99 (including the reserve and the appropriations intended for Peace). All the programmes under the following Community Initiatives have now been adopted: Rechar II, Retex II, Urban, Pesca, Adapt, Employment and Regis II. Only eleven programmes remain to be approved in respect of 1997: three Interreg II "A", two Konver, one Resider II, one SMEs and four Leader.

³⁴ OJ No C 200, 10.7.1996.

Table I-27: Community Initiative programmes adopted in 1996 and since 1994

	Adapt		Employment		Leader		Pesca		SMEs		Requis		Rechar		Konver		Resider		Retex ¹		Urban		TOTAL			
	96	94-96	96	94-96	96	94-96	96	94-96	96	94-96	96	94-96	96	94-96	96	94-96	96	94-96	96	94-96	96	94-96	96	94-96		
B	0	2	0	2	0	0	0	1	1	2	-	-	0	2	0	3	0	2	1	2	1	3	3	19		
DK	0	1	0	1	1	1	0	1	1	1	-	-	-	-	0	1	-	-	-	-	0	1	2	7		
D	0	1	0	1	2	15	0	1	6	15	-	-	1	7	3	16	1	9	1	8	2	10	16	83		
EL	0	0	0	1	0	1	0	1	0	1	-	-	0	1	0	1	0	1	0	1	0	1	0	9		
E	0	1	0	1	0	17	0	1	1	1	0	1	1	1	0	0	1	1	0	1	0	1	3	26		
F	0	1	0	1	9	20	0	1	0	3	3	4	1	7	0	17	2	7	0	1	8	8	23	70		
IRL	0	1	0	1	0	1	0	1	0	1	-	-	-	-	-	-	-	-	0	1	1	1	1	7		
I	0	1	0	1	10	22	0	1	1	1	-	-	0	2	1	1	1	1	0	2	1	1	14	33		
L	0	1	0	1	0	1	-	-	1	1	-	-	-	-	0	0	0	0	-	-	0	1	1	5		
NL	0	1	0	1	0	4	0	1	0	1	-	-	-	1	1	0	1	0	1	0	1	0	2	1	13	
AT	0	1	0	1	8	9	-	-	1	1	-	-	1	1	-	-	1	1	1	1	1 ²	2 ²	13	17		
P	0	1	0	1	0	1	0	1	0	1	0	1	0	1	0	1	0	1	0	1	0	1	0	11		
FI	0	1	0	1	2	2	1	1	1	1	-	-	-	-	-	-	-	-	-	-	1	1	5	7		
SE	0	1	0	1	2	2	1	1	1	1	-	-	-	-	1	1	-	-	-	-	1	1	6	8		
UK	0	2	0	2	0	5	0	1	0	4	-	-	0	8	0	1	1	3	0	2	9	10	38			
	0	16	0	17	34	102	3	2	13	14	35	3	6	4	30	6	43	7	27	3	21	25	44	98	353	
Planned		17		17	110	4		13	36		6		30		45		28		21		44			367		
Interreg																								25	59	
Planned																									62	
Peace																									0	1
TOTAL																									123	413
Planned																										430

¹ Including programmes adopted in 1993 and amended since 1994

² Including one programme adopted in respect of the reserve

³ Including 98 programmes, three national networks adopted in 1996 and the Community network

⁴ Including the national networks

The Initiatives must have a demonstration value and give rise to exchanges of experience that are likely to enhance the usefulness of the innovative operations and sound practice featured in the programmes, the aim being to include the subjects concerned in a CSF or an SPD. Since almost every programme has now been approved by the Commission, implementation cannot be limited to individual projects selected by Member States or regions. The programmes must be seen in a wider national or regional context than that of their implementation, particularly in the case of the least developed regions, where the demand for the transfer of know-how is strongest. It is for this reason that the Commission has decided to implement a number of trans-national measures. Accordingly, in order to enhance the usefulness of the measures implemented in the context of the four industrial conversion Initiatives (Resider II, Rechar II, Retex II and Konver), the Commission has decided to launch various operations aimed at exchanging experience and sound practice. Similarly, in connection with the SMEs Initiative, the Commission opted, in the context of its 1994 Decision on the initial allocation of appropriations, to earmark ECU 25 million for trans-national operations. This allowed the following three operations to be launched at the end of 1996: a call for proposals for the creation, at European level, of an Internet network for SMEs operating in the field of tourism in Objective 1, 2, 5(b) and 6 regions;³⁵ financial support for the holding of purchaser exhibitions (Ibex) for SMEs in Objective 1, 2, 5(b) and 6 regions;³⁶ exchanges of experience specific to SMEs by way of awareness, information and communication measures aimed at identifying "sound practice".

Trans-national cooperation, exchanges of experience and the transfer of know-how constitute one of the new fields of the Leader Initiative, which is bolstered by a network (the European Observatory of Rural Innovation and Development), one of whose tasks is to provide technical assistance in the context of trans-national cooperation. An indicative amount of 2.5% of the total financing for Leader is intended to fund the activities of the Community network and the national networks. In 1996 the body selected by the Commission to organise and run Leader's European Observatory proceeded with its work: publications, seminars, exchanges of experience and setting-up of a multilingual information system on the Internet. Trans-national measures were also launched in the context of Pesca in 1996, in the shape of invitations to tender and calls for proposals. The three calls for tenders issued concerned: the dissemination of an information bulletin; the organisation of inter-regional meetings and thematic conferences; and the organisation of two partnership meetings, scheduled for 1997 and 1999, between

³⁵ See 1.2 below: Presentation of each Initiative in turn - The SMEs Initiative.

³⁶ See Chapter II.D.6. Structural Funds and SMEs.

firms belonging to the industry. The call for proposals was aimed at the part-financing of trans-national cooperation and networking projects in the field of training, retraining, economic diversification, local development, etc. A total of seven projects received Community support in the context of that call for proposals. In the case of Adapt and Employment, the trans-national technical assistance programme launched in 1995 to help the Commission and the Member States implement the two Initiatives continued to operate in 1996. The support frameworks at national and at European level (Europs) served to coordinate the setting-up of trans-national partnership projects throughout the Union, underpin the execution of projects and collate the first structured data on the work carried out.

Community Initiatives and development of technological potential:

Many Community Initiatives underpin technological development in the process of attaining their principal objectives. In the case of the most representative Community Initiatives, under the SMEs Initiative, promoting competitiveness among firms and job creation is achieved through the development of new information and telecommunications technologies, RTD networks and innovation. The Interreg programmes are aimed at alleviating the adverse effects of cross-border location by extending cross-border cooperation to research and the new technologies. Technological development also plays a major role in the diversification of economic activities and the strengthening of the regional capacities that are the subject of the industrial conversion Initiatives. In terms of human resources, the new technologies are one of the principal fields in which close cooperation is developing between training centres and the public and private sectors in the context of Adapt and, in the case of Employment, they facilitate the development of reliable databases and the integration into the labour market of the unemployed, the disabled and other disadvantaged groups. For their part, the Leader programmes highlight the importance of data transmission in rural development, in particular in providing support for local production centres.

1996 in the context of programming for 1994-97/99

All the institutional partners have recorded delays in the approval of certain programmes, delays which are due to the very nature of the Community Initiatives which, in relation to the CSFs and SPDs, have certain special features that make them specific instruments of the Union's structural policy: implementation from the bottom up; a high profile in the field in the context of a broad-based partnership; innovative approach (in certain cases); and trans-national, cross-border and inter-regional cooperation. It is not always easy to incorporate these special features at the programming stage. The requirement of a broad-based partnership, for instance, represents a major challenge. It may be the first experience some of the socio-economic actors involved in a programme have had of this working method. These multiple partnerships feature numerous levels of intervention which are sometimes difficult to manage. Moreover, in order to give Community Initiatives a true trans-national, cross-border or inter-regional dimension, pride of place is given to trans-national cooperation between projects. This is a new and complex process on this scale. Innovative action and measures featuring strict selection criteria at regional and national level often call for lengthy analysis at Member State level.

The Commission is, however, keen to endorse quality programmes satisfying those requirements. On the whole, with the industrial conversion Initiatives, it has more often than not been a question of consolidating existing experience. For other Initiatives approaching new issues, further negotiations with the Member States on the content of the programmes proved necessary. This was the case for instance of the SMEs Initiative, the programmes for which gave rise to numerous adjustments, in particular concerning the innovative and internationalisation aspects of SMEs.

1.2. The individual Initiatives

Adapt (1994-99)

Adapt (ECU 1 638 million³⁷) is aimed at encouraging the adaptation of the workforce to industrial change, helping firms increase their productivity, and fostering the emergence of new activities. The measures concerned cover: training, counselling and guidance, anticipation and promotion of new employment opportunities, adaptation of support structures and systems, information, dissemination and greater awareness. The main beneficiaries are workers affected by industrial change.

Adapt and the anticipation of technological change:

The initial Adapt guidelines provided for encouragement for cooperation and exchanges between enterprises and research centres with a view to assisting the transfer of technology, and for studies focusing on the introduction of new production processes and systems and the use of communication and information systems. In the programmes that have been adopted, measures relating to telecommunications and the Information Society are provided for by a number of Member States, namely Italy, Greece, Portugal, France, Ireland, Finland and the United Kingdom. In particular, the programme for France earmarks 4% of the overall budget for training in the new technologies and the use of flexible systems and distance learning, while under the programme for Portugal 10% of the overall budget is to be allocated to data transmission applications and 20% to RTD in measures to introduce new technologies and encourage the setting-up of information networks.

In 1996 a new strand was added to Adapt: Adapt-BIS (Building the Information Society), which will encourage programmes to take into account the emergence of the Information Society and its consequences as far as the competitiveness and the way in which European firms operate are concerned. In particular, Adapt-BIS is aimed at encouraging:

- *the identification and transfer of sound practices as regards the use of new information and communications technologies that are suited to local development conditions, requirements and levels;*
- *large-scale experimentation and dissemination of the findings in Europe, to include the results already obtained thanks to Community RTD and vocational training programmes.*

A significant feature of the implementation of Adapt in 1996 was the build-up of projects selected following the first call for projects in 1995. Some 1 400 projects were launched or, as was mostly the case, were implemented for their first full year. Calls for tenders for the evaluations in the Member States were also issued in 1996. A first series of interim reports was expected to be submitted to the monitoring committees by the end of March 1997 at the latest. This first series of projects - now being implemented - has already revealed concerns and interests that are common to the various Member States and regions. Many relate to at least one of the principal themes of the Initiative: development of, and support for, SMEs; nature and impact of changes in the way work is organised; anticipation of labour market trends; qualifications; effectiveness of local labour markets; job creation; and the impact of the Information Society. The projects are supported and organised by labour market agencies generally: enterprises (in particular SMEs), groups of firms, sectoral organisations, chambers of commerce, craft industries and agriculture, trade unions and other workers' organisations, public and private training agencies and universities, local and regional authorities, local development agencies and NGOs.

This increased level of activity has had an impact on the Commission's level of financial implementation in 1996. Total commitments rose from ECU 307.7 million to ECU 530.1 million and payments as a whole went up from ECU 152.6 million to ECU 239.6 million.

³⁷ At 1996 prices, including the reserve.

Table I-30: Adapt - 1996 in the context of programming for 1994-99 (ECU million)

Member State (number of programmes)	Assistance*	Commitment	Commitment	%	Payments	Payments	%
	(1)	1996	1994-96 (2)	(2)/(1)	1996	1994-96 (3)	(3)/(1)
Belgium (2)	31,2	25,5	31,2	100%	6,5	9,4	30%
Denmark (1)	29,5	24,2	29,5	100%	6,2	8,9	30%
Germany (1)	228,8	33,8	76,7	34%	17,3	38,8	17%
Greece (1)	30,1	20,3	27,4	91%	4,8	8,4	28%
Spain (1)	256,4	33,7	81,8	32%	18,7	42,7	17%
France (1)	249,7	0,0	46,9	19%	0,0	23,5	9%
Ireland (1)	21,2	3,5	7,4	35%	4,0	6,0	28%
Italy (1)	190,0	45,6	81,7	43%	23,1	41,1	22%
Luxembourg (1)	0,3	0,2	0,3	100%	0,1	0,1	30%
Netherlands (1)	57,6	0,0	11,5	20%	0,0	5,8	10%
Austria (1)	11,6	0,0	11,6	100%	0,0	5,8	50%
Portugal (1)	21,0	17,0	21,0	100%	4,3	6,3	30%
Finland (1)	19,7	0,0	19,7	100%	1,2	9,9	50%
Sweden (1)	11,3	0,0	11,3	100%	0,0	5,6	50%
United Kingdom (2)	286,6	18,7	72,2	25%	0,8	27,5	10%
Total (17)	1.444,9	222,4	530,1	37%	87,0	239,6	17%

* Excluding reserve

Employment and Human Resources (1994-99)

Employment and Human Resources (ECU 1 849 million³⁸): the aim is to use an integrated approach to underpin the recovery of employment and promote solidarity and equal opportunities on the labour market. A total of four strands - each with its own budget - are currently covered:

- **Now** (ECU 496 million) supports innovative approaches to vocational training for women;
- **Horizon** (ECU 513 million) encourages the disabled and other disadvantaged groups to enter working life;
- **Youthstart** (ECU 441 million) helps young people without qualifications enter working life;
- **Integra** (ECU 385 million), a new strand adopted in 1996, is aimed at making access to the labour market easier for vulnerable groups that are excluded or at risk of being excluded from it. This strand now covers Horizon measures in favour of disadvantaged persons.

Employment and adaptation to the new technologies :

Thanks to each strand of Employment, measures can be funded that encourage new information and communications technologies (Now : training in new skills in the field of RTD and innovative technology; Horizon : adaptation of the workplace through the development of new technologies and distance working and flexible training and learning, such as distance learning and learning by computer; Youthstart : giving young people access to the labour market through distance learning). The new technologies constitute a major avenue towards possible improvements in the employment prospects of the Employment Initiative target groups: firstly they afford interesting possibilities of innovation in terms of training methodology, be it in the case of distance learning or of training assisted by modern means of information technology; secondly introducing new technologies changes working methods and, in some cases, contributes to creating new jobs or occupations.

Accordingly, to take account of that impact and give a greater share of the working population access to those new jobs, the training needs to be adapted in terms both of content and methods. For example some 7% of the projects covered by Youthstart focus on activities relating to jobs arising from new information technologies, and one fifth of the Horizon projects explore the ways in which new technologies can help the disabled secure employment.

As in the case of Adapt, a significant feature of the implementation of Employment in 1996 was the strong showing of projects selected at the time of the first call for projects in 1995. Some 2 400 were launched or, in the majority of cases, completed their first full year of implementation. Activities focusing on training - which have always constituted a major component of this type of programme - are increasingly integrated in more general measures based on cooperation between local actors and aimed at providing the target groups with integrated solutions in terms of access to the labour market

³⁸ At 1996 prices, including the reserve.

or training systems. Notable also are the search for new jobs and the desire to encourage the creation of new firms (in particular under Now), above all in what are regarded as promising sectors. Generally speaking, training centres remain major players, although there is also a strong showing by local and regional authorities, in particular in Southern Europe, and by NGOs and associations. On the other hand, the two sides of industry do not appear to be playing a sufficiently prominent role in the implementation of the projects. The Commission would like to see greater activity on their part in the second phase of the Initiative, the aim being to forge a link between the projects and the concerns felt by economic operators.

The impact of this increased level of activity on financial execution in 1996 is significant. Commitments went up from ECU 236 million to ECU 572 million and payments from ECU 117.8 million to ECU 324.6 million.

Table I-31: Employment - 1996 in the context of programming for 1994-99 (ECU million)

Member State (number of programmes)	Assistance*	Commitment	Commitment	%	Payments	Payments	%
	(1)	1996	1994-96	(2)/(1)	1996	1994-96	(3)/(1)
Belgium (2)	32,1	10,4	32,1	100%	5,2	16,1	50%
Denmark (1)	10,6	9,0	10,6	100%	2,4	3,2	30%
Germany (1)	156,8	26,8	50,0	32%	29,5	41,0	26%
Greece (1)	64,4	4,6	12,6	20%	2,3	6,4	10%
Spain (1)	386,6	56,0	114,7	30%	35,3	64,6	17%
France (1)	146,5	27,3	49,6	34%	15,6	26,7	18%
Ireland (1)	76,1	21,7	29,3	39%	13,3	17,0	22%
Italy (1)	348,7	82,7	134,2	38%	41,9	67,6	19%
Luxembourg (1)	0,3	0,0	0,3	100%	0,0	0,2	50%
Netherlands (1)	42,4	2,2	6,5	15%	1,1	3,2	8%
Austria (1)	23,0	0,0	23,0	100%	0,0	11,5	50%
Portugal (1)	40,3	3,9	9,6	24%	2,1	5,0	12%
Finland (1)	29,2	0,0	29,2	100%	0,0	14,6	50%
Sweden (1)	20,7	0,0	20,7	100%	0,0	10,3	50%
United Kingdom (2)	146,5	18,4	49,8	34%	21,6	37,3	25%
Total (17)	1.524,2	263,1	572,0	38%	170,3	324,6	21%

* Excluding reserve

Leader II (1994-99)

Leader (ECU 1 768 million³⁹) supports rural development projects devised and managed by local partners in which the emphasis is on measures that are innovative, have a demonstration value and are transferable. The projects have to be based on development strategies that are consistent and adapted to the areas concerned. Assistance from Leader II is available only to local action groups (public and private partners jointly devising a development strategy) or other rural collective bodies (local authorities, chambers of agriculture, commerce and industry, cooperatives, etc.), provided their operations fit in with a development strategy at local level. Leader II applies to rural areas covered by Objectives 1, 5(b) and 6 (with ECU 1 086 million earmarked for Objective 1 and Objective 6 regions).

Leader and technological innovation in rural areas:

Through its "rural innovation programme" strand, Leader encourages innovation - adapted in the light of the local context - in terms of methods, products, processes and markets and the demonstrability and transferability of projects. It accordingly fosters local development initiatives aimed at achieving new dynamism. The operations receiving assistance are varied and may concern: measures that supplement those relating to agricultural markets (including the environmental aspects and renewable sources of energy); the application of new information and communication technologies to the rural environment; or the design and marketing of new products and services. Among the measures eligible are those for rural tourism (innovative investment and the introduction of booking systems based on information technology); SMEs (measures to improve access to technology transfer services and the development of distance working, the aim being to

³⁹ At 1996 prices, including the reserve.

obtain the best return from agricultural products or promote the transfer of technology, telemarketing and alternative and renewable sources of energy); and the environment (waste recycling). Quantifying the funds made available for technological development is no mean task. The appropriations for technological innovation are, however, allocated to the use of information technology applications, seen as a means of reducing the isolation of rural areas. These operations concern distance working, communication centres and the development of telecommunications for firms. While few resources are allocated to RTD as such, applied research projects are aimed mostly at obtaining the best return from local produce.

Examples of innovative applied research projects:

- **the ARCA Umbria area (Perugia)**, which specialises in ceramics - an industry facing a pollution/waste problem - had developed a waste-recycling process that was in need of experimentation. Leader made it possible for the experimentation phase to begin and for the system - which can be applied to the management of other pollutants - to be developed.
- **the Sierra de Bejar Francia group (Salamanca)**, which is situated in an olive-growing area threatened by low farm incomes, has, thanks to a study financed by Leader, developed a new process for the treatment of olive oil waste. The process allows the waste to be transformed into reusable by-products, thus alleviating a major environmental problem.
- **the Creuse programme (Limousin)** is aimed at updating traditional know-how by creating new products, encouraging apprenticeships; and promoting products commercially. A prototype workshop designs new products based on local know-how, in particular in the field of screen printing and furnishing fabrics.
- **at Anogia (Crete)**, the Leader group has, thanks to the programme, been able to build premises and equip the centre for the diagnosis and control of zoonoses, infectious animal diseases that are transmissible to man. The research centre is operating in collaboration with the University of Crete and the Anogia health centre and is recognised by WHO as a collaborating centre for research and training for Mediterranean areas affected by zoonoses.

Since 1994 the Commission has received from the fifteen Member States 102 proposals for programmes (not including technical assistance programmes) under Leader. It has seen to it that, in accordance with Leader II guidelines, the proposals are the outcome of broad-based concertation between local actors. Following on from the 67 programmes and global grants it adopted in 1995, the Commission adopted 34 programmes in 1996 - 31 regional programmes (11 of which concern the new Member States) and three technical assistance programmes (implementing national networks). The new programmes represent a total of ECU 253.4 million in Structural Fund assistance and account for 14% of the total budget for Leader (including the reserve). Only the Belgian programmes and the balance of the technical assistance programmes remained to be adopted. By the end of 1996, Commission-approved programmes accounted for 99% of the overall budget for Leader (not including the reserve).

Table I-32: Leader II - Programmes adopted in 1996 (ECU million)

	Total cost	Assistance from the Structural Funds*						
		Total	ERDF	ESF	EAGGF	FIFG	For Objective areas	% for Objective areas
Denmark	26,7	8,2	3,3	1,6	3,3	0,0	0,0	0%
Germany	18,6	7,6	3,7	0,5	3,4	0,0	0,0	0%
<i>Technical assistance (national network)</i>	2,0	1,0	0,0	0,0	1,0	0,0	0,0	0%
<i>Schleswig-Holstein</i>	16,6	6,6	3,7	0,5	2,4	0,0	0,0	0%
France	158,1	67,1	35,0	10,5	21,6	0,0	2,0	3%
<i>Alsace</i>	8,4	3,7	1,7	0,4	1,6	0,0	0,0	0%
<i>Centre</i>	15,1	6,4	2,9	1,0	2,6	0,0	0,0	0%
<i>Champagne-Ardenne</i>	6,9	2,2	1,0	0,3	0,9	0,0	0,0	0%
<i>Douai, Valenciennes</i>	4,5	2,0	1,3	0,1	0,7	0,0	2,0	100%
<i>Upper Normandy</i>	1,8	0,8	0,4	0,2	0,3	0,0	0,0	0%
<i>Lorraine</i>	16,0	7,4	4,0	0,7	2,7	0,0	0,0	0%
<i>Midi-Pyrénées</i>	58,5	22,0	13,9	3,1	5,1	0,0	0,0	0%
<i>Loire Region</i>	18,8	9,3	4,6	2,0	2,7	0,0	0,0	0%
<i>Rhône-Alpes</i>	28,1	13,2	5,3	2,7	5,2	0,0	0,0	0%
Italy	319,6	105,5	41,7	16,6	47,3	0,0	42,4	40%
<i>Technical assistance (national network)</i>	3,1	2,0	0,0	0,0	2,0	0,0	0,0	0%
<i>Lazio</i>	60,6	16,3	6,5	2,5	7,4	0,0	0,0	0%
<i>Liguria</i>	15,6	3,9	2,1	0,5	1,4	0,0	0,0	0%
<i>Lombardy</i>	14,6	4,5	2,7	0,5	1,4	0,0	0,0	0%
<i>Marche</i>	35,9	8,4	3,4	1,3	3,8	0,0	0,0	0%
<i>Molise</i>	18,1	9,8	2,9	1,9	5,1	0,0	9,8	100%
<i>Piedmont</i>	39,9	9,3	5,0	0,6	3,6	0,0	0,0	0%
<i>Sicily</i>	65,2	32,6	11,9	6,1	14,6	0,0	32,6	100%
<i>Trento</i>	8,6	2,2	0,9	0,2	1,2	0,0	0,0	0%
<i>Veneto</i>	57,9	16,3	6,3	3,2	6,8	0,0	0,0	0%
Austria	66,0	20,8	9,0	2,7	9,2	0,0	0,0	0%
<i>Technical assistance (national network)</i>	0,5	0,3	0,0	0,0	0,3	0,0	0,0	0%
<i>Lower Austria</i>	14,0	5,6	3,0	1,1	1,5	0,0	0,0	0%
<i>Carinthia</i>	8,4	2,9	1,3	0,4	1,2	0,0	0,0	0%
<i>Upper Austria</i>	19,0	4,9	2,2	0,5	2,3	0,0	0,0	0%
<i>Salzburg</i>	2,8	0,8	0,3	0,2	0,4	0,0	0,0	0%
<i>Styria</i>	14,9	4,3	1,6	0,2	2,5	0,0	0,0	0%
<i>Tyrol</i>	5,3	1,7	0,5	0,3	0,9	0,0	0,0	0%
<i>Vorarlberg</i>	1,0	0,4	0,1	0,0	0,2	0,0	0,0	0%
Finland	76,5	28,1	11,2	4,2	12,6	0,0	11,9	42%
<i>Finland (Obj. 5(b))</i>	44,3	16,2	6,5	2,4	7,3	0,0	0,0	0%
<i>Finland (Obj. 6)</i>	32,1	11,9	4,8	1,8	5,4	0,0	11,9	100%
Sweden	85,9	16,1	8,1	2,7	5,3	0,0	4,0	25%
<i>Sweden (Obj. 5(b))</i>	71,8	12,1	6,1	2,1	4,0	0,0	0,0	0%
<i>Sweden (Obj. 6)</i>	14,1	4,0	2,0	0,7	1,3	0,0	4,0	100%
TOTAL	751,3	253,4	111,8	38,9	102,7	0,0	60,4	24%

* Excluding reserve

Most of the programmes adopted in 1996 include the three measures provided for in the Commission guidelines for Leader II, namely:

- acquiring skills: this measure provides for finance for informing and motivating local people, analysing the area's strong and weak points and drawing up a development strategy;
- rural innovation programmes: this measure provides support for the development strategies drawn up by local operators for the area concerned;
- trans-national cooperation: this measure helps with joint projects undertaken by local action groups or other potential beneficiaries from more than one Member State.

A total of four national networks (three of them assisted) were set up in 1996 with a view to fostering, in each Member State, the exchange of information and experience between Leader II beneficiaries and, more generally, those involved in rural development. The national networks are expected to be set up in the other Member States in 1997.

Table I-33: Leader II - 1996 in the context of programming for 1994-99 (ECU million)

Member State (number of programmes)	Assistance*	Commitment	Commitment	%	Payments	Payments	%
	(1)	1996	1994-96 (2)	(2)/(1)	1996	1994-96 (3)	(3)/(1)
Denmark (1)	8,2	6,5	6,5	80%	2,0	2,0	24%
Germany (15)	177,4	15,9	140,5	79%	14,3	53,1	30%
Greece (1)	148,0	0,0	22,6	15%	0,0	11,3	8%
Spain (17)	354,8	9,5	121,6	34%	9,8	44,7	13%
France (20)	190,0	92,7	188,3	99%	45,6	61,1	32%
Ireland (1)	67,9	0,0	7,5	11%	0,0	3,8	6%
Italy (22)	288,7	49,3	77,9	27%	22,3	36,3	13%
Luxembourg (1)	1,0	0,0	1,0	100%	0,0	0,4	40%
Netherlands (4)	8,5	0,0	8,2	97%	0,0	2,5	29%
Austria (9)	23,4	18,1	20,1	86%	5,7	6,1	26%
Portugal (1)	117,6	4,0	10,7	9%	4,9	8,4	7%
Finland (2)	28,1	28,1	28,1	100%	8,4	8,4	30%
Sweden (2)	16,1	13,4	13,4	83%	4,0	4,0	25%
United Kingdom (5)	66,2	10,0	66,2	100%	14,8	19,6	30%
Eur. network (1)	16,0	4,1	7,8	49%	1,8	4,7	30%
Total (102)	1.511,9	251,7	720,4	48%	133,6	266,3	18%

* Including national networks but not reserve

Pesca (1994-99)

Pesca (ECU 300 million⁴⁰) provides financing to complement the structural aid available under CSFs, helping fishermen to retrain and firms in the sector to diversify. Operations relate to diversification in the fisheries sector (into tourism and crafts), improvement of occupational skills of fishermen, or obtaining the best return from fisheries products and improving distribution channels. Pesca applies mainly in areas dependent on fisheries situated in Objective 1, 2, 5(b) and 6 areas, with half the funding being earmarked for Objective 1 and Objective 6 regions.

In the wake of the difficulties that affected its launch in 1995 (late adoption of the programmes, complex nature of the management machinery, etc.), the Pesca Initiative had a slow but steady start. While several projects were already being implemented in Germany, Denmark, Spain, Ireland and the United Kingdom, a number of major difficulties remained to be resolved in France, Italy and the Netherlands. Other significant events in 1996 were the adoption of the Pesca programmes for Sweden and Finland and the launch of the trans-national Pesca measures.⁴¹

Table I-34: Pesca - Programmes adopted in 1996 (ECU million)

	Total cost	Assistance from the Structural Funds*						For Objective areas	% for Objective areas
		Total	ERDF	ESF	EAGGF	FIGG			
Finland	8,8	3,4	0,9	0,5	0,0	2,1	0,6	17%	
Sweden	10,5	4,0	0,8	1,0	0,0	2,2	0,0	0%	
TOTAL	19,3	7,4	1,6	1,5	0,0	4,2	0,6	8%	

* Excluding reserve

Compared with 1995 there has been a marked improvement in financial implementation in terms of commitments: a total of ECU 134.6 million was committed in 1996 - in many cases in single instalments - bringing the total for 1994-96 to ECU 187.7 million (71%) of the ECU 265 million earmarked for the entire programming period prior to the allocation of the reserve. In the case of Belgium, Germany, France, Sweden and Finland, all the appropriations provided for in the

⁴⁰ At 1996 prices, including the reserve.

⁴¹ See above.

programming plans have been committed. The extent to which payments have been taken up remains relatively low, however: altogether, ECU 20.6 million has been paid to the thirteen Member States concerned, bringing the total for the period to ECU 37.9 million, i.e. 14% of the assistance.

Table I-35: Pesca - 1996 in the context of programming for 1994-99 (ECU million)

Member State (number of programmes)	Assistance* (1)	Commitment 1996	Commitment 1994-96 (2)	% (2)/(1)	Payments 1996	Payments 1994-96 (3)	% (3)/(1)
Belgium (1)	2,0	1,7	2,0	100%	0,4	0,6	30%
Denmark (1)	16,4	9,5	12,3	75%	0,8	2,2	13%
Germany (1)	23,0	19,4	23,2	101%	0,0	1,9	8%
Greece (1)	27,1	22,3	26,8	99%	0,3	2,6	9%
Spain (1)	41,5	0,0	6,9	17%	0,0	3,5	8%
France (1)	28,3	9,5	28,3	100%	8,5	8,5	30%
Ireland (1)	7,8	6,1	7,2	91%	0,7	1,3	17%
Italy (1)	34,2	0,0	4,4	13%	0,0	2,2	6%
Netherlands (1)	10,6	9,3	10,5	99%	1,1	1,7	16%
Portugal (1)	29,3	23,2	27,5	94%	4,5	6,6	23%
Finland (1)	3,4	3,4	3,4	100%	1,1	1,1	33%
Sweden (1)	4,0	4,0	4,0	100%	1,2	1,2	30%
United Kingdom (1)	37,4	26,2	31,3	84%	1,9	4,5	12%
Total (13)	265,0	134,6	187,7	71%	20,6	37,8	14%

* Excluding reserve

SMEs Initiative (1994-99)

The SMEs Initiative (ECU 1 087 million⁴²) responds to the need for SMEs to adapt to the constraints of the internal market and the globalisation of economies. The SMEs Initiative is intended in particular for Objective 1 and Objective 6 regions, where close on 80% of the appropriations will be spent.

Technological innovation at the heart of the SMEs Initiative:

This is the principal Community Initiative that fosters technological development in small firms. Under the programmes, more than 15% of the Structural Funds appropriations are allocated to research and development, to telecommunications services and to data transmission applications, the latter being the subject of close attention. It should be recalled that the SMEs Initiative is a continuation of the Stride (strengthening technological potential in less-favoured regions), Prisma (improved services for firms) and Telematique (using advanced telecommunications services) Initiatives, some of the current programmes being based on the experience gained and the progress achieved in the context of those Initiatives. Measures eligible for support cover, on the one hand, improvements in production and organisation systems in small firms through non-tangible investments (technological innovation and advanced communication and information systems) and, on the other, cooperation between research centres and SMEs, the aim being to match regional research activities and local needs and thus better satisfy SME requirements in terms of technological transfer and applications. Under the programmes, adapting to the new information and communication technologies and applications thereof within firms qualifies for about 40% of the Community appropriations intended for technological innovation. The measures concern in particular improved access for SMEs to data transmission services and networks and distance working. As regards measures to encourage RTD, which attract over a third of the appropriations for technological innovation, there are significant differences as between programmes with none provided for under the Greek programmes whereas they constitute a major component of other programmes (e.g. 47% both for the United Kingdom and for the Netherlands). Such measures include support for innovation, technological transfer and cooperation between SMEs and research and technology transfer centres).

⁴² At 1996 prices, including the reserve.

Tourism SMEs on the Internet:

Encouraging SMEs operating in the tourist industry to advertise and trade via the Internet is one of the three trans-national measures launched by the Commission in 1996.⁴³ It is aimed at helping tourism SMEs to be present on worldwide multimedia networks, and thereby enable them to benefit from electronic advertising and commercial activities. In an industry such as that of tourism, in which the emphasis is increasingly on large-scale markets and on highly integrated supply, it is very difficult for SMEs to fund marketing strategies on a pan-European scale, hence the need for coordination at local, regional and Community level. The aim is accordingly:

- to create, at European level, a coordination structure that will constitute a common Internet access point for tourism SMEs;
- to set up a system of regional or local agents responsible for concentrating and managing the provision, via the Internet, of services to tourism SMEs and for creating an interface between potential clients and local SMEs.

The Commission has received more than 180 proposals for projects relating to agents whose task would be to coordinate the regional or local initiatives. Selection was expected to take place in the first half of 1997, the programmes themselves being launched before the end of that year.

In relation to the 36 programmes planned overall, a total of 14 new programmes were adopted in 1996, accounting for ECU 511.8 million in assistance from the Structural Funds, i.e. about 47% of the total (ECU 1 087 million including the reserve and ECU 1 062 million without it). Since 21 programmes were adopted in 1995, there remained only one SMEs Initiative programme to be adopted (that for the United Kingdom).

Table I-36: SMEs Initiative - Programmes adopted in 1996 (ECU million)

	Total cost	Assistance from the Structural Funds*					For Objective 1/6 areas	% for Objective 1/6 areas
		Total	ERDF	ESF	EAGGF	FIRG		
Belgium-Flanders	8,6	2,7	2,7	0,0	0,0	0,0	0,0	0%
Denmark	5,1	2,6	2,6	0,0	0,0	0,0	0,0	0%
Germany	43,5	26,2	21,2	5,0	0,0	0,0	14,9	57%
Baden-Württemberg	1,8	0,9	0,9	0,0	0,0	0,0	0,0	0%
Lower Saxony	9,5	4,7	4,3	0,5	0,0	0,0	0,0	0%
Brandenburg	20,9	14,9	10,4	4,5	0,0	0,0	14,9	100%
Rhineland-Palatinate	4,6	2,3	2,3	0,0	0,0	0,0	0,0	0%
Saarland	3,1	1,5	1,5	0,0	0,0	0,0	0,0	0%
Schleswig-Holstein	3,6	1,8	1,8	0,0	0,0	0,0	0,0	0%
Spain	1.383,1	251,1	251,1	0,0	0,0	0,0	226,8	90%
Italy	645,5	191,7	184,0	7,6	0,0	0,0	160,4	84%
Luxembourg	1,4	0,3	0,3	0,1	0,0	0,0	0,0	0%
Austria	34,8	9,0	7,6	1,4	0,0	0,0	0,8	8%
Finland	27,9	11,1	7,4	3,7	0,0	0,0	5,1	46%
Sweden	48,8	17,2	13,0	4,2	0,0	0,0	3,6	21%
TOTAL	2.198,8	511,8	489,9	21,9	0,0	0,0	411,6	80%

* Excluding reserve

In 1996 the Commission committed ECU 181.9 million, corresponding to 35% of the amount for the programmes approved in 1996 and 18% of the total for programming under the SMEs Initiative approved since 1994. In terms of commitments these are fairly low figures compared with other Initiatives. Of the fourteen programmes adopted in 1996, two are financially sizeable programmes under national management (Spain and Italy). Since these are Community Initiative programmes of upwards of ECU 40 million, the commitments concern the 1996 instalment only. The twelve other programmes, covering smaller amounts, were the subject of a single commitment. The total commitment in respect of the SMEs Initiative since 1994 is 38% of the total for the programmes approved under that Initiative. The level of payments (less than half that of commitments) shows that the programmes are still at an initial phase.

⁴³ See 1.1 above: Overview.

Table I-37: SMEs Initiative - 1996 in the context of programming for 1994-99 (ECU million)

Member State (number of programmes)	Assistance*	Commitment	Commitment	%	Payments	Payments	%
	(1)	1996	1994-96	(2)/(1)	1996	1994-96	(3)/(1)
Belgium (2)	12,1	4,6	12,1	100%	1,8	4,0	33%
Denmark (1)	2,6	2,6	2,6	100%	0,8	0,8	30%
Germany (15)	184,2	41,7	142,9	78%	26,3	57,1	31%
Greece (1)	83,3	18,3	28,8	35%	9,2	14,4	17%
Spain (1)	251,1	35,3	35,3	14%	17,6	17,6	7%
France (3)	58,5	0,4	15,8	27%	0,2	4,8	8%
Ireland (1)	28,8	2,3	28,8	100%	0,7	8,6	30%
Italy (1)	191,7	44,7	44,7	23%	22,4	22,4	12%
Luxembourg (1)	0,3	0,3	0,3	72%	0,1	0,1	22%
Netherlands (1)	10,3	0,8	10,3	100%	0,2	3,1	30%
Austria (1)	9,0	9,0	9,0	100%	2,7	2,7	30%
Portugal (1)	124,0	1,2	14,4	12%	0,6	7,2	6%
Finland (1)	11,1	7,4	7,4	67%	2,2	2,2	20%
Sweden (1)	17,2	13,0	13,0	76%	3,9	3,9	23%
United Kingdom (4)	20,1	0,4	20,1	100%	0,1	7,4	37%
Total (35)	1.004,3	181,9	385,4	38%	88,7	156,4	16%

* Excluding reserve

Regis (1994-99)

Regis (ECU 612 million⁴⁴) is intended to improve integration into the Community of the most remote regions. The measures are aimed at achieving diversification of economic activity, consolidation of links with the rest of the Union, cooperation between remote regions, natural risk prevention and vocational training.

Regis and the development of the technological potential of the most remote regions:

The measures being considered with a view to forging closer ties between the most remote regions and the rest of the Community include in particular the upgrading of telecommunications infrastructure and training in the new technologies. They represent 5.5% of Structural Fund appropriations for Regis programmes. Measures in the field of RTD - in particular support for the transfer of know-how - make up the bulk of the appropriations earmarked for technological development. Access to advanced telecommunications and data transmission services also accounts for a major share, the aim being to bring the regions concerned closer to the sources of information and thus reduce their isolation.

In 1996 three new programmes for France were adopted which together attracted a contribution of ECU 150.5 million from the Structural Funds, i.e. about 25% of the total of ECU 612 million earmarked for Regis. Following the adoption of three other programmes in 1995, all the programmes under Regis have now been approved.

Table I-38: Regis - Programmes adopted in 1996 (ECU million)

	Total cost	Assistance from the Structural Funds*						For Objective areas	% for Objective areas
		Total	ERDF	ESF	EAGGF	FIGG			
France	295,0	150,5	79,2	25,3	44,5	1,5	150,5	100%	
Guadeloupe	123,9	61,3	33,8	10,0	16,5	1,0	61,3	100%	
French Guiana	47,3	28,4	16,3	4,2	7,4	0,5	28,4	100%	
Martinique	123,8	60,8	29,1	11,1	20,6	0,0	60,8	100%	
TOTAL	295,0	150,5	79,2	25,3	44,5	1,5	150,5	100%	

* Excluding reserve

In 1996 the Commission committed ECU 158 million, with the commitment in respect of the second instalment for 1996 for the two programmes with the largest amounts (Portugal and Spain) accounting for about 80% of this figure. Altogether 36% of the Structural Funds assistance for this Initiative has

⁴⁴ At 1996 prices.

been committed since 1994. This level of commitment and the level of payments show that the implementation of these two programmes is progressing satisfactorily.

Table I-39: Regis - 1996 in the context of programming for 1994-99 (ECU million)

Member State (number of programmes)	Assistance* (1)	Commitment		%	Payments		%
		1996	1994-96 (2)		1996	1994-96 (3)	
Spain (1)	216,9	47,4	75,4	35%	59,9	59,9	28%
France (4)	266,1	52,2	60,9	23%	20,4	24,8	9%
Portugal (1)	124,0	58,3	80,4	65%	55,3	72,9	59%
Total (6)	607,0	158,0	216,8	36%	135,6	157,6	26%

* Excluding reserve

The industrial conversion Initiatives (Rechar, Resider and Konver) and technological innovation:

The industrial conversion Initiative guidelines attach a great deal of importance to adapting to the new technological environment. They encourage cooperation between firms and research centres, universities, technology transfer and training centres; innovation in industry and services through the gathering of information on innovative products and processes; and, in particular in the case of Konver, the dissemination of innovative methods of production and new systems of business organisation. It is difficult, however, to draw up a detailed list of the measures and, therefore, of the appropriations specifically allocated to those measures under the various programmes since they are more often than not part of larger industrial conversion measures.

Rechar (1994-99)

Rechar (ECU 462 million⁴⁵) supports conversion in the areas worst affected by the decline of the coal industry, with priority being given to environmental protection, to the rehabilitation of former mining buildings, to new economic activities (in particular for SMEs) and to training and employment.

In relation to the planned overall total of 30 programmes, four new programmes were adopted in 1996 which together accounted for a Structural Funds contribution of ECU 83.2 million, i.e. 18% of the ECU 462 million earmarked for Rechar II (including the reserve - ECU 408 million without). All the Rechar II programmes have now been adopted, since 26 had already been adopted in 1995.

Table I-40: Rechar - Programmes adopted in 1996 (ECU million)

	Total cost	Assistance from the Structural Funds*						For Objective areas	% for Objective areas
		Total	ERDF	ESF	EAGGF	FIFG			
Germany: Brandenburg	49,3	30,3	21,2	9,1	0,0	0,0	30,3	100%	
Spain	60,0	34,2	34,2	0,0	0,0	0,0	28,4	83%	
France: Nord/Pas-de-Calais	39,3	16,9	16,9	0,0	0,0	0,0	8,3	49%	
Austria: Styria, Upper Austria	7,0	1,8	1,4	0,4	0,0	0,0	0,0	0%	
TOTAL	155,6	83,2	73,7	9,5	0,0	0,0	66,9	80%	

* Excluding reserve

Rechar - Example of a programme adopted in 1996 : Nord/Pas-de-Calais region (France)

The programme will, in the context of the redevelopment of former industrial land, encourage the setting up of schemes to restructure sites for multi-purpose uses and enhance the value of the industrial heritage. Part-financed operations will have to be fully integrated into the development strategy of the areas concerned and give due importance to quality. Priority is in particular given to the three sites steeped in the region's mining history (Pit 11/19 at Loos-en-

⁴⁵ At 1996 prices, including the reserve.

Gohelle, Pit 9/9a at Oignies and the Aremberg pit at Wallers), the aim being to link up in a network with the mining centre of Lewarde. The heritage and historical value of the three sites is officially recognised and there is, by virtue of the location (proximity to the mining belt, the future Dourges hub and the State forest), genuine potential for development.

The 1996 commitments correspond to 29% of the Structural Funds assistance for programmes approved since 1994. With the exception of some programmes adopted in 1995 (Rhineland-Westphalia, East Midlands and Yorkshire), Rechar programmes fell under the ECU 40 million mark and, when they were adopted, were the subject of a single commitment. Accordingly, the 1996 commitments largely concern programmes adopted in 1996. The 1996 payments also relate above all to programmes adopted in 1996. Aggregate payments in 1994-96 represent 33% of the assistance from the Structural Funds for programmes adopted during that period. Since this is an Initiative which was initially scheduled for 1994-97, the level of payments in 1994-96 suggests that some CI programmes might, with the benefit of the flexibility afforded in the context of the allocation of the reserve, be extended until 1999.

Table I-41: Rechar - 1996 in the context of programming for 1994-97 (ECU million)

Member State (number of programmes)	Assistance*	Commitment	Commitment	%	Payments	Payments ^c	%
	(1)	1996	1994-96 (2)	(2)/(1)	1996	1994-96 (3)	(3)/(1)
Belgium (2)	15,7	0,0	15,7	100%	0,0	7,8	50%
Germany (7)	158,6	62,6	118,5	75%	23,2	50,0	32%
Greece (1)	1,5	0,2	1,5	100%	0,1	0,8	50%
Spain (1)	34,2	32,7	32,7	95%	16,3	16,3	48%
France (7)	33,5	17,9	33,3	99%	14,9	16,7	50%
Italy (2)	1,7	0,0	1,7	100%	0,5	0,8	50%
Austria (1)	1,8	1,1	1,1	60%	0,6	0,6	30%
Portugal (1)	0,9	0,0	0,9	100%	0,4	0,7	80%
United Kingdom (8)	163,2	5,6	87,1	53%	5,7	43,6	27%
Total (30)	411,2	119,9	292,5	71%	61,6	137,2	33%

* Excluding reserve

Konver (1994-99)

Konver (ECU 739 million⁴⁶) supports economic diversification in areas that are heavily dependent on the defence industry, through the conversion of activities related to that sector and the encouragement of activities in non-military industrial sectors. At least 50% of the financing is earmarked for Objective 1, 2, 5(b) or 6 areas.

In relation to a planned total of 45 programmes for 1994-99, six new programmes were adopted in 1996. The Structural Funds assistance was ECU 136.3 million, i.e. about 18% of the total of ECU 739 million (including the reserve - ECU 509 million without it). After the adoption of 37 programmes in 1995 only two *Konver* programmes remained to be adopted, one for Spain and the other for Luxembourg.

⁴⁶ At 1996 prices, including the reserve.

Table I-42: Konver - Programmes adopted in 1996 (ECU million)

	Total cost	Assistance from the Structural funds*						
		Total	ERDF	ESF	EAGGF	RIFG	For Objective areas	% for Objective areas
Germany	145,4	74,9	54,9	20,0	0,0	0,0	62,2	83%
Baden-Württemberg	51,7	12,7	11,3	1,3	0,0	0,0	0,0	0%
Brandenburg	53,9	37,1	26,0	11,1	0,0	0,0	37,1	100%
Saxony	40,9	25,1	17,6	7,5	0,0	0,0	25,1	100%
Italy	250,4	46,1	46,1	0,0	0,0	0,0	6,3	14%
Netherlands	32,0	12,0	11,0	1,0	0,0	0,0	0,0	0%
Sweden: Karlskoga, Karlsborg	11,4	3,3	2,6	0,7	0,0	0,0	0,0	0%
TOTAL	440,3	136,3	114,6	21,7	0,0	0,0	68,5	50%

* Excluding reserve

With the exception of the Italian programme, Community assistance for the programmes adopted in 1996 was less than ECU 40 million and, accordingly, was generally committed in full. Moreover, most of the 1996 commitments concern programmes adopted in the course of that year. Altogether, commitments and payments up to 1996 account for 74% and 36% of total assistance respectively. Since this is a new Initiative, delays in the implementation of certain programmes could well justify possible requests that they be extended beyond the period originally planned.

Table I-43: Konver - 1996 in the context of programming for 1994-97 (ECU million)

Member State (number of programmes)	Assistance*	Commitment		%	Payments		%
		1996	1994-96		1996	1994-96	
(1)	(1)	(2)	(2)	(2)/(1)	(3)	(3)	(3)/(1)
Belgium (3)	11,5	0,0	11,5	100%	0,0	5,7	50%
Denmark (1)	2,4	0,0	2,4	100%	0,0	1,2	50%
Germany (16)	233,9	89,0	219,6	94%	70,8	109,5	47%
Greece (1)	12,9	0,0	11,5	89%	0,0	5,7	44%
France (17)	71,0	6,3	70,7	100%	3,1	35,1	49%
Italy (1)	46,1	21,6	21,6	47%	10,8	10,8	23%
Netherlands (1)	12,0	11,0	11,0	91%	3,3	3,3	27%
Portugal (1)	7,9	0,0	7,9	100%	0,0	3,9	50%
Sweden (1)	3,3	2,6	2,6	78%	0,8	0,8	24%
United Kingdom (1)	101,9	2,5	12,5	12%	6,2	6,2	6%
Total (43)	503,0	133,0	371,2	74%	95,1	182,4	36%

* Excluding reserve

Resider (1994-99)

Resider (ECU 579 million⁴⁷) supports conversion in steel-producing areas. Like Rechar II, it gives priority to environmental protection, to new economic activities and to human resources, the aim being to speed up adjustment to radical change in the economic conditions in the areas concerned. The measures planned are of the same type as those under Rechar II.

In 1996 a total of seven new programmes were adopted out of the 28 planned, the assistance from the Structural Funds being ECU 232.5 million, i.e. 40% of the total of ECU 579 million (including the reserve - ECU 524.6 million without it) allocated to Resider. This leaves only one Resider programme to be adopted - a programme for Luxembourg - since twenty were adopted in 1994 and 1995.

⁴⁷ At 1996 prices, including the reserve.

Table I-44: Resider - Programmes adopted in 1996 (ECU million)

	Total cost	Assistance from the Structural Funds*						For Objective areas	% for Objective areas
		Total	ERDF	ESF	EAGGF	FIFG			
Germany: Brandenburg	42,4	26,2	18,4	7,9	0,0	0,0	26,2	100%	
Spain	464,3	73,6	73,6	0,0	0,0	0,0	35,4	48%	
France	67,5	19,5	19,5	0,0	0,0	0,0	2,8	15%	
Lower Normandy	21,7	5,1	5,1	0,0	0,0	0,0	0,0	0%	
Nord/Pas-de-Calais	45,7	14,4	14,4	0,0	0,0	0,0	2,8	20%	
Italy	505,6	85,6	85,6	0,0	0,0	0,0	29,0	34%	
Austria-Styria, Lower Austria, Upper Austria	30,4	5,2	4,4	0,8	0,0	0,0	0,0	0%	
United Kingdom: England	48,9	22,3	19,0	3,3	0,0	0,0	0,0	0%	
TOTAL	1.159,0	232,5	220,5	12,0	0,0	0,0	93,5	40%	

* Excluding reserve

Resider - Examples of programmes adopted in 1996 :

In Spain the Avilés area is using Resider to equip and launch an enterprise centre housed on the former site of the "Curtidora" firm. The conversion work is being funded by Resider. The new facilities will comprise 23 office units totalling 4 200 m² and 1 200 m² of workshops.

In France (Lower Normandy), the cessation of steelworking at Caen has made it imperative to define a strategy for converting the employment area (industrial and port activities, training and land use). The central concern is to define a new economic activity, the aim being firstly to establish a link with the conurbation, by including the converted site in the local public transport network and by involving local SMEs in the work, and secondly to set up, with the help of firms, a prospecting and engineering method that can lead to the creation of a sizeable agri-foodstuffs site at Caen. Several stages are planned:

- surveys covering potential major international investors and SMEs within the industry, the aim being to identify the most dynamic sectors and investors' actual expectations;
- development of the area: clean factories, technological and display area; reception area for firms from other sectors (biotechnology, pharmaceuticals, cosmetics) and joint services.

Most of the Community assistance has been committed, except for the three biggest programmes in financial terms (Rhineland-Westphalia, Italy and Spain), for which only the first instalment has been committed. The 1996 commitments accordingly concern programmes adopted in the course of the year. They correspond to about 26% of the Structural Fund assistance approved up to the end of 1996. Cumulative commitments and payments since 1994 amount to 60% and 30% respectively of the Community assistance for approved programmes.

Table I-45: Resider - 1996 in the context of programming for 1994-97 (ECU million)

Member State (number of programmes)	Assistance*	Commitment		%	Payments		%
		1996	1994-96		1996	1994-96	
	(1)		(2)	(2)/(1)		(3)	(3)/(1)
Belgium (2)	24,4	0,0	23,7	97%	6,3	11,8	48%
Germany (9)	192,8	36,6	99,1	51%	20,8	52,0	27%
Greece (1)	4,7	0,6	4,7	100%	0,3	2,3	50%
Spain (1)	73,6	7,6	7,6	10%	3,8	3,8	5%
France (7)	62,1	23,5	62,1	100%	11,7	29,3	47%
Italy (1)	85,6	42,8	42,8	50%	21,4	21,4	25%
Netherlands (1)	18,1	0,0	18,1	100%	1,0	8,4	46%
Austria (1)	5,2	4,4	4,4	84%	2,2	2,2	42%
Portugal (1)	6,9	0,0	6,9	100%	2,6	5,5	80%
United Kingdom (3)	45,5	19,0	42,2	93%	9,5	21,1	46%
Total (27)	518,9	134,4	311,5	60%	79,6	157,9	30%

* Excluding reserve

Retex (1994-99)

Retex (ECU 607 million⁴⁸) aids economic diversification in areas heavily dependent on textiles and clothing by: encouraging counselling services and non-productive facilities that can improve the expertise of firms; and providing support for local groups of firms and for cooperation measures, staff training and business services.

In 1996, of the 21 CIPs, three new programmes were adopted and one programme (Baden-Württemberg) extended until 1997. Assistance from the Structural Funds totalled ECU 7.3 million, i.e. about 1% of the ECU 607 million (including the reserve - ECU 525 million without it) allocated until 1999. All Retex II programmes have now been approved or - in the case of those adopted in 1993 at the time of the launch of the Initiative - extended.

Table I-46: Retex - Programmes adopted in 1996 (ECU million)

	Total cost	Assistance from the Structural Funds*						For Objective areas	% for Objective areas
		Total	ERDF	ESF	EAGGF	FIGG			
Belgium: <i>Flanders</i>	3,0	1,4	0,9	0,5	0,0	0,0	0,0	0%	
Germany: <i>Brandenburg</i>	6,0	3,3	2,3	1,0	0,0	0,0	3,3	100%	
Austria: <i>Lower Austria, Styria and Vorarlberg</i>	16,2	2,6	1,9	0,7	0,0	0,0	0,0	0%	
TOTAL	25,3	7,3	5,1	2,2	0,0	0,0	3,3	45%	

* 1994-97, excluding reserve

Since this is the only Initiative covering the period 1993-97, Community assistance and the commitments and payments also concern programmes adopted from 1993 onwards. In the case of programmes adopted in 1996 the commitments and payments for 1996 substantially exceed the assistance from the Structural Funds. For 1994-96, commitments and payments account for 66% and 35% respectively of the assistance from the Funds.

Table I-47: Retex - 1996 in the context of programming for 1994-97 (ECU million)

Member State (number of programmes)	Assistance*	Commitment		%	Payments		%
		1996	1994-96		1996	1994-96	
	(1)	(2)	(2)/(1)		(3)	(3)/(1)	
Belgium (2)	4,4	1,4	4,4	100%	0,7	2,2	50%
Germany (8)**	70,3	9,5	32,3	46%	8,6	16,7	24%
Greece (1)**	87,5	50,2	62,0	71%	25,9	35,0	40%
Spain (1)**	90,4	0,0	38,5	43%	0,0	34,2	38%
France (1)**	28,9	0,0	7,0	24%	0,0	3,4	12%
Ireland (1)**	11,4	1,1	8,1	71%	0,0	4,1	35%
Italy (2)**	79,0	0,0	12,1	15%	0,0	6,0	8%
Netherlands (1)	1,0	0,0	1,0	100%	0,0	0,5	50%
Austria (1)	2,6	2,6	2,6	100%	1,3	1,3	50%
Portugal (1)**	194,8	83,4	194,8	100%	27,4	90,4	46%
United Kingdom (2)	36,6	6,2	36,1	99%	4,0	18,1	49%
Total (21) *	607,0	154,4	399,0	66%	67,8	211,9	35%

* Excluding reserve

** Including programmes adopted in 1993 (1993-97 assistance, commitments and payments).

Urban (1994-99)

Urban (ECU 891 million⁴⁹) helps in the search for solutions to the crisis affecting a number of urban areas. It does so by supporting economic and social revitalisation via the launch of new economic activities; the renewal of social, health and safety infrastructure and facilities; employment for local people; and the improvement of the environment in connection with the above-mentioned measures. The projects must have a demonstration effect as regards other urban areas and should be part of longer-term urban integration strategies. Two thirds of the financing is earmarked for Objective I regions.

⁴⁸ At 1996 prices, including the reserve.

⁴⁹ At 1996 prices, including the reserve.

In relation to a total of 44 programmes submitted by the Member States, 25 new programmes were adopted in 1996, including one in respect of the reserve. Assistance from the Structural Funds totalled ECU 296.6 million, i.e. about 33% of the ECU 891 million (including the reserve - ECU 668 million without it) allocated to Urban. All Urban programmes have now been adopted, since eighteen had already been adopted in 1995.

Table I-48: Urban - Programmes adopted in 1996 (ECU million)

	Total cost	Assistance from the Structural Funds*						For Objective areas	% for Objective areas
		Total	ERDF	ESF	EAGGF	FIFG			
Belgium: Brussels	11,1	2,2	1,8	0,4	0,0	0,0	0,0	0%	
Germany	27,7	10,7	8,3	2,4	0,0	0,0	2,7	25%	
Saxony-Anhalt (Halle)	5,2	2,7	2,7	0,0	0,0	0,0	2,7	100%	
Saarbrück	22,6	8,0	5,6	2,4	0,0	0,0	0,0	0%	
France	152,7	55,7	45,9	9,8	0,0	0,0	4,9	9%	
Alsace (Mulhouse)	20,9	7,0	6,0	1,0	0,0	0,0	0,0	0%	
Ile-de-France (Aulnay-sous-Bois)	22,8	8,9	7,8	1,1	0,0	0,0	0,0	0%	
Ile-de-France (Les Mureaux)	17,0	7,0	6,5	0,5	0,0	0,0	0,0	0%	
Nord/Pas-de-Calais (Roubaix-Tourcoing)	17,6	7,0	5,4	1,6	0,0	0,0	0,0	0%	
Nord/Pas-de-Calais (Valenciennes)	9,7	4,9	4,5	0,4	0,0	0,0	4,9	100%	
Picardy (Amiens)	20,5	7,0	5,3	1,7	0,0	0,0	0,0	0%	
Provence-Alpes-Côte d'Azur (Marseille)	17,6	7,0	3,9	3,1	0,0	0,0	0,0	0%	
Rhône-Alpes (Lyon-Est)	26,6	7,0	6,4	0,6	0,0	0,0	0,0	0%	
Ireland	21,1	15,8	7,9	7,9	0,0	0,0	15,8	100%	
Italy	280,7	117,7	102,0	15,6	0,0	0,0	97,8	83%	
Austria: Graz**	23,4	3,6	2,9	0,7	0,0	0,0	0,0	0%	
Sweden: Malmö***	11,9	5,0	3,1	1,8	0,0	0,0	0,0	0%	
Finland: Joensuu	5,3	4,0	3,1	0,8	0,0	0,0	4,0	100%	
United Kingdom	181,9	81,9	64,6	17,2	0,0	0,0	17,3	21%	
East London and the Lee Valley (Hackney)	17,3	8,0	6,4	1,6	0,0	0,0	0,0	0%	
East Midlands (Nottingham)	14,9	6,8	5,6	1,2	0,0	0,0	0,0	0%	
Scotland (Glasgow)	32,7	13,6	10,0	3,7	0,0	0,0	0,0	0%	
London (Park Royal)	16,3	7,7	6,1	1,5	0,0	0,0	0,0	0%	
Manchester	17,7	8,0	5,8	2,2	0,0	0,0	0,0	0%	
Merseyside (North Huyton, Liverpool, Netherton)	35,7	17,3	14,8	2,5	0,0	0,0	17,3	100%	
Wales (Swansea)	11,7	5,6	4,4	1,2	0,0	0,0	0,0	0%	
West Midlands (Birmingham)	20,6	8,0	6,4	1,6	0,0	0,0	0,0	0%	
Yorkshire and Humberside (Sheffield)	14,8	6,8	5,1	1,7	0,0	0,0	0,0	0%	
TOTAL	715,7	296,6	239,8	56,8	0,0	0,0	142,5	0%	

* Excluding reserve, except for Austria and Sweden (see notes below)

** Programme adopted in respect of the reserve

*** Amounts include those of the reserve

Urban - Examples of programmes adopted in 1996 :

In France the programme of the city of **Tourcoing** (Nord/Pas-de-Calais) primarily supports a technology centre planned and built in partnership with local firms in one of the most disadvantaged neighbourhoods ("la Bourgogne"). It will each year provide technical training for fifty young people up to CAP (*Certificat d'aptitude professionnelle*) level. In the context of this project there will be a general neighbourhood educational project, the aim being to address the shortage of skills and the exclusion of young people. As well as being innovative and partnership-based, it will be in keeping with the strategy of redevelopment and monitoring of industrial changes in the area (Objective 2).

In Italy the cities of **Syracuse** and **Bari** are each planning to revitalise their historical centre ("Isola d'Ortigia" and "Borgo Antico" respectively). Poverty and a diminishing population will in both cases be addressed, firstly by the development of new tourism-related activities and targeted training for residents, and secondly by improving living conditions and controlling urban delinquency.

In Finland the city of **Joensuu** (Northern Karelia, covered by Objective 6) is facing the country's worst unemployment problem. Much of its population, excluded from the employment market, lives in the "Rantakylä-Utra" neighbourhood, a municipal housing area where alcohol, drugs and the break-up of families are major problems. The Urban programme will take action in the area by introducing measures to encourage employment and businesses, improve living conditions and promote training.

The large number of programmes adopted in 1996 accounts for the year's good showing (58% and 65% respectively) in terms of commitments and payments for the period 1994-96. By the end of 1996 about 55% of the assistance from the Structural Funds for the Initiative had been committed and about 24% had been paid. The level of payments (less than half that of commitments) shows that most of the programmes are still at the start-up phase.

Table I-49: Urban - 1996 in the context of programming for 1994-97 (ECU million)

Member State (number of programmes)	Assistance*	Commitment	Commitment	%	Payments	Payments	%
	(1)	1996	1994-96 (2)	(2)/(1)	1996	1994-96 (3)	(3)/(1)
Belgium (3)	10,4	2,2	10,4	100%	1,1	5,2	50%
Denmark (1)	1,5	0,2	1,5	100%	0,1	0,5	32%
Germany (10)	97,3	12,0	91,0	93%	11,3	34,5	35%
Greece (1)	45,2	1,1	5,6	12%	0,6	2,3	5%
Spain (1)	162,6	33,2	56,0	34%	22,7	34,1	21%
France (8)	55,7	53,8	53,8	96%	17,1	17,1	31%
Ireland (1)	15,8	1,8	1,8	11%	0,9	0,9	6%
Italy (1)	117,7	26,4	26,4	22%	13,2	13,2	11%
Luxembourg (1)	0,5	0,0	0,5	100%	0,2	0,3	50%
Netherlands (2)	9,3	0,0	7,9	85%	0,0	2,4	25%
Austria (2)	13,4	5,8	12,7	95%	2,3	5,8	43%
Portugal (1)	44,6	0,0	9,2	21%	0,0	4,6	10%
Finland (1)	4,0	3,1	3,1	80%	1,6	1,6	40%
Sweden (1)	5,0	3,1	3,1	63%	0,9	0,9	19%
United Kingdom (10)	98,8	72,3	89,2	90%	36,1	43,0	43%
Total (44)	681,9	215,0	372,4	55%	108,1	166,2	24%

* Excluding reserve, except for Austria (one programme) and Sweden

Interreg II (1994-99)

Interreg II (ECU 3 544 million⁵⁰) Now has three strands: cross-border cooperation (ECU 2.4 billion at 1994 prices, 75% of which is for Objective 1 areas); Regen (ECU 500 million at 1994 prices), i.e. the completion of energy networks to link them up to wider European networks; and the new Interreg II C (ECU 412.8 million at 1996 prices), i.e. cooperation in the field of development planning.

Interreg II A and the technological development of border areas:

In the Interreg II A guidelines, the Commission invited the Member States to increase inter-regional cooperation in the field of research, technology and telecommunications. This applies in particular to aid for SMEs, for which cross-border technological transfer and cross-border networks of SMEs can be developed. It applies also to areas with a shortfall in terms of amenities, where improving the systems of telecommunications can serve to supplement the trans-European networks. Similarly, Interreg encourages cooperation in the field of education and culture, including cooperation between research centres in border areas. Although the programmes generally earmark 2.5% of the Structural Funds appropriations for this type of investment, the situation varies between Member States. The Netherlands, Spain, Greece and Ireland place the emphasis on telecommunications, in the shape of measures to develop cross-border networks and services (fibre optic links, advanced telecommunications centres, promotion of data transmission activities, and information networks). Other Member States with joint programmes focus on RTD: France, Belgium and the Netherlands, which provide for measures aimed at technological transfer, cooperation in the field of research and training in new technology.

Example - Technical cooperation between France and Belgium: *The Wallonia/Nord/Pas-de-Calais/Picardy programme, which was adopted in 1996, is aimed at supporting technological innovation among SMEs. Two cross-border multidisciplinary teams have been created, one to conduct a technology watch and the other dealing direct with enterprises with a view to providing technical assistance and a technological transfer service. The teams' tasks are as follows:*

- to provide direct technical assistance in the form of product-testing, identifying raw materials and solving technical problems or technological advice;

⁵⁰ At 1996 prices, including the reserve.

- making available to firms a test laboratory using the facilities and expertise of the two cross-border teams;
- introducing new ceramic materials as an alternative solution;
- transferring technical and scientific expertise gained at the two research centres, in particular in the field of fine ceramics;
- monitoring technological developments as regards products and processes;
- transferring technology via a specific training scheme for the workers concerned.

In the case of the cross-border cooperation and Regen strands, out of a total of 62 programmes presented by the Member States for 1994-99, 25 were adopted in 1996, for a total of ECU 701.9 million in assistance from the Structural Funds, i.e. about 23% of the total of ECU 3 063 million (not including the reserve). Altogether, three Interreg II cross-border cooperation programmes remain to be adopted (Italy/Slovenia, Italy/Austria and Italy/Greece), since 34 were adopted in 1996.

Table I-50: Interreg II - Programmes adopted in 1996 (ECU million)

	Total cost	Assistance from the Structural Funds*						For Objective areas	% for Objective areas
		Total	ERDF	ESF	EAGGF	FIFG			
Germany/Austria	56,3	24,6	17,5	3,8	3,3	0,0	0,0	0%	
Belgium/France/Luxembourg: <i>Wallonia-Lorraine-Luxembourg</i>	62,2	30,2	25,5	4,7	0,0	0,0	0,0	0%	
Belgium/France: <i>Ardennes</i>	27,8	12,5	9,7	2,2	0,6	0,0	1,0	8%	
Denmark/Sweden	28,0	13,0	10,6	2,4	0,0	0,0	0,0	0%	
Spain/Morocco	185,3	101,4	100,3	1,1	0,0	0,0	101,4	100%	
Finland/Baltic States: <i>Southern Finnish coastal area</i>	22,7	6,1	3,2	2,0	0,8	0,0	0,0	0%	
Finland/Russia: <i>Karelia</i>	31,8	13,9	9,2	3,4	1,3	0,0	12,7	91%	
Finland/Russia: <i>Southeast Finland</i>	40,7	9,6	7,2	1,9	0,5	0,0	4,8	50%	
Finland/Sweden/Norway: <i>North Cape</i>	29,2	12,2	7,2	3,4	1,6	0,0	9,4	77%	
Finland/Sweden/Norway: <i>Kvarken and Mittskandia</i>	14,6	6,6	4,1	1,6	0,9	0,0	1,1	17%	
Finland/Sweden: <i>Islands</i>	9,5	4,0	3,0	0,4	0,6	0,0	0,0	0%	
France/Belgium: <i>Nord/Pas-de-Calais and Flanders</i>	38,3	18,6	16,9	1,1	0,0	0,0	0,0	0%	
France/Belgium: <i>Wallonia, Nord/Pas-de-Calais and Picardy</i>	148,4	71,5	58,6	10,7	2,2	0,0	57,3	80%	
France/Spain	142,6	62,4	48,3	3,3	10,9	0,0	0,0	0%	
France/Italy: <i>Corsica/Sardinia</i>	74,2	33,7	30,0	0,7	2,9	0,0	33,7	100%	
France/Italy: <i>Corsica/Tuscany</i>	58,2	18,6	17,9	0,4	0,3	0,0	11,6	63%	
France/United Kingdom: <i>Upper Normandy, Picardy and East</i>	80,8	34,1	29,8	4,3	0,0	0,0	0,0	0%	
France/United Kingdom: <i>Nord/Pas-de-Calais and Kent</i>	95,3	45,1	41,3	3,8	0,0	0,0	0,0	0%	
Italy/Albania: <i>Apulia</i>	178,2	81,5	70,1	8,9	2,5	0,0	81,5	100%	
Italy/France	160,3	57,0	49,2	3,1	4,7	0,0	0,0	0%	
Italy/Switzerland	52,7	20,0	15,6	0,0	4,4	0,0	0,0	0%	
Sweden/Finland/Norway/Russia: <i>Barents Sea</i>	23,4	10,5	6,7	3,8	0,0	0,0	9,4	90%	
Sweden/Norway: <i>Nordic Green Belt</i>	13,0	5,5	2,1	2,4	1,0	0,0	5,5	100%	
Sweden/Norway: <i>Gothenburg/Bohuslän/Älvsborg</i>	13,0	5,5	4,5	1,0	0,0	0,0	0,0	0%	
Sweden/Norway: <i>Inner Scandinavia</i>	10,8	4,5	3,1	1,4	0,0	0,0	1,4	30%	
TOTAL	1 597,3	701,9	591,5	71,9	38,5	0,0	330,9	47%	

* Excluding reserve

The Interreg II C strand, which was adopted in 1996, is a new instrument of trans-national cooperation in the field of development planning. Its purpose is to contribute to more evenly balanced land development in Europe by seeking a better spatial allocation of activities and the correction of disparities as part of a strategy of sustainable development. Interreg II C is also aimed at improving the impact of Community policies on land development and at encouraging, in the context of land development priorities that are common to adjoining geographical areas, trans-national cooperation between Member States and the authorities responsible for land development. Interreg II C is also expected to help Member States and their regions adopt a preventative and cooperative approach to water-management problems caused by drought and floods. It covers three main themes: general trans-national cooperation, flood prevention and drought control. The programmes are of a trans-national nature and tend to concern at least three countries, of which at least two must be Member States, except for drought control, which can concern a single Member State, and flood prevention, where bilateral programmes are allowed. At the end of 1996 the Member States let it be known that they intended to develop jointly 14 operational programmes, which were expected to be proposed and approved in 1997.

Table I-51: Interreg II C - Proposals for programmes received in 1996 (ECU million)

Field/Programme	Overall budget/countries taking part
General transnational cooperation	120,69
A. Western Mediterranean and Latin Alps	(Spain, France, Italy)
B. Southwest Europe	(Portugal, Spain, France)
C. Atlantic area	(Portugal, Spain, France, United Kingdom, Ireland)
D. Central and northwestern metropolitan area	(France, Luxembourg, Belgium, Germany, Netherlands, United Kingdom, Ireland)
E. North Sea area	(United Kingdom, Netherlands, Germany, Denmark, Sweden, Norway)
F. Baltic Sea area	(Germany, Denmark, Sweden, Finland, Baltic States)
G. Centre, Adriatic, Danube and southeast Europe	(Germany, Austria, Greece, Italy)
Flood prevention	148,15
H. Rhine-Meuse	(France, Belgium, Luxembourg, Netherlands, Germany, Switzerland)
I. France and Italy	
J. Greece and Bulgaria	
Drought control	114,00
K. Portugal	
L. Spain	
M. Italy	
N. Greece	
TOTAL	382,84

The commitments and payments made since 1994 concern only cross-border cooperation and energy networks ("A" and "B"), no decision having been taken on the programme proposals for the "C" strand - trans-national cooperation - transmitted to the Commission at the end of the year. Community assistance for five of the 25 programmes adopted in 1996 (Spain - Morocco, France - Belgium (Wallonia/Nord/Pas-de-Calais/Picardy), France - Spain, Italy - Albania and Italy - France) accounted for more than half (54%) of the assistance approved in 1996. Only the first instalment of those five programmes was committed in 1996. The commitments in 1996 exceed those in respect of the programmes adopted in the course of the year since they also cover the second instalment of programmes adopted in earlier years. Payments amount to 23% of the assistance from the Community, showing that the programmes are mostly still at the start-up phase.

Table I-52: Interreg II - 1996 in the context of programming for 1994-97 (ECU million)

(number of programmes)	Assistance*	Commitment	Commitment	%	Payments	Payments	%
	(1)	1996	1994-96	(2)/(1)	1996	1994-96	(3)/(1)
Total (59)	2.870,5	752,0	1.306,2	46%	423,5	650,1	23%

* Excluding reserve

Peace (1994-97)

Peace (ECU 302 million⁵¹): The programme for peace and reconciliation in Northern Ireland is aimed at supporting the construction of a more peaceful and stable society by providing the resources needed to maintain the local social and economic fabric. The objective is to promote the social integration of people on the margins of economic and social life, to restore economic growth and encourage social renewal in the areas that have suffered most from the conflict.

In 1996 the programme became fully operational. One of its features is that, where possible, the process of decision-making and implementation involve the persons concerned. Implementation itself is built around eight non-governmental bodies (groups and cooperatives, including one cross-border structure) and 26 district partnerships (bringing together representatives from political, economic and trade union circles, industrial promotion associations and private initiatives), which is why setting up the programme proved time-consuming. The first awards of aid by the non-governmental bodies were announced in March 1996 and, by June, all were in a position to fund projects. The 26 district

⁵¹ At 1996 prices.

partnerships were approved and issued calls for local projects to be included in the action plans, the first part-financing of which was adopted at the end of the year. Decentralised structures are currently responsible for 57% of the funding provided for in the programme. Standard activities include aid for industrial promotion associations and private schemes, which often operate in collaboration with victims of violence and with women, young people, ex-prisoners and the long-term unemployed. The emphasis is on access to the employment market, in particular by providing resources for those who are excluded from it and by helping them take part in decision-making. Support for local potential is a key component, especially at district partnership level, and includes measures aimed at urban and rural renewal and the revitalisation of the physical, economic or social environment. The granting of interest rate subsidies in respect of investment loans and related services, in particular for SMEs and tourism, is another activity that has proved very successful.

Events in 1996 suggest that achieving lasting peace may well be a slow process. By putting the emphasis on consensus, on a joint approach aimed at achieving concrete results and on forward planning, however, the programme is a constructive component able to underpin initiatives at various levels. Introduced for the first time in a Structural Funds programme, the Consultative Forum - an instrument within which representatives of all sectors and allegiances are responsible for the management of the programme - highlights these indispensable principles of participation, cooperation and concrete action in a new European context.

Table I-53: Peace - 1996 in the context of programming for 1994-97 (ECU million)

	Assistance (1)	Commitment 1996	Commitment 1994-96 (2)	% (2)/(1)	Payments 1996	Payments 1994-96 (3)	% (3)/(1)
Total	300,0	95,6	126,7	42%	41,7	56,5	19%

2. Innovative measures and technical assistance

Each Structural Fund may finance its own specific measures covering surveys, pilot schemes or technical assistance. There are ceilings in respect of each Fund: 1.5% of the ERDF's annual allocation and 1%, 0.5% and 2% in the case of the EAGGF, the ESF and the FIGF respectively.

2.1. Innovative measures and technical assistance under Articles 7 and 10 of the ERDF Regulation

Innovative measures under Article 10 of the ERDF Regulation

The Commission has, for 1995-99, defined four priorities - each with a multiannual budget - implemented by pilot projects selected following a call for proposals. Following the definition of the priorities in 1994,⁵² and the issuing of the calls for proposals in 1995,⁵³ the process of selection took place in 1996, with the help of independent panels of experts, and innovative measures funded under Article 10 of the ERDF Regulation were launched in the field. It is worth underlining the success of the calls for proposals for the various innovative action programmes: for external inter-regional cooperation, the new sources of employment and cultural cooperation programmes, for instance, the Commission received a total of 865 proposals for projects (the actual figures were 243, 357 and 265 respectively) but, because of the overall budget and the amounts earmarked for each project, it was able to select only 123 (50, 41 and 32 respectively). Similarly, 142 and 503 proposals have been received for development planning projects and urban pilot projects, of which 14 and 25 respectively may well be selected (in 1997).

⁵² See 1994 Annual report.

⁵³ See 1995 Annual Report.

Table I-54: Innovative measures (Article 10 of the ERDF Regulation) - Main areas of assistance in 1995-99 (ECU million, at 1995 prices)

<i>Main area of assistance</i>	
Inter-regional cooperation	180,0
- internal inter-regional cooperation	110,0
- external inter-regional cooperation	70,0
Innovative regional development measures	90,0
- promoting technological innovation	15,0
- Information Society	15,0
- culture and economic development	15,0
- new fields of employment	45,0
Development planning	45,0
Urban pilot projects	80,0
Total	395,0

Inter-regional cooperation:

Pacte 1996 programme: 38 Pacte (initiation to inter-regional cooperation) projects had been selected in July 1995, with an implementation phase running from February 1996 to December 1997. On the programme launch days in Brussels on 11 and 12 March 1996, project leaders and partners took part in training sessions and meetings with the programme's managers. Mid-term review days to be held in 1997 will provide an opportunity for project leaders to present the results.

Recite internal inter-regional cooperation programme: 1996 saw the closure of the Recite I programme and the launch of Recite II. An evaluation report on Recite I was drawn up in January 1996 by the programme's technical assistance office. A total of thirteen projects were completed and brought to a close, leaving a further 23 to be closed. Recite I facilitated the creation of 36 cooperation networks, in which a total of 405 partners, regional and local municipalities, development agencies, chambers of commerce and private partners took part. Some of the partners were involved in more than one network. The work consisted of joint measures and transfers of expertise via technical workshops and working parties, exchanges of staff, technical fact-finding missions and public conferences. Concomitantly with these exchange activities, some projects developed training activities for staff participating in the networks and for those involved in regional development. Numerous theme-based studies have been carried out, supplemented by comparative studies that have enriched the mutual understanding between partners from different regions. Exchanges of expertise have helped to forge closer links and develop common approaches, develop and put into practice new information and communication technologies and test evaluation methodologies.

The significant features of the launch of Recite II are the publication of the terms of the call for proposals and the setting-up of a technical assistance bureau. The call for proposals, which was published in the Official Journal on 31 October 1996 with 15 May 1997 as the closing date, selected five fields for cooperation: developing specific local potential, particularly for the creation of permanent jobs; improving access to the European market for SMEs through appropriate techniques for cooperation between firms; improving the supply to SMEs of services that encourage them to innovate; establishing and developing resource centres to enhance the value of work and improve the integration of women into economic life; preserving and improving the environment, in particular by promoting renewable sources of energy and energy saving and introducing - in particularly vulnerable areas - new methods and techniques to prevent the degradation of the environment. Community part-financing per project (one third of the partners in which must be from areas eligible under Objectives 1 and/or 6) will be between ECU 1 and 3 million.

Ecos-Ouverture external inter-regional cooperation programme: In 1996 the programme entered a new phase, with an increase in the overall budget and coverage extending for the first time to cities and regions in non-member Mediterranean countries. A call for proposals was issued at the end of 1995 with 1 April 1996 as the closing date. A total of 243 proposals were submitted in response to that notice, a considerable increase on the 160 submitted in November 1994. Of the 243 proposals, fifty were selected for funding by the ERDF and Phare. They cover an eighteen-month period and some were launched as early as the autumn of 1996.

Innovative regional development measures

New sources of employment: In the White Paper on Growth, Competitiveness and Employment, the Commission identified the sectors of activity with the greatest potential for employment, and the main obstacles to the development of that employment. It is in that context that measures under Article 10 are aimed, on the one hand, at promoting regional or local strategies in terms of new fields of employment and, on the other, at testing the creation of proximity jobs by promoting pilot projects. This applies to a number of priority areas, namely services to people (children, the aged, etc.), living conditions (renovation and modernisation of housing, collective transport, proximity shops in rural areas, etc.) and the environment (recycling, nature reserves, the control of pollution, etc.). The pilot projects are implemented for 24 months and are based on a wide-ranging partnership between local authorities and the private sector in areas with a population of at least 200 000. By the time of its closing date (31 January 1996) the call for proposals, which was issued in September 1995, had attracted 357 projects, mainly from Spain (97), Italy (82) and France (47). After evaluating them the Commission selected a total of 41 projects.⁵⁴

Table I-55: Pilot projects - New sources of employment - Breakdown of projects selected in 1996

Geographical origin		Principal theme	
Belgium	2	Personal services	7
Denmark	1	Services related to living conditions	1
Germany	5	Services related to the environment	5
Greece	3	Combination of the various themes	28
Spain	10		
France	6		
Ireland	3		
Italy	7		
Portugal	1		
Finland	1		
Sweden	1		
United Kingdom	1		
Total	41		41

The selected projects will receive an average of ECU 371 000 in Community part-financing (total: ECU 15.2 million) towards an average total budget of ECU 823 000. A launch seminar was held at Oberhausen in November 1996 in collaboration with the Land of North Rhine-Westphalia. This enabled the representatives of the 41 projects to engage in an exchange of views and experience, to receive expert advice in terms of management and monitoring and for the seeds of network cooperation based on topics of common interest to be sown.

Cultural inter-regional cooperation: In response to the call for proposals published in September 1995, the Commission received 265 proposals for pilot projects on inter-regional cultural cooperation, of which it selected 32. The aim of the pilot projects is to enhance the value of the regional and local cultural heritage and to establish cultural networks between EU regions and cities. A total of ECU 15 million has been earmarked for these measures, with part-financing limited to ECU 600 000 per project. Implementation of the projects was expected to begin on 1 January 1997 and last two years. Cooperation could cover in particular the enhancement of the value of the historical, architectural, industrial and craft-industry heritage. The projects selected concern mainly the enhancement of the

⁵⁴ For projects adopted, see Chapter X - Pilot projects under Article 10 of the ERDF Regulation.

value of the heritage, the transfer of know-how with a view to carrying out restoration work, devising cultural itineraries and the use of new information technology in the creation of a virtual museum.

Table I-56: Pilot projects - Inter-regional cultural cooperation - Breakdown of the projects selected in 1996

Geographical origin	Sample themes
Belgium	1 Revitalizing the rural heritage in
Germany	3 mountain areas
Greece	4 Redeveloping mining sites for
Spain	5 tourism purposes
France	4 Enhancing the value of the maritime heritage
Ireland	3 Integrated development of spa towns
Italy	3
Netherlands	1
Austria	1
Portugal	3
Sweden	1
United Kingdom	3
Total	32

Technological innovation and the Information Society in ERDF innovative measures:

Promoting technological innovation, underpinning technology transfer and helping the regions adapt to the Information Society are the major themes of the measures financed under Article 10 of the ERDF Regulation. The measures are based on a coordination of the Commission's measures in favour of innovation (Action Plan for Innovation). In particular, Community action is aimed, on the one hand, at providing firms with appropriate technology and making them aware of the advantages of innovation and, on the other, at promoting an environment that lends itself to the use of technology by firms, thanks to:

- better understanding of the process of innovation, the dissemination of best practice and the exchange of experience;
- an improvement in the professional capabilities of the intermediaries providing support for innovation;
- a greater ability on the part of businesses and/or research centres to make the best possible use of innovative techniques and processes;
- a financial environment that encourages innovation.

Innovative measures funded under Article 10 of the ERDF Regulation are in keeping with this approach, which is based on closer cooperation between the public and the private sector and on cooperation between regional firms and the regional infrastructure offering or services related to technological innovation and the Information Society. They consist of social engineering measures aimed at bringing about socio-economic and institutional conditions that lend themselves to the development of technological innovation and the Information Society. The thinking behind these measures can be summed up as "cooperating (and thus innovating) at local level in order to become competitive at global level". Such cooperation is seen as a key factor in the establishment of an innovative regional environment.

Innovative measures and promoting innovation:

A total of ECU 15 million is earmarked for funding regional innovation strategies in 1995-99. Implementation is in two parts, the first being an experimental phase covering 1994-96. In both cases two types of measure have been selected: innovation strategies and technology transfer projects. The period 1994-96⁵⁵ saw the implementation of eight regional technological plans (four in Objective 2 areas and four in Objective 1 regions⁵⁶) and three technology transfer projects.⁵⁷

- **Example - the Regional Technology Plan for Wales:** is aimed at making businesses more competitive by way of an action plan drawn up in the light of two years' consultations with nearly 600 regional firms and organisations. It provides for more than sixty projects and measures, of which forty are expected to be launched in 1996.
- **Example - the Implace project:** This is a technology transfer project coordinated by the Castile-La Mancha and Northern Ireland regions, both of which are eligible under Objective 1. It is aimed at encouraging the use of advanced information and communication technology by manufacturing SMEs in less-favoured regions.

⁵⁵ See 1995 Annual Report.

⁵⁶ Saxony, Wales, Lorraine and Limburg (Objective 2) and Castile-León, Central Macedonia, Abruzzi and Norte (Objective 1) respectively.

⁵⁷ Coordinated by Extremadura, Apulia, Castile-La Mancha and Northern Ireland respectively.

For 1995-99 a total of 19 **RIS** (Regional Innovation Strategies) and seven **RTT** (Regional Transfer of Technology) projects have been selected following a call for tenders. The Commission formally adopted 12 **RIS** in 1996⁵⁸. Regional Innovation Strategies are aimed at promoting, within the traditional productive tissue, the various expressions of innovation: technological innovation and research, plus economic and institutional innovation.

Innovative measures and promotion of the Information Society:

Innovative measures for the Information Society also feature two project phases (1994-96 and 1995-99) and two types of measures (drawing up regional strategies and developing data transmission applications). A total of ECU 20 million (ECU 15 million from the ERDF and ECU 5 million from the ESF) is earmarked for 1995-99.

The period 1994-96 saw the launch of six **Irisi** pilot schemes and one multiregional data transmission application project involving seven regions:

- **Irisi projects:** In each of the regions,⁵⁹ a broad-based partnership has been forged between local and regional institutions and representatives of the world of business, training, education, trade unions, chambers of commerce and the cooperative movement with a view to devising a regional strategy for the development of the Information Society. The project is aimed at developing, and facilitating access to, various fields: distance working, distance learning, university/research networks, data transmission services for SMEs, the use of data transmission for health-care purposes, etc.
- **The Wolf project** (World Wide Web opportunities for less-favoured regions): Seven regions are working together to identify social, economic and technical factors that stand in the way of the deployment of telecommunications services in less-favoured regions. The project supports the development of about 100 SMEs from these regions through the use of the Internet and related services.

For 1995-99, a total of 22 pilot projects introducing **RISIs** (Regional Information Society Initiatives) and nine **RISI 2** regional data transmission application projects are planned. Altogether 15 **RISI** projects were adopted in 1996⁶⁰:

- **The RISI** (14 funded by the ERDF and eight by the ESF) are aimed at identifying the economic opportunities and risks inherent in the Information Society so as to anticipate their effects. The focus will be on forging a regional consensus as to how to integrate the Information Society concept within regional development. Each region draws up a strategy and action plan approved by local operators and featuring, in the case of the strategy, an analysis of the current situation with regard to human resources and employment and scenarios for the integration of new services and, in the case of the action plan, a feasibility study on the applications considered.
- **The RISI 2** (seven funded by the ERDF and two by the ESF) are aimed at demonstrating the best practices as far as regional responses to the Information Society are concerned. Several municipalities will work together to prepare and launch data transmission applications, with priority being given to applications involving at least three regions, each of which must belong to a different Member State, and one third of the regions at least must qualify under Objective 1. Major emphasis is placed on applications that are likely to produce economic and social benefits and dovetail with regional development priorities on a larger scale.

Altogether these pilot projects in favour of regional innovation and the Information Society are being implemented by about fifty regional authorities and will mobilise more than a thousand public or private regional operators. Included among the first generation of pilot projects were four Regional Technological Plans completed in 1996 and six **Irisi** about to be completed with promising results, especially as regards mobilising and drawing the attention of local operators to the importance of innovation and the Information Society in the context of economic development. The results will also prove useful in terms of the development of a regional strategy for public intervention in these two fields and in terms of identifying priority objectives in the context of the second programming phase (1997-99) in Objective 2 regions.

Development planning: Two types of measures are provided for in the field of development planning under Article 10 of the ERDF Regulation. Firstly the Terra programme of pilot projects (to which about ECU 20 million has been allocated) is aimed at implementing innovative projects with a high European content/value concerned with the integrated development of specific areas, viz. coastal

⁵⁸ For projects adopted, see Chapter X. Pilot projects under Article 10 of the ERDF Regulation.

⁵⁹ Saxony, Central Macedonia, Valencia, Piedmont, Nord/Pas-de-Calais and Northwest England.

⁶⁰ For projects adopted, see Chapter X. Pilot projects under Article 10 of the ERDF Regulation.

areas, river basins, mountain areas, areas whose natural or cultural heritage is being threatened, etc. The projects relating to coastal areas are also part of the Community demonstration programme of integrated development of coastal areas. A call for proposals was issued in respect of the Terra programme to regional and local authorities in the Union in 1996, in response to which 142 proposals were received. A limited number of proposals was preselected following their evaluation by an independent panel of experts and by the Commission and five were approved in 1996.⁶¹

Moreover, pilot measures implemented in close collaboration with Member States under the ESDP (European Spatial Development Perspective) cover large trans-national European areas. These measures are supplementary to and concomitant with the Interreg II C Initiative and have been allocated a total of ECU 20 million. In 1996 Member States were invited to put forward joint pilot measures with the same objectives as the Interreg II C Initiative, of a trans-national nature and involving three different countries (including at least two Member States). The Member States' expressions of interest served to indicate five areas: the northern rim (Denmark, Finland, Sweden and Norway), the eastern Alps (Austria, Italy and Germany), the southeastern Mediterranean (Greece, Italy, Malta and Cyprus), the Rhineland-Lotharingian area (Belgium, Luxembourg, France, Germany and Switzerland) and a cooperation area involving Portugal, Spain and Morocco. The pilot measures are expected to be presented, assessed and approved in 1997.

Urban pilot projects: Following the call for proposals issued in 1995 with an April 1996 closing date, the Commission received 503 proposals for urban pilot projects, of which only 25 could be selected (this was scheduled for the beginning of 1997). The theme that recurred most often in (in more than 20% of the proposals) was that of an integrated approach to the development of urban areas. Dealing with obsolescent amenities and improving the environment also featured prominently. The themes vary according to the geographical provenance of the proposals: in France, Italy and Austria a significant number of projects focus on exploiting the assets of medium-sized cities, whereas in France, Spain and Italy a number of projects also concerned aspects of suburban development not yet brought under control. Other themes/topics, such as equal opportunities and information technology, have been incorporated in broader strategies. Moreover, some twenty of the pilot projects for 1989-93 remained to be completed in 1996. They had reached the final phase, with upwards of 80% of ERDF appropriations paid.

Table I-57: Measures financed under Article 10 of the ERDF Regulation (ECU million)

	Overall budget 1995-99 (1)	Commitments 1996	Commitments 1994-96 (2)	% (2)/(1)	Payments 1996 (3)	Payments 1994-1996	% (3)/(1)
Inter-regional cooperation	180,0	18,0	23,0	13%	1,9	4,7	3%
- internal inter-regional cooperation	110,0	2,0	7,0	6%	1,9	4,7	4%
- external inter-regional cooperation	70,0	16,0	16,0	23%	-	-	0%
Innovative regional development measures	90,0	8,2	14,1	16%	0,8	4,0	4%
- promoting technological innovation	15,0	2,5	6,4	42%	0,1	2,6	17%
- Information Society	15,0	1,7	3,8	25%	0,7	1,4	10%
- culture and economic development	15,0	0,0	0,0	0%	0,0	0,0	0%
- new sources of employment	45,0	3,9	3,9	9%	0,0	0,0	0%
Development planning	45,0	14,0	14,0	31%	4,9	4,9	11%
Urban pilot projects	80,0	1,0	1,0	1%	0,0	0,0	0%
Other	-	6,0	7,2	-	2,0	2,7	-
Total	395,0	47,1	59,3	15%	9,5	16,4	4%

* 1995 prices

⁶¹ For projects adopted, see Chapter X. Pilot projects under Article 10 of the ERDF Regulation.

Technical assistance under Article 7 of the ERDF Regulation

Subject to a limit of 0.5% of the ERDF's annual allocation, preparatory, prior appraisal, monitoring and *ex post* evaluation may be funded under Article 7 of the ERDF Regulation. Such measures include studies, technical assistance and information by experts not belonging to the Commission or by the Commission itself. In 1996 commitments for these accompanying measures conducted at the Commission's initiative totalled ECU 17.9 million, ECU 3.9 million up on the preceding year. This accounts for 0.12% of the ERDF allocation (0.11% in 1995).

Table I-58: Measures funded under Article 7 of the ERDF Regulation (ECU million)

	Commitments	Commitments
	1996	1994-96
Preparatory measures and monitoring	4,6	13,5
Evaluation	1,4	1,4
Regional studies	0,2	1,5
Conferences, symposia and seminars	1,8	2,7
Information and publicity	6,2	14,6
Technical assistance and equipment	3,7	
TOTAL	17,9	43,9

The appraisals (8%) begun in 1996 deal primarily with programmes relating to Objective 2 during the 1989-93 programming period and with a number of pilot projects funded under Article 10 of the ERDF Regulation. Information measures (35%), including the publication of the first Report on economic and social cohesion, contributed to making regional policies and projects funded by the Commission more visible. Preparatory and follow-up measures (26%) led to studies covering the implementation of Community policies, in particular as regards equality of opportunity between men and women, job creation, sustainable development and the environment. Expenditure on seminars and conferences (10%) includes, for instance, preparing for the April 1997 Forum on economic and social cohesion, the regional seminars in Objective 2 areas and a conference on inter-regional cooperation. The regional studies (0.2%) launched in 1996 are of a statistical nature. The various technical assistance measures (21%) covered experts' reports on regional policy.

2.2. Innovative measures and technical assistance under Article 6 of the ESF Regulation

With regard to innovative measures, the Commission decided in 1996 that the allocation of appropriations under Article 6 of the ESF Regulation would from then on be the subject of a call for proposals administered at Community level. A call for proposals was accordingly issued on 26 October 1996 on the theme of new fields of employment. An initial selection of 52 projects (from the 210 received) was carried out in respect of 1996 for a total of ECU 25 million (the projects still have to be formally approved in 1997). A second selection was due to take place in mid-1997. Compliance with, and the strengthening of, of Community measures centred on priority political themes have been key factors in project selection (equality of opportunity, overcoming exclusion, etc.). With regard to projects selected in earlier years there were thirty or so projects selected in 1994⁶² and 58 projects selected in 1995⁶³ and formally adopted in April 1996, for a total of ECU 23.8 million. All these projects cover the strengthening of the employment systems, in particular the search for sharper growth in employment, improving the labour market and underpinning training systems. An evaluation system was set up for those projects in 1996 in order to assess their degree of innovation and the best practices. The results of the evaluation were expected to lead to a seminar in which, depending on the topics of concern to them, project managers, officials from the ministries of the Member States and experts would take part.

⁶² See 1994 Annual Report.

⁶³ See 1995 Annual Report.

ESF pilot projects and Information Society:

In the context of the above-mentioned RISI and RISI 2 projects the ESF is providing funding totalling ECU five million for eight RISI projects in regions or cities in Wales, Midi-Pyrénées, Murcia, South West England, Attica, Bremen, Northern Karelia and Blekinge. It is also funding two RISI 2 projects. Other pilot projects funded under Article 6 of the ESF Regulation also underpin the process of adapting to the Information Society.

Example - Internet in the school. Pilot project in Castile-León: This project is aimed at introducing the Internet in four schools situated in rural areas. Its purpose is to make Information Society concepts an integral part of the practice of teaching, to enable teachers and pupils to gain access to the Internet for teaching and culture purposes, to provide schools with the necessary measures, and to promote the creation of networks between the region's schools and the rest of the world in order to exchange experience, form discussion forums and promote the teaching of foreign languages. In the context of this project a server containing cultural and educational information will be set up in the region's technology park.

With regard to technical assistance, implementation of the Employment and Adapt Community Initiatives was actively supported, as in 1995, by the support structure set up in 1995, Euroops. The year 1996 was essentially one of gathering and analysing information on the first series of projects and preparing a series of publications on the various strands of the two CIs. Thanks to collaboration with national support structures a guide on trans-nationality was prepared for the benefit of project promoters. Work preparatory to the launch of the second phase of projects has begun. Moreover, the intermediate support structure specialising in public relations and communication activities has begun the information and communication activities for the ESF.

Table I-59: Innovative measures and technical assistance funded under Article 6 of the ESF Regulation (ECU million)

	Commitments 1996	Commitments 1994-96
Innovative measures, studies	34,4	56,6
Technical assistance	25,3	82,8
TOTAL	59,6	139,4

2.3. Innovative measures and technical assistance under Article 8 of the EAGGF Regulation

Under Article 8 of the EAGGF Regulation, funding may be given for measures concerned with evaluation, monitoring and technical assistance, pilot projects relating to the adaptation of farming structures and promoting rural development, demonstration projects, and measures necessary for the dissemination of the results of experience and work on rural development and the improvement of farm structures. Measures funded in 1996 in respect of Article 8 of the EAGGF Regulation concerned 35 pilot and demonstration projects, four dissemination projects and three studies. The commitments entered into in this respect in 1996 total ECU 15.4 million and payments ECU 9.2 million. Since 1994, commitments in respect of Article 8 of the EAGGF Regulation have totalled ECU 21.2 million and payments ECU 23.9 million.

Evaluation, follow-up, technical assistance and study work was aimed at prior appraisal of two multiregional OPs in Objective 1 regions in Italy, the *ex post* evaluation of the Leader I Initiative⁶⁴ and the setting up of a programme of rural indicators for underpinning a rural development policy.

The pilot and demonstration projects (35 altogether), the call for proposals for which was due to close in 1995,⁶⁵ were launched in 1996. They were selected on the basis of four priority fields and covered the following topics:

⁶⁴ See Chapter IV. Evaluation.

⁶⁵ See 1995 Annual Report.

- non-food production: growing of herbaceous species intended for the building industry, introduction of crops intended for the pharmaceutical or cosmetics industry (*Malaleuca alternifolia*, myrrh, liquorice, *Aloe Vera*, fine lavender), processing of castor in order to extract natural aromas;
- agri-environmental aspects: marketing of biocomponents and biological farming products, restoring cultivation terraces in Mediterranean areas, introducing a system of mineral accounting;
- forestry: regenerating burnt forests, conservation of periurban woodlands, obtaining the best return from coppice wood, optimising farming-forestry systems;
- rural development: diversification in a rural environment towards high value added activities while taking conservation into account (introduction of biological products in the schools and business sector, marketing of typical agricultural products, farm tourism, etc.), innovative schemes to encourage young people to take up farming.

A fresh call for proposals was issued in September 1996 for pilot and demonstration projects for "innovative measures for female farmers and women generally in the countryside"⁶⁶ (closing date: 20 February 1997). Proposals must be aimed at supporting and promoting women in the countryside, e.g. measures undertaken by women or female farmers to promote and obtain the best return from agricultural products and retrain or diversify, measures to create jobs and integrate into society and the labour market, training or supervision measures, or the development of networks enabling them to pass on their know-how and experience.

Pilot projects in the field of research and technological development:

Pilot and demonstration projects eligible for funding under Article 8 of the EAGGF Regulation provide an ideal opportunity for testing research findings on a scale approaching actual conditions and for demonstrating the feasibility of an innovative system, method or production technique. Measures funded in 1996 thus concerned, for instance, the demonstration of a simple and effective technique for processing vegetable fibres (giant reeds and sorghum) into chipboard, the feasibility of a new technique for extracting - at farm level - natural flavourings from castor, or the application to rural firms of a technology based on the new ISO 9000 quality concept.

Dissemination measures concerned the creation of a visual identity for rural development (logo), the publication of cards on rural development and the holding of a seminar on the ecological benefits of sustainable agriculture.

2.4. Innovative action and technical assistance under Article 4 of the FIFG Regulation

In accordance with Article 4 of the FIFG Regulation, the measures carried out in 1996 consisted of studies, pilot projects, publications, information campaigns and technical assistance. The studies covered: fleet diagnostics and identifying measures to be carried out in the three types of fisheries occupations in the Mediterranean (tuna seine fishing, trawling and minor occupations); the use made of fisheries products withdrawn from the market; and the impact of the Community's autonomous quotas and suspensions on the extractive producer sector and the fisheries products processing industry. With regard to publications, the Commission edited information brochures on measures to assist fishing,⁶⁷ republished the report entitled "Aquaculture and Environment" and the record of the "Shellfish Farming and Coastal Development" Conference. Work began on two major events scheduled for 1997: the first Euro-Moroccan partnership meeting between firms from the fishing industry (Casablanca '97 Partnership - Fishing Industry) and a European Information campaign designed to encourage the consumption of fisheries and aquaculture products. Lastly, in the field of technical assistance, the Community register of fishing vessels was updated and there was funding for training in the "Infosys" information technology system of monitoring and evaluation of FIFG-financed structural measures.

⁶⁶ Call for proposals 96/C 284/10, OJ No C 284, 27.9.1996.

⁶⁷ See Chapter III.D.1. Information and communication activities.

Table I-60: Measures funded under Article 4 of the FIFG Regulation (ECU)

	Commitments 1996	Commitments 1994-96	Payments 1996	Payments 1994-96
Studies	156.250	4.027.736	867.213	2.766.949
Publications	17.520	79.908	37.068	67.863
Technical assistance*	2.585.741	3.449.962	685.145	1.022.906
TOTAL	2.759.511	7.557.606	1.589.426	3.857.718

* Including pilot projects and events

CHAPTER II**BUDGET IMPLEMENTATION,****CHECKS AND FINANCIAL MANAGEMENT,****COORDINATION OF THE VARIOUS FINANCIAL INSTRUMENTS,****COMPLEMENTARITY WITH THE OTHER COMMUNITY POLICIES**

A. BUDGETARY IMPLEMENTATION OF THE STRUCTURAL FUNDS

1. Budget implementation in 1996

1.1. General implementation in 1996

The aim of this section is to look at implementation of the 1996 budget as a whole, that is, of appropriations for 1994-99 and those for previous periods. In the case of 1996, it distinguishes between implementation of appropriations newly entered in the budget and the implementation of appropriations carried over to the 1996 budget from the previous year.

Table II-1: Origin and implementation of commitment appropriations in 1996 (ECU million)

	CSF ERDF	CSF ESF	CSF EAGGF	CSF FIFG	Community Initiatives	Transitional measures	Anti-fraud	Former GDR	TOTAL
Initial budget	11.883,70	7.145,80	3.772,00	450,35	2.968,10	296,10	0,75	-	26.516,80
Transfer of appropriations	0,00	0,00	0,00	0,00	0,00	0,00	0,00	-	0,00
Supplementary and amending budget	0,00	0,00	0,00	0,00	0,00	0,00	0,00	-	0,00
Total appropriations 1996	11.883,70	7.145,80	3.772,00	450,35	2.968,10	296,10	0,75	-	26.516,80
Appropriations made available again	0,00	0,00	0,00	0,00	0,00	0,00	0,00	-	0,00
Appropriations carried over	0,00	4,32	0,00	0,00	20,42	45,88	0,00	-	70,63 (1)
Appropriations blocked	0,00	0,00	0,00	0,00	0,01	7,14	0,00	-	7,16
Appropriations available	11.883,70	7.150,12	3.772,00	450,35	2.988,52	341,98	0,75	-	26.587,43 (2)
Implementation	11.862,50	7.150,12	3.772,00	337,19	2.819,37	199,36	0,70	-	26.141,24
Rate of implementation	99,8%	100%	100%	75%	94%	58%	94%	-	98%
Appropriations not implemented	21,20	0,00	0,00	113,16	169,16	142,62	0,05	-	446,19
Appropriations carried over to 1997	0,00	0,00	0,00	0,00	0,00	4,65	0,00	-	4,65
Decommitments excluding appropriations made available again	-	-	-	-	-	-	-	-	-
Appropriations reentered in the budget for subsequent years	21,20	-	-	113,16	169,16	142,62	-	-	446,14
Decommitments	216,30	101,42	51,73	126,34	81,61	29,81	-	3,23	610,44

(1) Of which ECU 7.16 million blocked.

(2) ECU 26 480.27 million after deduction of the ECU 7.16 million blocked.

Table II-2: Implementation of appropriations in 1996 (excluding carry-overs - ECU million)

Budget headings	Appropriations available (A)		Utilization of approps. (B)		Approps. carried over to 1997 (C)		Approps. not implemented (A)-(B)-(C)	
	Commitments	Payments	Commitments	Payments	Commitments	Payments	Commitments	Payments
Objective 1	15.438,65	14.777,51	15.369,13	14.699,47	0,00	0,00	69,53	78,04
Objective 2	2.726,40	1.664,38	2.705,45	1.636,02	0,00	0,00	20,95	28,36
Objective 3	2.793,92	2.188,25	2.793,92	2.188,25	0,00	0,00	0,00	0,00
Objective 4	271,50	129,08	271,50	129,08	0,00	0,00	0,00	0,00
Objective 5(a) agriculture (excluding Objectives 1 and 5(b))	425,83	599,84	425,83	388,87	0,00	0,00	0,00	210,97
Objective 5(a) agriculture (in Obj. 5(b))	376,60	505,10	376,60	343,29	0,00	0,00	0,00	161,81
Objective 5(a) fisheries	156,00	148,10	115,03	86,03	0,00	0,00	40,97	62,07
Objective 5(b)	971,50	1.033,80	971,38	922,89	0,00	0,00	0,12	110,91
Objective 6	91,45	53,14	88,65	51,14	0,00	0,00	2,80	2,00
Community Initiatives	2.968,10	2.115,16	2.798,96	1.691,39	0,00	0,00	169,14	423,77
Transitional and innovative measures	296,10	314,00	161,05	188,03	4,65	0,00	130,40	125,97
Anti-fraud	0,75	0,70	0,70	0,45	0,00	0,00	0,05	0,25
Former GDR	0,00	148,69	0,00	119,51	0,00	0,00	29,18	0,00
TOTAL	26.516,80	23.677,75	26.078,20	22.444,42	4,65	29,18	433,95	1.204,15

Taking all the assistance and all the Funds together, during 1996 the Commission committed ECU 26 078 million and paid ECU 22 444 million from the 1996 appropriations (excluding carry-overs and appropriations made available again). In addition, ECU 63 430 000 was committed from appropriations carried over from the previous year. These figures should be compared with the ECU 26 517 million available for commitment appropriations (ECU 26 587 million including carryovers) and the ECU 23 678 million available for payment appropriations. In all, ECU 439 million in commitment appropriations (ECU 446 million including carryovers) and ECU 1 234 million in payment appropriations remained unused, i.e. 2% and 5% respectively of the available appropriations. Of these appropriations, ECU 4 650 000 in commitment appropriations and ECU 29 180 000 in payment appropriations were carried over to the 1997 budget and ECU 446 140 000 in commitment appropriations will entered in budgets for later years.

Table II-3: Implementation of appropriations in 1996 by budget heading (excluding decommitments and carry-overs)

	Number	Heading	Commitments	Payments
CSF				
EAGGF Guidance	B2-100	CSF		
	B2-1000	Objective 1	2.416.500.000	2.157.600.000
	B2-1001	Objective 5(a) (excluding 1 and 5(b) areas)	425.830.000	388.871.575
	B2-1002	Objective 5(a) (in 5(b) areas)	376.600.000	343.290.916
	B2-1003	Objective 5(b)	508.400.000	455.173.295
	B2-1004	Objective 6	44.670.000	36.657.000
Total EAGGF			3.772.000.000	3.381.592.786
FIFG	B2-110	CSF		
	B2-1100	Objective 1	222.155.100	335.559.359
	B2-1101	Objective 5(a)	115.033.372	86.025.422
	B2-1102	Objective 6	0	0
	B2-1110	Social measures linked to forced tying-up	0	0
Total FIFG			337.188.472	421.584.781
ERDF	B2-120	CSF		
	B2-1200	Objective 1	9.331.069.380	9.095.903.618
	B2-1201	Objective 2	2.139.947.430	1.149.818.694
	B2-1202	Objective 5(b)	360.982.929	357.814.862
	B2-1203	Objective 6	30.500.000	6.720.000
Total ERDF			11.862.499.739	10.610.257.173
ESF	B2-130	CSF		
	B2-1300	Objective 1	3.399.403.000	3.110.408.000
	B2-1301	Objective 2	565.500.000	486.200.000
	B2-1302	Objective 3	2.793.917.000	2.188.250.174
	B2-1303	Objective 4	271.500.000	129.081.826
	B2-1304	Objective 5(b)	102.000.000	109.900.000
	B2-1305	Objective 6	13.480.000	7.760.000
Total ESF			7.145.800.000	6.031.600.000
COMMUNITY INITIATIVES				
PESCA	B2-140	PESCA (restructuring the fisheries sector)		
	B2-1400	ESF	7.946.110	2.854.655
	B2-1400	FIFG	47.759.926	16.870.669
	B2-1400	ERDF	78.251.000	1.224.900
Total Pesca			133.957.036	20.950.224
INTERREG	B2-141	Inter-regional cooperation		
	B2-1410	ESF	35.335.858	12.547.628
	B2-1410	EAGGF	31.256.000	12.436.506
	B2-1410	FIFG	461.000	230.500
	B2-1410	ERDF	684.972.620	398.298.651
Total Interreg			752.025.478	423.513.285
PEACE	B2-1412	ESF	35.321.500	17.660.750
	B2-1412	EAGGF	8.125.000	4.062.500
	B2-1412	FIFG	0	0
	B2-1412	ERDF	52.114.000	19.956.500
Total Peace			95.560.500	41.679.750

	Number	Heading	Commitments	Payments
	B2-142	Employment and development of human resources		
NOW	B2-1420	ESF	1.925.000	12.683.663
	B2-1420	ERDF	1.555.002	792.501
	Total Now		3.480.002	13.476.164
HORIZON	B2-1421	ESF	147.654.076	99.902.820
	B2-1421	ERDF	1.832.705	898.353
	Total Horizon		149.486.781	100.801.173
INTEGRA	B2-1422	ESF	0	0
	B2-1422	ERDF	0	0
	Total Integra		0	0
YOUTH START	B2-1423	ESF	93.731.429	56.068.962
	B2-1423	ERDF	0	0
	Total Youthstart		93.731.429	56.068.962
ADAPT	B2-1424	ESF	222.428.048	86.962.641
	B2-1424	ERDF	0	0
	Total Adapt		222.428.048	86.962.641
	B2-143	Industrial restructuring		
RECHAR	B2-1430	ESF	16.167.800	8.083.900
	B2-1430	ERDF	103.765.360	53.542.693
	Total Rechar		119.933.160	61.626.593
RESIDER	B2-1431	ESF	15.749.500	8.894.750
	B2-1431	ERDF	118.620.644	70.693.622
	Total Resider		134.370.144	79.588.372
KONVER	B2-1432	ESF	42.093.000	21.046.500
	B2-1432	ERDF	90.908.620	74.024.226
	Total Konver		133.001.620	95.070.726
RETEX	B2-1433	ESF	11.620.000	5.810.000
	B2-1433	ERDF	142.812.118	61.996.767
	Total Retex		154.432.118	67.806.767
	B2-144	Regis (most remote regions)		
REGIS	B2-1440	ESF	11.886.000	5.100.200
	B2-1440	EAGGF	17.002.000	7.027.000
	B2-1440	FIFG	800.000	300.000
	B2-1440	ERDF	128.267.000	123.125.700
	Total Regis		157.955.000	135.552.900
	B2-145	Urban (urban areas)		
URBAN	B2-1450	ESF	27.063.500	11.391.550
	B2-1450	ERDF	187.938.458	96.722.929
	Total Urban		215.001.958	108.114.479
	B2-146	Leader (rural development)		
LEADER	B2-1460	ESF	68.638.607	25.357.755
	B2-1460	EAGGF	83.110.837	57.304.395
	B2-1460	ERDF	99.926.948	50.944.274
	Total Leader		251.676.392	133.606.423

	Number	Heading	Commitments	Payments
SMEs	B2-147	SMEs Initiative		
	B2-1470	ESF	14.540.000	5.315.000
	B2-1470	ERDF	167.378.400	83.396.120
	Total SMEs		181.918.400	88.711.120
(* EARLIER MEASURES	B2-148	Reserve for earlier and future measures		
	B2-1480	ESF	-	45.623.082
	B2-1480	EAGGF	-	22.117.352
	B2-1480	ERDF	-	110.117.803
	B2-1480	RESERVE	-	-
Total earlier measures (*)		-	177.858.237	
		ESF	752.100.428	425.303.856
		EAGGF	139.493.837	102.947.753
		FIFG	49.020.926	17.401.169
		ERDF	1.858.342.875	1.145.735.039
Total Community Initiatives		2.798.958.066	1.691.387.817	
OTHER ASSISTANCE				
Fraud	B2-150		703.000	453.350
	Total Anti-fraud		703.000	453.350
Transitional and innovative measures	B2-180	EAGGF	23.031.897	22.965.810
	B2-181	FIFG	20.424.764	8.788.863
	B2-182	ERDF	80.666.861	102.932.766
	B2-183	ESF	36.928.208	53.343.102
Total Transitional and innovative measures		161.051.730	188.030.541	
Former-GDR	B2-190	Structural measures under Reg. (EEC) No 3575/90 (former GDR)		
	B2-1900	ESF	-	52.243.683
	B2-1900	EAGGF	-	24.517.342
	B2-1900	FIFG	-	196.699
B2-1900	ERDF	-	42.552.901	
Total Former GDR		-	119.510.626	

(*) Payment for 1989-93

Table II-4: Commitments in 1996 (excluding decommitments and carry-overs - ECU million)

	TOTAL	%	CSF						Total CSEs	Community Initiatives	Transitional measures	Anti-fraud	
			Obj. 1	Obj. 2	Obj. 3	Obj. 4	Obj. 5(a)	Obj. 5(b)					Obj. 6
Total available	26.516,80		15.438,65	2.726,40	2.793,92	271,50	958,43	971,50	91,45	23.251,85	2.968,10	296,10	0,75
Total implemented	26.078,20	100%	15.369,13	2.705,45	2.793,92	271,50	917,46	971,38	88,65	23.117,49	2.798,96	161,05	0,70
%	98,35%		100%	99%	100%	100%	96%	100%	97%	99%	94%	54%	94%
ERDF	13.801,51	53%	9.351,07	2.139,95	-	-	-	360,98	30,50	11.862,50	1.858,34	80,67	-
ESF	7.934,83	30%	3.399,40	565,50	2.793,92	271,50	-	102,00	13,48	7.145,80	752,10	36,93	-
EAGGF	3.934,53	15%	2.416,50	-	-	-	802,43	508,40	44,67	3.772,00	139,49	23,03	-
FIFG	406,63	2%	222,16	-	-	-	115,03	-	-	337,19	49,02	20,42	-
Other	0,70	0%	-	-	-	-	-	-	-	0,00	-	-	0,70
%	100%		59%	10%	11%	1%	4%	4%	0%	89%	11%	1%	0%

In terms of programming, 1996 saw the adoption of the last SPDs and Community Initiative programmes. Budget implementation was therefore primarily concerned with implementing the programmes decided on in 1994 and 1995. The commitment implementation rate thus improved appreciably in 1996, increasing from 91% in 1995 to 98% of the available appropriations, or ECU 26 078 million, excluding carry-overs and appropriations made available again.

Implementation of the various Objectives varies little from one Fund to another and within each Fund, except for the FIFG. Implementation always stands at or near to 100%, except for the Community Initiatives, which are still at early stage. Similarly, the slower implementation of the FIFG (98.66%) has little effect overall, which is understandable given the amount of appropriations involved. Commitments on the Community Initiatives amounted to ECU 2 799 million (excluding carry-overs and appropriations made available again), leaving ECU 169 160 000 unused, representing 6% of the funding available in 1996.

Table II-5: Payments in 1996 (excluding carry-overs - ECU million)

	TOTAL	%	CSF						Total CSF	Community Initiatives	Transitional measures	Anti-fraud	Former GDR	
			Obj. 1	Obj. 2	Obj. 3	Obj. 4	Obj. 5(a)	Obj. 5(b)						Obj. 6
Total available	23,677,75	-	14,777,51	1,664,38	2,188,25	129,08	1,253,04	1,033,80	53,14	21,099,20	2,115,16	314,00	0,70	148,69
Total implemented	22,444,42	100%	14,699,47	1,636,02	2,188,25	129,08	818,19	922,89	51,14	20,445,03	1,691,39	188,03	0,45	119,51
%	94,79%	-	99%	98%	100%	100%	65%	89%	96%	97%	80%	60%	65%	80%
ERDF	11,901,48	52%	9,095,90	1,149,82	-	-	-	357,81	6,72	10,610,26	1,145,74	102,93	-	42,55
ESF	6,562,49	29%	3,110,41	486,20	2,188,25	129,08	-	109,90	7,76	6,031,60	425,30	53,34	-	52,24
EAGGF	3,532,02	16%	2,157,60	-	-	-	732,16	455,17	36,66	3,381,59	102,95	22,97	-	24,52
FIFG	447,97	2%	335,56	-	-	-	86,03	-	-	421,58	17,40	8,79	-	0,20
Other	0,48	0%	-	-	-	-	-	-	-	0,60	-	-	0,65	-
%	100%	-	65%	7%	10%	1%	4%	4%	0%	91%	8%	3%	0%	1%

Payment appropriations implemented in 1996 totalled ECU 22 444 million (excluding carry-overs), i.e. 94.8% of the available appropriations (ECU 23 678 million). Appropriations unused therefore totalled ECU 1 233 million. Implementation improved because a large number of programmes had already been adopted. The variation in the implementation of payment appropriations is significantly greater than for commitment appropriations. Objectives 1, 3 and 4 had implementation rates of or close to 100%. Those Objectives with lower implementation rates (Objective 5(a) in particular) account for the smallest amounts in terms of the overall total, however.

The above paragraphs refer to the implementation of appropriations entered in the 1996 budget for the first time, that is, excluding carry-overs. Commitment appropriations carried over from 1995 to 1996 and used in 1996 represent only a limited proportion of total budget implementation (ECU 70 630 000). They comprise ECU 4 320 000 for the ESF (Objective 3 - United Kingdom) (100% implementation), ECU 20 420 000 for the Community Initiatives (Employment) (100% implementation) and ECU 38 310 000 for innovative and transitional measures (out of a total of ECU 45 880 000 available). In total, ECU 63 040 000 was committed in 1996 using appropriations carried over or made available again (89% implementation). Payments from appropriations carried over related only to the ESF for Objective 3 (United Kingdom) and represent ECU 4 320 000 (100%).

Table II-6: Payments in 1996 for assistance prior to the second programming period (including carry-overs - ECU million)

	Objective 1				Objective 2			Obj. 3	Objective 5(a)			
	ERDF	ESF	EAGGF	Fisheries	Total	ERDF	ESF	Total	ESF	EAGGF	Fisheries	
< 1994	461.93	138.87	116.79	24.30	1,141.88	94.18	31.33	125.51	202.24	36.16	3.99	40.15
1989-93	460.21	138.35	116.78	23.92	739.27	94.18	31.33	125.51	202.24	36.16	3.99	40.15
B	-	-	-	0.17	0.17	0.34	0.03	0.37	-	1.20	0.29	1.50
DK	-	-	-	-	-	-	1.41	1.41	0.11	3.74	0.33	4.07
D	42.55 (1)	52.24 (1)	24.52 (1)	0.25 (1)	119.57 (1)	3.26	19.81	23.07	19.84	0.98	0.59	1.57
EL	90.23	-	7.71	3.47	101.41	-	-	-	-	-	-	-
E	225.53	45.89	5.67	2.42	279.51	13.52	-	13.52	111.91	-	-	-
F	4.08	7.48	0.97	2.88	15.41	51.82	1.18	53.00	-	6.11	-	6.11
IRL	29.36	-	7.58	0.64	37.59	-	-	-	-	-	-	-
I	31.45	19.80	66.15	7.29	124.70	8.22	5.39	13.61	36.00	22.97	1.47	24.44
L	-	-	-	-	-	-	-	-	-	0.02	-	0.02
NL	-	-	-	0.03	0.03	8.21	3.52	11.73	30.05	-	-	-
P	16.64	12.94	3.46	5.35	38.39	-	-	-	-	-	-	-
UK	20.23	-	0.72	1.41	22.36	8.81	-	8.81	4.32	1.14	1.31	2.46
Comm.	0.13	-	-	-	0.13	-	-	-	-	-	-	-

	Objective 5(b)				Community Initiatives				TOTAL (2)				
	ERDF	ESF	EAGGF	Total	ERDF	ESF	EAGGF	Total	ERDF	ESF	EAGGF	Fisheries	
< 1994	21.75	19.32	55.97	97.03	110.12	45.62	22.12	177.86	1,087.97	437.38	231.04	28.29	1,784.68
1989-93	21.75	19.32	55.98	97.04	110.12	45.62	22.12	177.86	686.25	436.87	231.04	27.91	1,382.07
B	-	0.38	-	0.38	0.41	0.72	0.04	1.17	0.75	1.13	1.24	0.47	3.59
DK	1.10	1.52	-	2.61	-	1.26	-	1.26	1.10	4.30	3.74	0.33	9.46
D	13.15	7.58	13.54	34.27	6.66	10.29	-	16.95	65.62	109.76	39.04	0.84	215.26
EL	-	-	-	-	13.48	7.65	0.35	21.48	103.71	7.65	8.06	3.47	122.89
E	2.42	0.34	3.26	6.03	8.47	10.32	13.05	31.83	249.94	168.46	21.98	2.42	442.81
F	4.65	7.77	19.39	31.81	16.28	8.40	4.46	29.14	76.83	24.83	30.93	2.88	135.46
IRL	-	-	-	-	15.00	0.39	0.67	16.05	44.36	0.39	8.25	0.64	53.64
I	-	1.09	19.72	20.81	10.67	3.37	0.06	14.10	50.34	65.64	108.90	8.76	233.65
L	0.43	-	-	0.43	3.58	-	-	3.58	4.01	-	0.02	-	4.02
NL	-	0.64	-	0.64	1.97	0.17	-	2.14	10.18	34.39	-	0.03	44.60
P	-	-	-	-	24.17	2.36	2.82	29.35	40.81	15.30	6.28	5.35	67.74
UK	-	-	0.06	0.06	2.81	0.70	0.67	4.18	31.84	5.02	2.60	2.73	42.20
Comm.	-	-	-	-	6.62	-	-	6.62	6.76	-	-	-	6.76

(1) Including former GDR (heading B2-1900).

(2) No payment was made under Objective 4.

A significant number of payments were also made in respect of operations decided on before 1994 for the first programming period (1989-93), or earlier in some cases. The overall figure amounted to ECU 1 785 million (7% of all payments made in 1996), of which ECU 1 382 million (77%) corresponded to the commitments in the period 1989-93. These are payments made as normal as the first programming period comes to a close. Assuming that the commitments on these operations were made as required before the end of 1993 (except where programmes are extended), the Member States had a period of two years until 31 December 1995 to make payment to the final beneficiaries and a further six months, until 30 June 1996 at the latest, to send the expenditure statements to the Commission. The Commission's payments in 1996 thus reflect the closure of the programmes for the first programming period.

In 1996, 796 ERDF operations relating to the period before the reform of the Structural Funds in 1988 were settled, often automatically under Article 12 of Regulation (EEC) No 4254/88. The closure of operations involved paying outstanding amounts totalling ECU 401 700 000, of which ECU 378 million related to Italy (645 cases), ECU 12 million to the United Kingdom (97 cases), ECU 10 million to Greece (22 cases) and ECU 2 million to other Member States (32 cases). Some 170 operations in respect of 1989-93 were closed in 1996, the outstanding amounts paid totalling ECU 535 million, of which ECU 241 million related to Spain, ECU 91 million to Greece, ECU 44 million to Ireland, ECU 42 million to Italy, ECU 40 million to Portugal and ECU 77 million to other Member States.

ESF payments related almost entirely to the first programming period and represented one more step towards closure of the programmes concerned (some have been extended). The programmes before this first period involve Italy and Portugal. EAGGF payments made in 1996 in respect of the programming period 1989-93 amount to ECU 231 170 000. It should be noted that the Member States were somewhat slow in submitting applications for outstanding balances. At the end of 1996 ECU 83 100 000 for all the Objectives was still not settled because the Member States had not submitted applications, Portugal and France in particular for Objective 1 and France and Italy for Objective 5(b).

In the case of fisheries, the payments include the appropriations needed to settle the commitments relating to the structural measures decided before the entry into force of the FIFG (Regulations (EEC) Nos 4028/86 and 4042/89).

Table II-7: Appropriations outstanding at 31 December 1996 (ECU million)

	Obj 1	Obj 2	Obj 3	Obj 4	Obj 5(a)	Obj 5(b)	Obj 6	Total CSF	Comm. Initiatives	Transit. measures	Former GDR	Anti-fraud	TOTAL end 1996	%
Total outstanding end 1996 (A+B+C)	14,180,34	3,686,70	2,064,62	317,37	1,064,89	961,53	100,47	22,375,62	1,766,59	366,34	131,59	0,30	26,640,43	100%
ERDF	8,874,49	3,149,64	-	-	-	-	381,07	45,91	-	-	-	-	-	-
ESF	2,888,97	537,06	2,064,62	317,37	-	-	125,94	21,97	-	-	-	-	-	-
EAGGF	2,053,08	-	-	-	852,03	454,52	-	31,88	-	-	-	-	-	-
FIFG	363,79	-	-	-	212,56	-	-	0,72	-	-	-	-	-	-
1996 commitments outstanding (A)	8,148,64	2,215,57	1,408,50	223,19	660,39	486,30	68,10	13,207,71	1,671,37	118,03	0,00	0,27	14,997,37	56%
ERDF	5,184,91	1,856,33	-	-	-	145,76	30,50	7,213,51	-	-	-	-	-	-
ESF	1,333,23	359,24	1,408,50	223,19	-	58,22	5,72	3,388,10	-	-	-	-	-	-
EAGGF	1,516,68	-	-	-	581,91	282,32	31,88	2,412,79	-	-	-	-	-	-
FIFG	114,82	-	-	-	78,48	-	-	193,30	-	-	-	-	-	-
1994-95 commitments outstanding (B)	3,114,54	863,61	454,56	94,18	301,88	186,28	32,37	5,047,42	1,376,46	79,26	0,00	0,03	6,503,17	24%
ERDF	1,984,24	747,65	-	-	-	107,44	15,41	2,854,74	-	-	-	-	-	-
ESF	752,55	115,96	454,56	94,18	-	32,94	16,25	1,466,43	-	-	-	-	-	-
EAGGF	271,41	-	-	-	181,23	45,90	0,00	498,55	-	-	-	-	-	-
FIFG	106,34	-	-	-	120,65	-	0,72	227,70	-	-	-	-	-	-
Commitments from before 1994 (C)	2,920,15	607,51	201,56	0,00	102,32	288,95	0,00	4,120,50	718,76	169,05	131,59	0,00	5,139,90	19%
ERDF	1,709,33	545,66	-	-	-	127,87	-	2,382,86	-	-	-	-	-	-
ESF	803,20	61,85	201,56	0,00	-	34,79	-	1,101,40	-	-	-	-	-	-
EAGGF	264,99	-	-	-	88,89	126,29	-	480,17	-	-	-	-	-	-
FIFG	142,63	-	-	-	13,43	-	-	156,06	-	-	-	-	-	-

The increase in commitment appropriations available arising from the Edinburgh undertaking and carryovers from 1995 and the failure to use all the payment appropriations has an impact on the payment appropriations outstanding at the end of the year. The rate of settlement has however improved, rising to 56% in 1996 as against 46% in 1995. There were two reasons for this: the settlement of commitments for the current year and the settlement of appropriations committed in previous years. The appropriations outstanding that correspond to the first programming period (1989-93) represent 19% of all outstanding appropriations at the end of 1996, whereas they represented a third of those outstanding at the end of 1995. This reduction results from the closure of a very large number of programmes in 1996. Thus, taking all Objectives and Funds together, payments have been made in respect of 85% of the appropriations committed in 1992 and 1993. The results of this closure have been most notable in the case of the ERDF: outstanding ERDF commitments made before 1994 were reduced from ECU 4 465 million to ECU 2 913 million in 1996.

The shares of each Fund in the total appropriations outstanding at the end of 1996 are: ERDF: 55.6%; ESF: 26.6%; EAGGF: 15.2%; FIFG: 2.6%. These figures differ slightly from those for 1995 (ERDF: 56%; ESF: 27%; EAGGF: 13%; FIFG: 4%) and, with the exception of the EAGGF, the rate of settlement has clearly improved.

Table II-8: Trend of outstanding appropriations (ECU million)

(Current prices)	TOTAL end 1996	%	TOTAL end 1995	%	TOTAL end 1994	%
Total outstanding (A+B+C)	26,640,43	100%	23,529,46	100%	19,324,88	100%
<i>Annual variation</i>		+13%		+22%		-
Appropriations outstanding for the year (A)	14,997,37	56%	12,030,77	51%	9,009,96	47%
<i>Annual variation</i>		+25%		+34%		-
Appropriations outstanding 1994 (B)	6,503,17	24%	3,880,02	16%	-	0%
<i>Annual variation</i>		+68%		-		-
Appropriations outstanding from before 1994 (C)	5,139,90	19%	7,618,68	32%	10,315,10	53%
<i>Annual variation</i>		-33%		-26%		-

1.2. Implementation of each Fund in 1996 in the context of 1994-99

The aim of this section is to look at the implementation of appropriations for 1994-99, excluding implementation for previous years.

Table II-9: Implementation in 1996 for the period 1994-99 (including decommitments, carry-overs and appropriations made available again - ECU million)

COMMITMENTS												
	Available 1996 (1)	CSF									Community Initiatives	TOTAL (2)
		Obj. 1	Obj. 2	Obj. 3	Obj. 4	Obj. 5(a)A	Obj. 5(a)F	Obj. 5(b)	Obj. 6	Total		
Total	26.244,66	15.369,11	2.668,28	2.793,92	271,50	802,43	112,27	971,38	88,65	23.077,54	2.815,98	25.893,52
% (2)/(1)										88%	11%	99%
B		122,69	78,44	94,80	11,75	26,80	20,42	6,86	-	361,76	58,04	419,80
DK		-	22,78	42,00	7,00	22,08	23,28	3,73	-	120,87	56,44	177,30
D		2.040,97	379,07	512,62	26,61	191,84	12,77	187,71	-	3.351,59	357,42	3.709,01
EL		1.590,01	-	-	-	-	-	-	-	1.590,01	129,29	1.719,30
E		4.614,84	377,18	239,91	49,54	25,00	19,89	172,30	-	5.498,67	256,26	5.754,93
F		296,95	655,77	421,59	91,68	220,66	0,00	335,91	-	2.022,55	295,79	2.318,34
IRL		1.181,34	-	-	-	-	-	-	-	1.181,34	37,83	1.219,18
I		2.038,70	214,02	149,87	38,28	131,69	0,00	33,59	-	2.606,15	316,55	2.922,70
L		-	-1,47	3,40	0,37	4,31	0,00	0,00	-	6,62	0,86	7,47
NL		4,80	99,14	152,23	-	9,05	6,36	15,56	-	287,14	23,37	310,51
A		4,96	11,40	65,69	-	75,94	-	51,62	-	209,61	46,62	256,23
P		2.967,96	-	-	-	-	-	-	-	2.967,96	191,13	3.159,10
FIN		-	21,32	34,99	8,77	53,32	0,00	16,27	77,18	211,86	44,71	256,57
S		-	-	-	37,50	26,50	0,00	64,91	11,47	140,37	40,28	180,65
UK		505,88	810,63	1.076,80	-	15,23	29,55	82,93	-	2.521,03	223,85	2.744,87
Comm.		-	-	-	-	-	-	-	-	-	737,55	737,55

PAYMENTS												
	Total implem.(1)	CSF									Community Initiatives	TOTAL (2)
		Obj. 1	Obj. 2	Obj. 3	Obj. 4	Obj. 5(a)A	Obj. 5(a)F	Obj. 5(b)	Obj. 6	Total		
Total	22.260,26	13.671,00	1.510,51	1.990,34	129,08	696,00	80,58	825,72	51,14	18.954,37	1.513,22	20.467,59
% (2)/(1)										85%	7%	92%
B		91,77	20,69	81,91	5,91	42,59	16,50	3,47	-	262,85	26,41	289,26
DK		-	3,67	40,96	7,68	22,07	-	0,14	-	74,52	13,54	88,05
D		2.094,42	182,75	287,50	8,70	177,34	3,88	212,57	-	2.967,17	225,89	3.193,05
EL		1.646,08	-	-	-	-	-	-	-	1.646,08	49,35	1.695,43
E		3.817,12	159,26	272,12	10,02	28,74	32,74	124,40	-	4.444,39	184,75	4.629,14
F		251,21	412,16	402,88	49,62	206,89	-	300,20	-	1.622,96	141,60	1.764,56
IRL		900,76	-	-	-	-	-	-	-	900,76	20,45	921,21
I		1.926,12	95,08	102,44	19,14	41,08	11,93	31,15	-	2.226,95	156,95	2.383,90
L		-	0,29	3,36	0,25	5,21	0,00	0,00	-	9,11	0,46	9,57
NL		11,84	39,29	124,62	-	6,49	6,46	12,70	-	201,38	6,81	208,20
A		12,61	11,59	71,77	3,51	77,13	0,80	39,34	-	216,75	16,49	233,24
P		2.434,57	-	-	-	-	-	-	-	2.434,57	102,10	2.536,67
FIN		-	14,24	21,10	5,50	26,60	0,00	7,67	42,12	117,22	15,36	132,57
S		-	-	-	18,75	27,86	0,00	22,64	9,02	78,27	11,77	90,04
UK		484,50	571,49	581,69	-	34,91	8,27	71,44	-	1.751,40	123,05	1.874,44
Comm.		-	-	-	-	-	-	-	-	-	418,26	418,26

ERDF

Table II-10: ERDF implementation in 1996 for the period 1994-99 (including decommitments, carry-overs and appropriations made available again - ECU million)

COMMITMENTS									
	Available 1996 (1)	CSF					Community Initiatives	TOTAL (2)	% (2)/(1)
		Obj. 1	Obj. 2	Obj. 5(b)	Obj. 6	Total			
Objective 1	9,331,20	9,331,05	-	-	-	9,331,05	-	9,331,05	100%
Objective 2	2,160,90	-	2,102,78	-	-	2,102,78	-	2,102,78	97%
Obj. 5(b)	361,10	-	-	360,98	-	360,98	-	360,98	100%
Objective 6	30,50	-	-	-	30,50	30,50	-	30,50	100%
CIs	1,901,30	-	-	-	-	-	1,859,14	1,859,14	98%
Total	13,785,00	-	-	-	-	11,825,31	1,859,14	13,684,45	99%
B		74,25	61,50	0,00	-	135,75	5,33	141,08	-
DK		-	19,70	0,00	-	19,70	10,82	30,52	-
D		897,35	284,84	72,65	-	1,254,84	209,57	1,464,41	-
EL		1,157,34	-	-	-	1,157,34	84,17	1,241,51	-
E		2,756,72	245,32	37,33	-	3,039,37	154,50	3,193,87	-
F		132,82	587,77	127,16	-	847,75	156,25	1,004,00	-
IRL		591,86	-	-	-	591,86	7,01	598,87	-
I		1,640,22	177,12	0,00	-	1,817,34	146,66	1,964,00	-
L		-	-1,47	0,00	-	-1,47	0,25	-1,22	-
NL		0,00	77,02	2,09	-	79,12	15,79	94,90	-
A		0,00	7,62	8,33	-	15,95	26,46	42,41	-
P		1,833,28	-	-	-	1,833,28	151,32	1,984,60	-
FIN		-	21,32	15,16	30,50	66,98	22,63	89,61	-
S		-	0,00	34,09	0,00	34,09	27,67	61,75	-
UK		247,21	622,03	64,17	-	933,42	103,63	1,037,04	-
Comm.		-	-	-	-	0,00	737,09	737,09	-

PAYMENTS									
	Total impl. (1)	CSF					Community Initiatives	TOTAL (2)	% (2)/(1)
		Obj. 1	Obj. 2	Obj. 5(b)	Obj. 6	Total			
Objective 1	9,138,46	8,270,43	-	-	-	8,270,43	-	8,270,43	91%
Objective 2	1,149,82	-	1,055,64	-	-	1,055,64	-	1,055,64	92%
Obj. 5(b)	357,81	-	-	336,07	-	336,07	-	336,07	94%
Objective 6	6,72	-	-	-	6,72	6,72	-	6,72	100%
CIs	1,145,74	-	-	-	-	-	1,035,62	1,035,62	90%
Total	11,798,55	-	-	-	-	9,668,86	1,035,62	10,704,48	91%
B		59,99	10,02	0,00	-	70,01	8,39	78,41	-
DK		-	2,11	0,00	-	2,11	1,74	3,85	-
D		1,213,40	126,34	99,21	-	1,438,95	131,28	1,570,24	-
EL		1,243,11	-	-	-	1,243,11	33,76	1,276,87	-
E		1,799,52	46,39	33,49	-	1,879,40	119,47	1,998,87	-
F		113,43	345,36	117,63	-	576,42	70,10	646,52	-
IRL		336,09	-	-	-	336,09	1,71	337,80	-
I		1,644,14	69,33	0,00	-	1,713,47	72,94	1,786,41	-
L		-	0,00	0,00	-	0,00	0,29	0,29	-
NL		8,00	21,01	5,03	-	34,04	3,31	37,35	-
A		5,99	7,47	11,17	-	24,63	9,61	34,24	-
P		1,569,29	-	-	-	1,569,29	88,63	1,657,92	-
FIN		-	14,24	4,46	6,72	25,42	7,42	32,83	-
S		-	0,00	11,71	0,00	11,71	8,30	20,01	-
UK		277,47	413,37	53,36	-	744,20	60,41	804,61	-
Comm.		-	-	-	-	-	418,26	418,26	-

Total implementation of ERDF appropriations in 1996 was very high, amounting to 99% of the commitment appropriations and 96.8% of the payment appropriations. The amounts entered in the budget were sufficient to cover the overall funding needs for each chapter.

In the case of implementation of the CSFs and SPDs, Objective 1 operations were yet again the most dynamic this year in terms of their ability to draw down appropriations. The relevant budget line (B2-1200) had to be increased by ECU 115 300 000 in commitment appropriations and ECU 700 million in payment appropriations through transfers from other Objectives. 1996 is a special year for Objective 2 in that it is the last year of the first phase established for this Objective (1994-96). In budget terms this means that all the aid had to be committed before the end of 1996 and explains why the Objective 2 budget heading (B2-1201) had to be increased by ECU 162 500 000 in

commitment appropriations. On the other hand, that same budget heading transferred ECU 584 500 000 in payment appropriations to Objective 1. Furthermore, as a result of the decisions to reduce the Community contribution for certain Objective 2 operations, ECU 37 million committed in 1994 and 1995 was decommitted. In the case of Objective 5(b), ECU 223 500 000 in commitment appropriations and ECU 80 700 000 in payment appropriations were transferred to other Objectives while no commitment or payment was made in 1996 for Italy, Belgium, Denmark or Luxembourg. Implementation of this Objective is being hampered by funding difficulties at Member State level. Under Objective 6, ECU 54 300 000 in commitment appropriations and ECU 34 800 000 in payment appropriations has been transferred to other headings. Sweden in particular has not recorded any commitment or payment operations.

In the case of the Community Initiatives, the implementation rates overall for ERDF appropriations (Chapter B2-14) amounted to 97.8% for commitment appropriations and 79.8% for payment appropriations. In 1996, the initial ERDF allocations were maintained overall (ECU 7 400 000 in commitment appropriations and ECU 8 million in payment appropriations were released to other Funds). Large movements of appropriations between Initiatives proved necessary, however, to satisfy the varying paces at which funding was being taken up. Thus, the commitment appropriations for the Pesca, Interreg, Regis and Urban Initiatives had to be supplemented using appropriations taken from other Initiatives. The total amount of ERDF appropriations transferred between Community Initiatives amounted to ECU 276 400 000, of which Interreg alone accounted for ECU 127 800 000. In addition, a significant proportion of the commitments (ECU 730 700 000) arose directly from the adoption of new programmes. This is particularly the case for the three new Member States but also for those other programmes whose approval by the Commission was delayed. Lastly, the first decisions to grant aid from the financial reserve for the Community Initiatives were taken in 1996. The amounts engaged were not large, however.

Lastly, as regards the transitional and innovative measures, ERDF implementation (Article B2-182) amounted to ECU 52.5% in commitment appropriations and ECU 72.8% in payment appropriations. This budget heading finances measures adopted by the Commission under Articles 7 and 10 of the ERDF Regulation and Article 16 of the Regulation coordinating the Structural Funds. The new procedures adopted by the Commission for adopting Article 10¹ pilot projects ran into unexpected implementation difficulties, which resulted in delayed approval of the projects and, as a further consequence, slack take-up of commitment appropriations. The late start will be made up for in 1997 and 1998.

¹ See Chapter I.B.2. Innovative measures and technical assistance

ESF

Table II-11: ESF implementation in 1996 for the period 1994-99 (including decommitments, carry-overs and appropriations made available again - ECU million)

COMMITMENTS												
	Available 1996 (1)	CSF							Community Initiatives	TOTAL (2)	% (2)/(1)	
		Obj. 1	Obj. 2	Obj. 3	Obj. 4	Obj. 5(b)	Obj. 6	Total				
Objective 1	3,399,40	3,399,40	-	-	-	-	-	-	3,399,40	-	3,399,40	100%
Objective 2	565,50	0,00	565,50	-	-	-	-	-	565,50	-	565,50	100%
Objective 3	2,798,20	-	-	2,793,92	-	-	-	-	2,793,92	-	2,793,92	100%
Objective 4	271,50	-	-	-	271,50	-	-	-	271,50	-	271,50	100%
Obj. 5(b)	102,00	-	-	-	-	102,00	-	-	102,00	-	102,00	100%
Objective 6	13,50	-	-	-	-	-	13,48	-	13,48	-	13,48	100%
CIs	861,70	-	-	-	-	-	-	-	-	769,53	769,53	89%
Total	8,011,80	-	-	-	-	-	-	-	7,145,80	769,53	7,915,33	99%
B		40,44	16,94	94,80	11,75	2,71	-	-	166,63	46,51	213,14	-
DK		-	3,08	42,00	7,00	0,00	-	-	52,08	37,81	89,89	-
D		609,47	94,23	512,62	26,61	15,39	-	-	1,258,32	141,68	1,399,99	-
EL		116,74	-	-	-	-	-	-	116,74	29,27	146,01	-
E		1,160,33	131,86	239,91	49,54	9,28	-	-	1,590,93	99,48	1,690,41	-
F		82,80	68,00	421,59	91,68	28,41	-	-	692,48	99,96	792,44	-
IRL		321,20	-	-	-	-	-	-	321,20	27,61	348,81	-
I		171,47	36,90	149,87	38,28	0,42	-	-	396,94	143,18	540,13	-
L		-	-	3,40	0,37	0,00	-	-	3,77	0,61	4,38	-
NL		0,00	22,12	152,23	0,00	0,25	-	-	174,60	3,01	177,61	-
A		0,00	3,77	65,69	0,00	13,85	-	-	83,31	7,99	91,30	-
P		737,50	-	-	-	-	-	-	737,50	21,83	759,33	-
FIN		-	0,00	34,99	8,77	1,11	13,48	-	58,35	4,72	63,08	-
S		-	0,00	0,00	37,50	12,83	-	-	50,33	0,99	51,32	-
UK		159,46	188,59	1,076,80	-	17,76	-	-	1,442,62	104,88	1,547,50	-

PAYMENTS												
	Total impl. (1)	CSF							Community Initiatives	TOTAL (2)	% (2)/(1)	
		Obj. 1	Obj. 2	Obj. 3	Obj. 4	Obj. 5(b)	Obj. 6	Total				
Objective 1	3,162,65	3,023,79	-	-	-	-	-	-	3,023,79	-	3,023,79	96%
Objective 2	486,20	-	454,87	-	-	-	-	-	454,87	-	454,87	94%
Objective 3	2,192,57	-	-	1,990,34	-	-	-	-	1,990,34	-	1,990,34	91%
Objective 4	129,08	-	-	-	129,08	-	-	-	129,08	-	129,08	100%
Obj. 5(b)	109,90	-	-	-	-	90,58	-	-	90,58	-	90,58	82%
Objective 6	7,76	-	-	-	-	-	7,76	-	7,76	-	7,76	100%
CIs	425,30	-	-	-	-	-	-	-	-	379,68	379,68	89%
Total	6,513,47	-	-	-	-	-	-	-	5,696,41	379,68	6,076,09	93%
B		28,27	10,67	81,91	5,91	2,07	-	-	128,84	15,59	144,43	-
DK		-	1,57	40,96	7,68	0,14	-	-	50,34	10,00	60,34	-
D		458,46	56,40	287,50	8,70	11,46	-	-	822,53	83,04	905,57	-
EL		120,43	-	-	-	-	-	-	120,43	9,36	129,79	-
E		1,230,17	112,87	272,12	10,02	6,24	-	-	1,631,41	57,57	1,688,99	-
F		77,94	66,80	402,88	49,62	37,01	-	-	634,25	43,34	677,59	-
IRL		306,01	-	-	-	-	-	-	306,01	17,90	323,91	-
I		122,34	25,75	102,44	19,14	0,27	-	-	269,93	71,91	341,84	-
L		-	0,29	3,36	0,25	0,00	-	-	3,90	0,17	4,07	-
NL		0,00	18,28	124,62	0,00	0,38	-	-	143,28	2,37	145,64	-
A		1,51	4,12	71,77	3,51	12,96	-	-	93,88	3,20	97,08	-
P		524,72	-	-	-	-	-	-	524,72	6,97	531,68	-
FIN		-	0,00	21,10	5,50	0,08	7,76	-	34,44	2,73	37,17	-
S		-	0,00	0,00	18,75	4,59	-	-	23,34	0,30	23,64	-
UK		153,95	158,11	581,69	-	15,38	-	-	909,12	55,24	964,36	-

To take account of actual progress on the ground, the ESF appropriations (both commitments and payments) available in 1996 were rebalanced in the Chapter, resulting in rates of implementation of almost 100% for commitment appropriations and 93% for payment appropriations, compared to 1995, when implementation was 76% for commitment appropriations and 81% for payment appropriations. The result was achieved thanks to close cooperation with the Member States through the introduction of a forecast system that will now be maintained.

As for progress under each Objective, in the case of Objective 1 it is likely that Portugal and, to a lesser extent, the United Kingdom will offset the feeble results achieved in Greece and Italy. In the case of Objective 2, work in Spain and Germany is helping to offset the slow progress made by the French, Italian and United Kingdom SPDs. Germany and the United Kingdom are making good

progress under Objective 3, while all Member States are experiencing delays under Objectives 4 and 5(b). Sweden is somewhat behind in implementing Objective 6.

Various transfers were made between the Community Initiatives during the year to take account of the reprogramming of numerous programmes due to their late launch in 1994 and the inclusion of amounts from the reserve. Overall, 89% of the ESF commitments appropriations relating to Article B2-14 were used, as were 81% of the payment appropriations. Under Article B2-142, the implementation rates were 96% and 91% respectively. In the case of the Employment Initiative, implementation reached almost 100% for both commitment and payment appropriations while the rates for Adapt were 92% for commitments and 80% for payments. The late adoption of the programmes and the ESF's specific computer requirements were the root cause of these relatively poor rates.

EAGGF

Table II-12: EAGGF implementation in 1996 for the period 1994-99 (including decommitments, carry-overs and appropriations made available again - ECU million)

COMMITMENTS									
	Available 1996 (1)	CSF					Community Initiatives	TOTAL (2)	% (2)/(1)
		Obj. 1	Obj. 5a	Obj. 5(b)	Obj. 6	Total			
Objective 1	2,416,50	2,416,50	-	-	-	2,416,50	-	2,416,50	100%
Obj. 5(a)	802,40	-	802,43	-	-	802,43	-	802,43	100%
Obj. 5(b)	508,40	-	-	508,40	-	508,40	-	508,40	100%
Objective 6	44,70	-	-	-	44,67	44,67	-	44,67	100%
CI's	173,60	-	-	-	-	-	139,48	139,48	80%
Total	3,945,60	-	-	-	-	3,772,00	139,48	3,911,48	99%
B		8,00	26,80	4,16	-	38,96	4,52	43,48	-
DK		-	22,08	3,73	-	25,81	3,27	29,07	-
D		506,65	191,84	99,68	-	798,17	6,17	804,34	-
EL		315,93	-	-	-	315,93	11,83	327,76	-
E		539,48	25,00	125,69	-	690,17	2,27	692,44	-
F		81,33	220,66	180,33	-	482,32	38,78	521,10	-
IRL		260,07	-	-	-	260,07	0,00	260,07	-
I		227,01	131,69	33,17	-	391,87	26,70	418,57	-
L		-	4,31	0,00	-	4,31	0,00	4,31	-
NL		4,80	9,05	13,21	-	27,06	0,00	27,06	-
A		4,96	75,94	29,45	-	110,35	12,17	122,53	-
P		377,03	-	-	-	377,03	0,88	377,92	-
FIN		-	53,32	0,00	33,20	86,52	15,31	101,83	-
S		-	26,50	17,99	11,47	55,96	9,44	65,40	-
UK		91,24	15,23	1,00	-	107,47	8,13	115,59	-

PAYMENTS									
	Total impl. (1)	CSF					Community Initiatives	TOTAL (2)	% (2)/(1)
		Obj. 1	Obj. 5a	Obj. 5(b)	Obj. 6	Total			
Objective 1	2,182,12	2,065,33	-	-	-	2,065,33	-	2,065,33	95%
Obj. 5(a)	732,16	-	696,00	-	-	696,00	-	696,00	95%
Obj. 5(b)	455,17	-	-	399,07	-	399,07	-	399,07	88%
Objective 6	36,66	-	-	-	36,66	36,66	-	36,66	100%
CI's	102,95	-	-	-	-	-	80,83	80,83	79%
Total	3,502,06	-	-	-	-	3,197,06	80,83	3,277,89	93%
B		3,50	42,59	1,40	-	47,49	1,99	49,49	-
DK		-	22,07	0,00	-	22,07	0,98	23,05	-
D		407,41	177,34	101,90	-	686,66	11,57	698,22	-
EL		272,89	-	-	-	272,89	5,91	278,81	-
E		557,96	28,74	84,67	-	671,37	7,71	679,08	-
F		59,84	206,89	145,57	-	412,29	22,23	434,52	-
IRL		250,24	-	-	-	250,24	0,00	250,24	-
I		140,42	41,08	30,89	-	212,38	12,10	224,48	-
L		-	5,21	0,00	-	5,21	0,00	5,21	-
NL		3,84	6,49	7,28	-	17,61	0,00	17,61	-
A		5,11	77,13	15,20	-	97,44	3,68	101,12	-
P		315,48	-	-	-	315,48	2,23	317,71	-
FIN		-	26,60	3,13	27,64	57,36	4,59	61,96	-
S		-	27,86	6,34	9,02	43,22	2,52	45,73	-
UK		48,64	34,01	2,70	-	85,35	5,33	90,67	-

As in the case of the other Funds, the amounts entered in the budget for the EAGGF had to be adjusted in 1996 as a result of the decisions approving new programme, in particular those assisting the new Member States and for Leader. The adjustments resulted in transfers of appropriations within chapter B2-10 (CSFs/SPDs). Implementation of the available commitment appropriations stood at 99%, i.e. 100% for the CSFs/SPDs but 80% for the Community Initiatives. In the case of the latter, a significant number of Leader II programmes were committed in a single instalment in 1995, so that no commitment was made in 1996.

The implementation of available payment appropriations reached 95%, i.e. 95% for the CSFs and 92% for the Community Initiatives. In the case of the CSFs/SPDs in particular, the available appropriations were fully used only for Objectives 1 and 6. The underutilisation of appropriations for Objective 5(a) (91%) is mainly due to a lack of applications for advances for assistance under Regulation (EEC) No 2328/91. The level of utilisation of Objective 5(b) budget (79%) was lower because of delays in applying for payment.

FIFG

Table II-13: FIFG implementation in 1996 for the period 1994-99 (including decommitments, carry-overs and appropriations made available again - ECU million)

COMMITMENTS								
	Available 1996 (1)	CSF				Community Initiatives	TOTAL (2)	% (2)/(1)
		Obj. 1	Obj. 5(a)	Obj. 6	Total			
Objective 1	291,60	222,16	-	-	222,16	-	222,16	76%
Obj. 5(a)	156,00	-	112,27	-	112,27	-	112,27	72%
Objective 6	2,80	-	-	0,00	0,00	-	-	0%
CIs	52,00	-	-	-	-	47,83	47,83	92%
Total	502,40	-	-	-	334,43	47,83	382,26	76%
B		0,00	20,42	-	20,42	1,67	22,09	-
DK		-	23,28	-	23,28	4,54	27,82	-
D		27,50	12,77	-	40,27	-	40,27	-
EL		0,00	-	-	0,00	4,03	4,03	-
E		158,32	19,89	-	178,21	-	178,21	-
F		0,00	0,00	-	0,00	0,80	0,80	-
IRL		8,21	-	-	8,21	3,21	11,42	-
I		0,00	0,00	-	0,00	-	-	-
L		-	0,00	-	0,00	-	-	-
NL		0,00	6,36	-	6,36	4,57	10,93	-
A		-	0,00	-	0,00	-	-	-
P		20,15	-	-	20,15	17,10	37,25	-
FIN		-	0,00	0,00	0,00	2,05	2,05	-
S		-	0,00	0,00	0,00	2,18	2,18	-
UK		7,97	29,55	-	37,52	7,22	44,74	-
Comm.		-	-	-	-	0,46	0,46	-

PAYMENTS								
	Total impl. (1)	CSF				Community Initiatives	TOTAL (2)	% (2)/(1)
		Obj. 1	Obj. 5(a)	Obj. 6	Total			
Objective 1	335,76	311,46	-	-	311,46	-	311,46	93%
Obj. 5(a)	86,03	-	80,58	-	80,58	-	80,58	94%
Objective 6	0,00	-	-	0,00	0,00	-	0,00	-
CIs	17,40	-	-	-	-	17,09	17,09	98%
Total	439,18	-	-	-	392,04	17,09	409,13	93%
B		0,00	16,50	-	16,50	0,44	16,93	-
DK		-	0,00	-	0,00	0,82	0,82	-
D		15,14	3,88	-	19,03	-	19,03	-
EL		9,65	-	-	9,65	0,31	9,96	-
E		229,47	32,74	-	262,21	-	262,21	-
F		0,00	0,00	-	0,00	5,93	5,93	-
IRL		8,43	-	-	8,43	0,84	9,26	-
I		19,23	11,93	-	31,16	-	31,16	-
L		-	-	-	0,00	-	-	-
NL		0,00	6,46	-	6,46	1,14	7,60	-
A		-	0,80	-	0,80	-	0,80	-
P		25,08	-	-	25,08	4,28	29,36	-
FIN		-	0,00	0,00	0,00	0,62	0,62	-
S		-	0,00	0,00	0,00	0,66	0,66	-
UK		4,45	8,27	-	12,72	2,08	14,80	-
Comm.		-	-	-	-	-	-	-

In 1996, ECU 113 million, i.e. 25% of the FIFG budget, could not be committed because of delays in implementing certain programmes (notably in Italy and France). In the case of payments, ECU 123 million (23% of the budget) could not be implemented for the same reason.

2. Implementation of programming for 1994-99

2.1. Implementation 1994-96

Table II-14: Implementation in 1994-96 for the period 1994-99 (including decommitments, carry-overs and appropriations made available again - ECU million)

COMMITMENTS												
	Available 1996 (1)(a)	CSF								Community Initiatives	TOTAL (2)	
		Obj. 1	Obj. 2	Obj. 3	Obj. 4	Obj. 5(a)	5(a)+180P	Obj. 5(b)	Obj. 6			Total (b)
Total	71.577,90	42.637,67	6.465,19	6.151,03	635,13	2.189,75	425,72	2.152,64	214,57	60.871,69	5.712,38	66.584,07
% (2)/(1)										85%	8%	93%
B		229,69	140,60	192,55	16,38	79,83	24,5	16,02		699,58	159,04	858,62
DK		-	53,07	127,00	13,00	60,75	69,87	13,52		337,21	69,80	407,01
D		5.933,05	665,91	820,40	56,22	514,56	37,64	449,45		8.477,24	1010,98	9.488,21
EL		6.162,23	-	-	-	-	-	-		6.162,23	205,14	6.367,37
E		12.932,25	1.036,39	666,50	167,64	102,41	59,72	334,39		15.299,32	557,57	15.856,88
F		794,62	1.560,16	1.199,99	187,07	739,38	63,27	709,08		5.253,58	627,12	5.880,70
IRL		2.891,00	-	-	-	-	-	-		2.891,00	91,95	2.982,95
I		5.063,50	513,97	350,34	98,89	249,16	44,77	140,59		6.461,23	438,84	6.900,07
L		-	6,50	9,86	0,90	16,53	1,10	0,84		35,74	2,73	38,47
NL		42,00	204,16	434,50	22,23	34,32	15,52	41,17		793,90	85,00	878,89
A		33,76	65,55	129,75	11,70	137,44	2,00	129,95		510,15	90,05	600,20
P		7.517,36	-	-	-	-	-	-		7.517,36	354,35	7.871,71
FIN		-	52,42	95,32	23,60	114,74	23,00	49,08	158,18	516,35	93,56	609,91
S		-	105,78	73,00	37,50	40,22	40,00	64,91	56,39	417,79	72,22	490,02
UK		1.038,20	2.060,67	2.051,81	-	100,39	44,33	203,63	-	5.499,03	563,26	6.062,29
Comm.		-	-	-	-	-	-	-	-	-	1.290,77	1.290,77

PAYMENTS												
	Total impl. (1)(c)	CSF								Community Initiatives	TOTAL (2)	
		Obj. 1	Obj. 2	Obj. 3	Obj. 4	Obj. 5(a)	Obj. 5(a)+F	Obj. 5(b)	Obj. 6			Total (d)
Total	53.999,20	31.425,80	3.388,35	4.397,97	317,76	1.426,60	229,87	1.487,58	114,10	42.788,01	2.675,98	45.463,99
% (2)/(1)										79%	5%	84%
B		171,54	50,00	156,42	8,23	59,10	19,8	8,05		473,18	70,16	543,34
DK		-	23,66	115,20	10,68	41,26	30,29	5,80		226,88	19,95	246,84
D		4.564,47	339,69	521,76	23,51	387,16	20,01	346,77		6.203,37	461,67	6.665,04
EL		4.437,74	-	-	-	-	-	-		4.437,74	86,72	4.524,45
E		9.366,71	607,22	516,66	75,84	84,55	42,71	242,84		10.936,53	306,69	11.243,22
F		570,87	835,45	906,56	97,32	449,86	41,13	508,13		3.369,32	253,03	3.622,35
IRL		2.299,92	-	-	-	-	-	-		2.299,92	42,00	2.341,92
I		3.481,59	245,05	202,67	49,45	99,81	23,13	84,66		4.186,35	217,33	4.403,69
L		-	4,28	8,94	0,59	10,58	0,11	0,42		24,92	1,09	26,00
NL		31,47	91,80	377,94	11,12	18,64	12,67	25,26		568,88	30,80	599,69
A		27,01	33,01	103,80	9,36	107,88	1,00	78,50		360,56	40,54	401,10
P		5.698,62	-	-	-	-	-	-		5.698,62	182,14	5.880,76
FIN		-	29,79	51,27	12,92	57,31	6,90	23,61	82,62	264,41	35,56	299,97
S		-	38,06	36,50	18,75	34,72	12,00	22,64	31,48	194,15	27,74	221,89
UK		815,86	1.090,34	1.400,26	-	75,74	20,09	140,89	-	3.543,18	256,53	3.799,71
Comm.		-	-	-	-	-	-	-	-	-	644,02	644,02

(a) Not including ECU 44 232 million under heading B2-1000 (Structural actions directly linked to markets policy) which were not allocated by Objective in 1994.

(b) Not including, for Objective 5(a) agriculture, ECU 43.65 million under heading B2-1000 and ECU 356.6 million in refunds under Regulation (EEC) No 2328/91 (in 1994 only).

(c) Not including ECU 61 million under heading B2-1000 not allocated by Objective in 1994 and a reserve of ECU 522 million for earlier measures.

(d) Not including, for Objective 5(a) agriculture, ECU 43.65 million under heading B2-1000 and ECU 417.02 million in refunds under Regulation (EEC) No 2328/91 (in 1994 only).

Budget implementation of the commitment appropriations for all the Funds in the 1994-99 programming period improved in 1996 compared to the two previous years: 90% implementation in 1994, 91% in 1995 and 98% in 1996. If these three years are compared with the 1989-93 programming period, the results for 1996 are comparable with the results at the half way stage in that preceding period. The improvement in the implementation rate of payment appropriations is even greater: 88% of the appropriations were implemented in 1996 (leaving ECU 1 233 million unused), as against 75% in 1994 (ECU 4 800 million unused) and 82% in 1995 (ECU 3 759 million unused). It should be remembered that the Community payments depend on implementation of the programmes at national level since once the programme is adopted, the corresponding annual instalment is committed and a first advance is paid, the Commission can make a second payment only when the Member State can certify that the final beneficiaries have actually undertaken expenditure amounting to at least half of the first advance. This explains the accelerated rate of payments for many programmes adopted in 1995.

2.2. Implementation of each Fund in 1994-96 in the context of 1994-99

ERDF

Table II-15: ERDF implementation in 1994-96 for the period 1994-99 (including decommitments, carry-overs and appropriations made available again - ECU million)

	Available (1)	COMMITMENTS						Community Initiatives	TOTAL (2)	% (2)/(1)
		CSF					Total			
		Obj. 1	Obj. 2	Obj. 5(b)	Obj. 6	Total				
Objective 1	26.218,34	26.036,65	-	-	-	-	26.036,65	-	26.036,65	99%
Objective 2	5.099,76	0,00	5.034,30	-	-	-	5.034,30	-	5.034,30	99%
Obj. 5(b)	948,04	-	-	846,58	-	-	846,58	-	846,58	89%
Objective 6	74,76	-	-	-	74,76	-	74,76	-	74,76	100%
CIs	4.945,01	-	-	-	-	-	-	3.745,84	3.745,84	76%
Total	37.285,91	-	-	-	-	-	31.992,28	3.745,84	35.738,12	96%
B		142,18	110,62	4,82	-	-	257,62	66,24	323,86	-
DK		-	44,54	5,93	-	-	50,47	13,78	64,25	-
D		2.742,32	482,89	171,69	-	-	3.396,90	662,93	4059,83	-
EL		4.308,56	-	-	-	-	4.308,56	126,77	4435,33	-
E		8.123,91	790,42	81,98	-	-	8.996,31	290,57	9286,88	-
F		369,51	1.339,46	284,27	-	-	1.993,24	352,17	2345,41	-
IRL		1.340,46	-	-	-	-	1.340,46	43,00	1383,47	-
I		3.658,36	416,41	43,86	-	-	4.118,63	164,10	4282,73	-
L		-	4,56	0,43	-	-	4,99	1,17	6,16	-
NL		24,30	143,97	16,11	-	-	184,39	53,34	237,72	-
A		19,96	46,53	41,67	-	-	108,16	34,21	142,37	-
P		4.758,64	-	-	-	-	4.758,64	291,42	5050,07	-
FIN		-	46,12	31,19	52,90	-	130,21	22,63	152,84	-
S		-	83,22	34,09	21,86	-	139,17	27,67	166,83	-
UK		548,45	1.525,56	130,54	-	-	2.204,55	305,52	2510,07	-
Comm.		-	-	-	-	-	-	1290,31	1290,31	-

	Total impl. (1)	PAYMENTS						Community Initiatives	TOTAL (2)	% (2)/(1)
		CSF					Total			
		Obj. 1	Obj. 2	Obj. 5(b)	Obj. 6	Total				
Objective 1	21.508,34	18.897,19	-	-	-	-	18.897,19	-	18.897,19	88%
Objective 2	3.295,06	-	2.431,36	-	-	-	2.431,36	-	2.431,36	74%
Obj. 5(b)	730,74	-	-	593,55	-	-	593,55	-	593,55	81%
Objective 6	28,85	-	-	-	28,85	-	28,85	-	28,85	100%
CIs	2.689,77	-	-	-	-	-	-	1.757,75	1.757,75	65%
Total	28.252,76	-	-	-	-	-	21.950,95	1.757,75	23.708,70	84%
B		113,74	34,41	2,41	-	-	150,56	31,08	181,65	-
DK		-	19,88	3,74	-	-	23,62	2,96	26,57	-
D		2.240,46	230,83	139,52	-	-	2.610,82	281,04	2891,86	-
EL		3.090,88	-	-	-	-	3.090,88	55,06	3145,94	-
E		5.381,87	442,24	69,21	-	-	5.893,32	172,41	6065,73	-
F		221,33	671,80	201,44	-	-	1.094,56	141,16	1235,73	-
IRL		904,54	-	-	-	-	904,54	14,21	918,75	-
I		2.731,71	188,98	21,93	-	-	2.942,62	81,21	3023,84	-
L		-	3,01	0,21	-	-	3,22	0,54	3,76	-
NL		19,44	54,49	12,44	-	-	86,37	17,71	104,08	-
A		15,97	21,27	27,84	-	-	65,08	13,03	78,11	-
P		3.730,37	-	-	-	-	3.730,37	156,97	3887,34	-
FIN		-	26,64	12,24	17,92	-	56,80	7,42	64,22	-
S		-	26,78	11,71	10,93	-	49,42	8,30	57,72	-
UK		446,88	711,03	90,84	-	-	1.248,75	130,62	1379,37	-
Comm.		-	-	-	-	-	-	644,02	644,02	-

Compared to the initial programming for the CSFs and SPDs, overall implementation of ERDF appropriations amounts to 99%, equal to a shortfall of ECU 360 million on the amount programmed for the 1994-96 period of ECU 32 390 million. However, progress varies depending on Objective and Member State. Thus, for ERDF Objective 1, commitments are running ahead of the financing plans by ECU 670 million (2.6%) (in 1995 there was a shortfall of 1.3%), to the greatest degree in Spain, Ireland and Portugal where extra implementation amounts to ECU 2 014 million. By contrast, the significant under-implementation in Austria (49%), Belgium (37%), Germany (ECU 335 million), France (ECU 167 million), Italy (ECU 700 million) and the Netherlands amounted to ECU 1 314 million.

By contrast, Objective 2 showed ERDF commitments lagging behind the financing plans by ECU 508 million (9%). The lag at the end of 1995 (18% - ECU 650 million) was shortened in part because of the need to commit all of the assistance adopted for the first programming phase 1994-96. The greatest lags in implementation affected Spain (ECU 91 million), France (ECU 127 million), Italy (ECU 117 million), the United Kingdom (ECU 101 million) and the Netherlands (-31%). Only Austria and Sweden are running ahead of schedule, because a single commitment for the entire 1995-99 period was made for the operations in which they are involved. ERDF commitments for Objective 5(b) are also lagging behind the financing plans by ECU 496 million (37%). Implementation of this Objective is running into severe difficulties in almost all Member States. The greatest lags in absolute terms are in Germany (ECU 47 million), France (ECU 157 million), Italy (ECU 126 million, 74%) and the United Kingdom (ECU 115 million), and in relative terms for Belgium (74%), Denmark (40%), Luxembourg (71%) and the Netherlands (56%). Lastly, Objective 6 is lagging behind the financing plans by ECU 24 million (25%). The lag is due entirely to Sweden, where the operations were late starting for administrative reasons.

Implementation of the Community Initiatives with a regional bias (Interreg, Peace, Rechar, Resider, Konver, Retex, Regis, Urban and SMEs) are lagging behind for all Funds by ECU 543 million for the period 1994-96 (13%). The lag was shortened (it stood at 32% in 1995) mainly as a result of the adoption of new programmes and for the three new Member States in particular. Budget implementation of commitments was also speeded up by virtue of the fact that a large number of programmes involving a Community contribution below ECU 40 million could be fully committed upon adoption (single commitment).

ESF

Table II-16: ESF implementation in 1994-96 for the period 1994-99 (including decommitments, carry-overs and appropriations made available again - ECU million)

COMMITMENTS											
	Available (1)	CSF						Community Initiatives	TOTAL (2)	% (2)/(1)	
		Obj. 1	Obj. 2	Obj. 3	Obj. 4	Obj. 5(b)	Obj. 6				Total
Objective 1	10.014,63	9.179,77	-	-	-	-	-	9.179,77	9.179,77	92%	
Objective 2	1.755,53	-	1.430,89	-	-	-	-	1.430,89	1.430,89	82%	
Objective 3	6.620,55	-	-	6.151,03	-	-	-	6.151,03	6.151,03	93%	
Objective 4	906,04	-	-	-	635,13	-	-	635,13	635,13	70%	
Obj. 5(b)	358,95	-	-	-	-	282,32	-	282,32	282,32	79%	
Objective 6	45,97	-	-	-	-	-	45,97	45,97	45,97	100%	
CIs	2.098,67	-	-	-	-	-	-	-	1.483,27	1.483,27	71%
Total	21.800,34	-	-	-	-	-	-	17.725,12	1.483,27	19.208,39	88%
B	-	65,14	29,98	192,55	16,38	4,26	-	308,31	82,53	390,84	-
DK	-	-	8,53	127,00	13,00	1,30	-	149,83	45,49	195,32	-
D	-	1.775,98	183,03	820,40	56,22	42,85	-	2.878,47	259,03	3.137,50	-
EL	-	801,44	-	-	-	-	-	801,44	46,37	847,81	-
E	-	2.826,42	245,97	666,50	167,64	22,58	-	3.929,11	198,63	4.127,74	-
F	-	268,26	220,70	1.200,00	187,07	93,12	-	1.969,16	166,89	2.136,05	-
IRL	-	940,51	-	-	-	-	-	940,51	41,99	982,50	-
I	-	633,82	97,56	350,34	98,89	14,77	-	1.195,38	230,75	1.426,14	-
L	-	-	1,94	9,86	0,90	0,11	-	12,81	1,07	13,88	-
NL	-	8,20	60,19	434,50	22,23	2,47	-	527,58	22,16	549,75	-
A	-	5,04	19,01	129,75	11,70	27,53	-	193,03	42,57	235,60	-
P	-	1.533,39	6,30	-	-	-	-	1.539,69	33,12	1.572,81	-
FIN	-	-	-	95,32	23,60	6,29	34,58	159,79	53,57	213,37	-
S	-	-	22,56	73,00	37,50	12,83	11,39	157,28	32,93	190,21	-
UK	-	321,57	535,12	2.051,81	-	54,23	-	2.962,73	226,16	3.188,88	-

PAYMENTS											
	Total impl. (1)	CSF						Community Initiatives	TOTAL (2)	% (2)/(1)	
		Obj. 1	Obj. 2	Obj. 3	Obj. 4	Obj. 5(b)	Obj. 6				Total
Objective 1	8.179,06	7.108,08	-	-	-	-	-	7.108,08	7.108,08	87%	
Objective 2	1.121,49	-	957,00	-	-	-	-	957,00	957,00	85%	
Objective 3	5.095,38	-	-	4.397,97	-	-	-	4.397,97	4.397,97	86%	
Objective 4	317,76	-	-	-	317,77	-	-	317,77	317,77	100%	
Obj. 5(b)	252,19	-	-	-	-	191,15	-	191,15	191,15	76%	
Objective 6	24,01	-	-	-	-	-	24,01	24,01	24,01	100%	
CIs	929,20	-	-	-	-	-	-	-	733,01	733,01	79%
Total	15.919,07	-	-	-	-	-	-	12.995,97	733,01	13.728,98	86%
B	-	48,03	15,60	156,42	8,23	2,84	-	231,13	33,60	264,73	-
DK	-	-	3,80	115,20	10,68	0,78	-	130,45	13,83	144,28	-
D	-	1.311,19	108,85	521,76	23,51	26,90	-	1.992,21	141,71	2.133,93	-
EL	-	531,96	-	-	-	-	-	531,96	17,36	549,32	-
E	-	2.397,11	164,97	516,66	75,84	13,45	-	3.168,03	107,15	3.275,17	-
F	-	208,59	163,65	906,56	97,32	72,71	-	1.448,82	76,81	1.525,63	-
IRL	-	845,77	-	-	-	-	-	845,77	25,09	870,86	-
I	-	322,61	56,08	202,67	49,45	7,45	-	638,25	115,69	753,94	-
L	-	-	1,26	8,94	0,59	0,05	-	10,85	0,40	11,25	-
NL	-	5,06	37,31	377,94	11,12	1,49	-	432,92	10,24	443,16	-
A	-	4,03	11,74	103,80	9,36	19,80	-	148,74	23,50	172,24	-
P	-	1.174,90	-	-	-	-	-	1.174,90	12,54	1.187,43	-
FIN	-	-	3,15	51,27	12,92	2,67	18,31	88,32	22,94	111,25	-
S	-	-	11,28	36,50	18,75	4,59	5,70	76,82	16,27	93,08	-
UK	-	258,84	379,31	1.400,26	-	38,42	-	2.076,82	115,88	2.192,69	-

Good implementation of the appropriations in 1996 ensured a commitment rate for all Objectives above 90% of the instalments initially planned for the 1994-96 period when adopting the programmes. However, a scrutiny of the various Objectives shows that Objectives 1, 2 and 3 were implemented relatively well but that Objectives 4, 5(b) and 6 are lagging well behind. Divergent trends are also visible within each Objective. In the case of Objective 1, Greece and Italy in particular are experiencing delays. The delays under Objective 2 concern in particular Denmark, Italy and the Netherlands. While implementation of Objective 3 is quite good overall, implementation in Italy is relatively slow and the country has also reworked almost all of its programmes. Most of the Objective 4 and 5(b) programmes were adopted at the end of 1994 or beginning of 1995, which meant that there would be delays in their implementation. The results for Objective 6 have been affected by start-up difficulties in Sweden.

The decisions approving the Employment and Adapt Community Initiatives were taken at the end of December 1994 (Employment) and May 1995 (Adapt) and the Member States sought partners in other countries in the following months. As a result, the first contracts with the project promoters could not be signed until mid-1995, which explains why the appropriations were not used in 1994 and why take-up was just average in 1995. By contrast, the implementation rate for 1996 has been particularly satisfactory and all the projects have received at least their first advance.

EAGGF

Table II-17: EAGGF implementation in 1994-96 for the period 1994-99 (including decommitments, carry-overs and appropriations made available again - ECU million)

	Available (1)	COMMITMENTS					Community Initiatives	TOTAL (2)	% (2)/(1)
		CSF							
		Obj. 1	Obj. 5(a)	Obj. 5(b)	Obj. 6	Total			
Objective 1	6.714,86	6.692,25	-	-	-	6.692,25	-	6.692,25	100%
Obj. 5(a)	2.571,91	-	2.189,76	-	-	2.189,76	-	2.189,76	85%
Obj. 5(b)	1.023,81	-	-	1.023,74	-	1.023,74	-	1.023,74	100%
Objective 6	92,50	-	-	-	92,41	92,41	-	92,41	100%
CIs	679,59	-	-	-	-	-	389,71	389,71	57%
Total (*)	11.082,67	-	-	-	-	9.998,16	389,71	10.387,87	94%
B		22,00	79,83	6,95	-	108,78	8,27	117,05	-
DK		-	60,75	6,30	-	67,05	3,27	70,31	-
D		1.368,25	514,56	234,92	-	2.117,73	85,19	2.202,92	-
EL		1.015,12	-	-	-	1.015,12	23,47	1.038,58	-
E		1.519,15	102,41	229,84	-	1.851,40	61,46	1.912,86	-
F		150,54	739,39	331,69	-	1.221,62	88,47	1.310,09	-
IRL		592,63	-	-	-	592,63	2,57	595,20	-
I		704,79	249,16	81,95	-	1.035,90	43,14	1.079,04	-
L		-	16,53	0,30	-	16,83	0,49	17,33	-
NL		6,70	34,32	22,58	-	63,61	3,77	67,38	-
A		8,76	137,44	60,75	-	206,95	13,27	220,23	-
P		1.153,17	-	-	-	1.153,17	8,45	1.161,62	-
FIN		-	114,74	11,60	70,00	196,34	15,31	211,65	-
S		-	40,22	17,99	22,41	80,62	9,44	90,06	-
UK		151,15	100,39	18,86	-	270,40	23,15	293,56	-

(*) Not including ECU 43.65 million under heading B2-1000 (Structural actions directly linked to markets policy)

	Total impl. (1)	PAYMENTS					Community Initiatives	TOTAL (2)	% (2)/(1)
		CSF							
		Obj. 1	Obj. 5(a)	Obj. 5(b)	Obj. 6	Total			
Objective 1	5.560,19	4.909,80	-	-	-	4.909,80	-	4.909,80	88%
Obj. 5(a)	1.981,81	-	1.426,60	-	-	1.426,60	-	1.426,60	72%
Obj. 5(b)	896,61	-	-	702,89	-	702,89	-	702,89	78%
Objective 6	60,53	-	-	-	60,53	60,53	-	60,53	100%
CIs	228,52	-	-	-	-	-	154,66	154,66	68%
Total	8.727,58	-	-	-	-	7.099,81	154,66	7.254,47	83%
B		9,58	59,10	2,80	-	71,48	4,88	76,36	-
DK		-	41,26	1,29	-	42,55	0,98	43,53	-
D		986,08	387,16	180,35	-	1.553,59	37,00	1.590,59	-
EL		791,01	-	-	-	791,01	11,73	802,74	-
E		1.249,04	84,55	160,19	-	1.493,78	23,68	1.517,46	-
F		97,49	449,86	233,99	-	781,34	29,13	810,46	-
IRL		535,70	-	-	-	535,70	1,28	536,98	-
I		392,06	99,81	55,28	-	547,15	20,00	567,15	-
L		-	10,58	0,15	-	10,73	0,15	10,88	-
NL		5,39	18,64	11,33	-	35,35	1,13	36,49	-
A		7,01	107,88	30,85	-	145,74	4,01	149,75	-
P		735,11	-	-	-	735,11	6,23	741,34	-
FIN		-	57,31	8,69	46,04	112,03	4,59	116,63	-
S		-	34,72	6,34	14,49	55,55	2,52	58,06	-
UK		101,33	75,73	11,64	-	188,70	7,36	196,05	-

The amounts committed lagged slightly behind the commitments originally decided on for all Objectives. Depending on the case, this was caused by failing to add the amount released through

indexation to the programmes and/or reprogramming, or in some cases a failure to programme beyond 1996 some of the commitments originally planned for the years 1994 to 1996.

FIFG

Table II-18: FIFG implementation in 1994-96 for the period 1994-99 (including decommitments, carry-overs and appropriations made available again - ECU million)

COMMITMENTS								
	Available (1)	CSF				Community Initiatives	TOTAL (2)	% (2)/(1)
		Obj. 1	Obj. 5(a)	Obj. 6	Total			
Objective 1	803,24	728,99	-	-	728,99	-	728,99	91%
Obj. 5(a)	473,97	-	425,72	-	425,72	-	425,72	90%
Objective 6	4,23	-	-	1,43	1,43	-	1,43	34%
CIs	130,15	-	-	-	-	93,56	93,56	72%
Total	1.411,59	-	-	-	1.156,14	93,56	1.249,70	89%
B		0,37	24,50	-	24,87	2,00	26,87	-
DK		-	69,87	-	69,87	7,27	77,14	-
D		46,50	37,64	-	84,14	3,83	87,97	-
EL		37,10	-	-	37,10	8,54	45,64	-
E		462,78	59,72	-	522,50	6,91	529,41	-
F		6,30	63,27	-	69,57	19,58	89,15	-
IRL		17,40	-	-	17,40	4,38	21,79	-
I		66,54	44,77	-	111,31	0,85	112,16	-
L		-	1,10	-	1,10	-	1,10	-
NL		2,80	15,52	-	18,32	5,72	24,04	-
A		-	2,00	-	2,00	-	2,00	-
P		72,16	-	-	72,16	21,36	93,52	-
FIN		-	23,00	0,70	23,70	2,05	25,75	-
S		-	40,00	0,73	40,73	2,18	42,91	-
UK		17,03	44,33	-	61,36	8,43	69,79	-
Comm.		-	-	-	-	0,46	0,46	-

PAYMENTS								
	Total impl. (1)	CSF				Community Initiatives	TOTAL (2)	% (2)/(1)
		Obj. 1	Obj. 5(a)	Obj. 6	Total			
Objective 1	817,46	510,74	-	-	510,74	-	510,74	62%
Obj. 5(a)	247,74	-	229,86	-	229,86	-	229,86	93%
Objective 6	0,72	-	-	0,72	0,72	-	0,72	101%
CIs	30,87	-	-	-	-	30,57	30,57	99%
Total	1.096,79	-	-	-	741,32	30,57	771,89	70%
B		0,19	19,83	-	20,02	0,60	20,62	-
DK		-	30,29	-	30,29	2,18	32,47	-
D		26,74	20,01	-	46,76	1,92	48,67	-
EL		23,89	-	-	23,89	2,56	26,45	-
E		338,68	42,71	-	381,39	3,46	384,85	-
F		3,46	41,13	-	44,59	5,93	50,52	-
IRL		13,93	-	-	13,93	1,42	15,35	-
I		35,22	23,13	-	58,35	0,42	58,77	-
L		-	0,11	-	0,11	-	0,11	-
NL		1,58	12,67	-	14,25	1,72	15,96	-
A		-	1,00	-	1,00	-	1,00	-
P		58,22	-	-	58,22	6,41	64,63	-
FIN		-	6,90	0,35	7,25	0,62	7,87	-
S		-	12,00	0,37	12,37	0,66	13,03	-
UK		8,82	20,09	-	28,91	2,68	31,59	-
Comm.		-	-	-	-	-	-	-

A total of ECU 771 900 000 had been paid at the end of 1996 out of ECU 1 168 million committed in 1994-96 (69%). The rates were 70% for Objective 1, 54% for Objective 5(a) and 50% for Objective 6. Of the total amount of assistance for the whole programming period, 45% had been committed by the end of 1996. The implementation of the programmes on the ground needs to be closely monitored as a result. In many cases, actual implementation (expenditure achieved as a proportion of total planned expenditure) fell well short of budget implementation, especially for those programmes that were also late on the budget side. If these programmes cannot soon make up for the lag, it will be difficult to commit and pay out all the assistance granted.

B. CHECKS AND FINANCIAL MANAGEMENT

Regular and effective implementation of the Structural Funds appropriations determines the actual impact on the ground. Under Article 205 of the Treaty, the Commission is responsible for implementing the Community budget and as such it ensures the quality of the management and monitoring systems which it and the Member States use. This requirement, shared by the Member States and reiterated by the Commission on several occasions, is particularly topical in the context of the SEM (sound and efficient management) 2000 initiative launched in 1995 which became operational in 1996. This management exercise, which related in particular to the structural policies, has allowed all the conditions and measures needed for the efficient management of the Community funds to be examined in partnership with the Member States.

1. Checks

To continue the activities carried out in previous years and as part of the SEM 2000 initiative, the Commission checked that the Member States had adequate systems for the financial management and monitoring of the programmes. Under Article 23(1) of Regulation (EEC) No 4253/88, as amended, the Member States are responsible for using the Structural Funds appropriations properly and for preventing irregularities. The Commission therefore checks the reliability of the control and management systems and the regularity of expenditure.

1.1. Checks carried out by the Commission's Structural Funds departments

ERDF: 26 on-the-spot checks were carried out in 1996 (five in Spain, four in Germany and in Portugal, three in Ireland, two in Austria, Belgium, Finland and France and one each in the Netherlands and Sweden). The checks, the programme for which is notified to the Member States, are first and foremost intended to verify the existence and effectiveness of the systems for the management and control of operations, and the reliability of the information forwarded to the Commission (in particular certification of expenditure). They must also check that the ERDF funds are used properly, the accounting is accurate and that the financial management is legal, proper and of a high quality in the light of the goals for each form of assistance and of Community rules and policies. Each programme of checks was drawn up to take account, inter alia, of the inspections made by the Commission's Financial Control and the Court of Auditors and the results of a risk analysis. The checks confirmed that individual or systematic irregularities continued to occur. In general these relate to the unreliability of certification of expenditure, which are the basis for the payments and advances made by the Commission, and the weaknesses of certain internal checking procedures. The declarations of expenditure often include expenditure not eligible for ERDF funding (such as the salaries or operating expenditure of ministries or other public bodies) and expenditure declared as actually incurred sometimes includes estimates of future expenditure. The beneficiaries' declarations of expenditure are in some cases submitted to the Commission and certified by the authorities appointed by the Member States without sufficient internal checks, which can lead to incorrect submissions and formal irregularities. In addition, in many regions Community rules on public procurement are not fully complied with and the programming of assistance is not monitored or assessed with sufficient precision. For example, the legal and financial commitments and payments are not made by the deadlines laid down in the decisions to grant assistance. With the closure of many of the programmes from the first programming period, some weaknesses in the Member States' central accounts systems have also come to the fore.

As a result of these checks, the Commission takes the steps required to monitor and correct all irregularities which it or the Court of Auditors discovers. The correction often involves deducting the amount deemed ineligible from the Member State's subsequent declaration of expenditure for a given programme.

ESF: 84 inspection visits, a higher number than in 1995 (73), were carried out to check the use made of ESF funding. The checks were made on the basis of an annual programme notified in advance to

the Member States, but a certain number of unscheduled visits were also carried out in cooperation with the Unit on the Coordination of Fraud Prevention (UCLAF). In accordance with Article 23(1) of Regulation (EEC) No 4253/88, as amended, the checks covered the management and control systems established by the Member States to ensure correct implementation of the ESF operations. This meant that the checks also involved verifying certain operations and visits to the final beneficiaries. Improvements were carried out between 1990 and 1995 and appropriate corrective measures were adopted by the Member States. Nevertheless, weaknesses in the management systems and inadequacies in the control systems are still being detected at various levels of the partnership. Inadequacies are still occurring, especially in the assessment of projects, the selection of training bodies, payments in kind, the lack of transparency and publicity for ESF aid, disproportionate costs, insufficient spread of responsibilities within the administrations, etc. The ESF measures are non-tangible and thus less easy to check. The Member States are thus urged to comply with their own control systems and increase the number of on-site inspections they make.

EAGGF: In 1996, 26 inspection visits were made to check the use made of EAGGF funds, a smaller number than in 1995 (35), but more than in 1994 (21). The checks were organised mainly by the departments responsible for the EAGGF (22), but also by the Financial Control of the Commission (3) or the Member State concerned (1). Their main focus was on evaluating the management and control systems used, verifying the conformity of the financial and accounting reports and physical implementation with Community rules, the decisions granting aid and the expenditure declared to the EAGGF. With the exception of the visits made in two of the three new Member States and the expenditure under Regulation (EEC) No 2328/91, all checks involved programmes and assistance covering the first programming period 1989-93, for which the funds had to be committed by the end of 1993, or where an extension was granted, in 1994 or 1995. As a general rule, the systems introduced by the majority of Member States to manage the aid and check declared expenditure function well. Nevertheless, a number of weaknesses and irregularities were revealed in almost all of the Member States and measures. Yet again mention must be made of non-compliance with the Community rules on public procurement, the award of aid for ineligible expenditure (by virtue of its nature or the date of payment), major delays in payments to the beneficiaries, a lack of publicity and information about the Community funding contribution, inadequate control measures, incorrect application of the conversion rates, a risk of duplicate Community funding from different sources for the same measures and uncertainty as to the validity of some commitments entered into before the end of the prescribed period. In the case of two of the new Member States, the checks and their outcome were positive overall, since the two countries in question had managed to transpose all the Community rules into their national legislation and their national procedures, at times complicated, had ensured that the Community rules were correctly applied.

FIFG: The departments responsible for the FIFG carried out five visits, two with Financial Control participation. The construction of a school for divers at Kalimnos (Greece) was unsatisfactory and an explanation from the Greek authorities was expected in early 1997. A visit was made to Bremen (Germany). No serious irregularity came to light during a visit to Portugal (Lisbon and Peniche).

Letters were sent to the Member States in question informing them of the problems encountered and recommending the steps to be taken. As a result, in accordance with Article 23 of Regulation (EEC) No 4253/88, as amended, some Member States were asked to make additional checks and to inform the Commission of the results. In addition, the Commission suggested a number of financial corrections to the programmes or projects in which irregularities had been detected where, under Article 24(2) of Regulation (EEC) No 4253/88, a risk of incorrect use of the Community funds had been established.

1.2. Inspections carried out by Financial Control

In 1996 Financial Control carried out its Structural Fund inspections in line with the SEM 2000 initiative to improve financial management². This was done on the one hand to rationalise and coordinate the inspections and on the other hand to emphasise further the auditing approach to the control systems introduced by the Member States. Financial Control carried out 75 on-site checks covering total expenditure for the types of assistance audited amounting to ECU 4 200 million. The amounts likely to be recovered total ECU 1 152 000 for the EAGGF and ECU 31 780 000 for the ESF.

The main aim of the programme of inspections was to check the legality, regularity and effectiveness of Structural Funds transactions and to complete the audit records for each Fund and each Member State available to Financial Control. In addition, in order to make better use of the resources of the various inspection authorities and in line with the guidelines adopted by the Commission under the SEM 2000 programme, negotiations continued in 1996 to extend to the new Member States the cooperation protocols concluded between the Commission and the relevant national inspection authorities. The detailed discussions with the Netherlands made it possible to adapt the protocol formula to the decentralised inspection systems of those Member States with a similar structure (in particular the United Kingdom, Sweden and Finland) and those with a federal structure (Belgium, Germany and Austria). In 1996, three new protocols were signed: on 2 February with the Netherlands, on 17 June with Portugal and on 17 October with Sweden. The coordination of inspections received a further boost and coordination meetings were held with seven of the eight Member States that had signed a protocol, and with a Member State that has not yet signed one.

1.3. Enquiries carried out by the anti-fraud unit

In addition to the checks carried out under the annual programme referred to above, during 1996 some 40 missions to investigate structural measures were carried out by the Commission's anti-fraud unit (UCLAF), acting either alone or in association with the departments concerned. The number of enquiries into fraud or suspected fraud carried out by the Commission with the Member States related to 88 cases, fewer than the 112 in 1995 but concerning a total amount almost four times greater (ECU 88 million instead of ECU 23 million). These investigations included misuse of funds under the Renaval programme in the Provence-Alpes-Côte d'Azur region, where certain councillors have been charged with corruption. It was also found that there was a general failure to monitor the rules on public contracts. Another example concerns fisheries policy and the granting of Community assistance worth ECU 5.9 million for three projects to establish joint ventures for the priority supply of fisheries products to the Community market. There were also a number of cases where costs had been artificially inflated or dummy companies established. This was particularly prevalent in the field of vocational training.³

1.4. Notification of irregularities by the Member States

During 1996, the Member States notified to the Commission, pursuant to Regulation (EC) No 1681/94,⁴ 297 cases of irregularity or fraud involving some ECU 64 million. In volume terms, most cases concerned the ESF (129 cases as compared with 106 for the EAGGF Guidance Section, 59 for the ERDF and three for the FIFG) but the amount involved was largest in the case of the ERDF (about ECU 29.9 million, as compared with ECU 23.6 million for the ESF, ECU 10 million for the EAGGF Guidance Section and ECU 330 000 for the FIFG).

² See below

³ See cases listed in the 1996 Annual report on the protection of Community financial interests - COM(97) 200 final of 6 May 1997.

⁴ OJ No L 178, 12.7.1994. See Tables 3 and 9 in the 1996 Annual report on the protection of Community financial interests.

The most common type of irregularity (50% of cases) concerned expenditure for which documents were irregular or missing. Of the rest, 11% of irregularities concerned failure to comply with other statutory or contractual conditions and 10% to failure to complete the planned measure; the rest related to miscellaneous irregularities. None of these irregularities should be regarded as minor, since they often conceal more wide-spread phenomena. The ordinary random checks, whether on documents or on the spot carried out by the Member States are an effective means of detecting and preventing irregularities (85% of the cases notified).

2. Improving financial management

In November 1995, as part of the third phase of the SEM 2000 initiative, the Commission announced its intention to establish a Group of personal representatives of the Member States' Finance and Budget Ministers (GPR) co-chaired by Mrs Gradin and Mr Liikanen, the Members of the Commission respectively responsible for financial control and the budget. This group has been asked to issue an opinion on the priority measures for improving the financial management of Union expenditure managed by the Member States. The group met six times in 1996 and studied various aspects of the financial management of the Structural Funds, including ways to improve implementation and budget forecasts, eligibility rules, programme evaluation, the duties of the Member States as regards financial control and the application of financial corrections should irregularities occur. The report of the Group was broadly welcomed by the ECOFIN Council on 11 November and 2 December 1996 and by the European Council in Dublin on 13-14 December 1996.

As regards the rules for eligible expenditure in particular which have until now been a significant source of errors and irregularities, the discussions begun in September 1994 in an internal Commission working group chaired by the Financial Control resulted in the production of 22 data sheets detailing certain types of expenditure and legal concepts⁵. The document was first presented to the GPR and was then discussed in the various Structural Funds committees⁶. A true partnership was thus established and many comments and requests for clarification from the Member States were analysed. This process made it possible to amend the data sheets so that they could be used to improve management of the Structural Funds, thereby reducing irregularities considerably. After these thorough discussion in the GPR and the committees, the Commission adopted a draft decision on 19 November 1996 with a view to including the new guidelines on eligibility in all the programming decisions. The draft decision also contained the 22 data sheets defining expenditure eligible under the Structural Funds. The Commission adopted this decision on 23 April 1997 after again consulting the Structural Funds committees.

C. COORDINATION OF THE VARIOUS FINANCIAL INSTRUMENTS

1. Cohesion Fund

Article 1 of the Regulation establishing the Cohesion Fund states that the Fund may contribute to financing project stages that are technically and financially independent. Article 9 of the Regulation states that no item of expenditure may benefit from both the Cohesion Fund and the Structural Funds. The purpose is to allow the Cohesion Fund to aid two or more stages of an overall project in tandem with the ERDF, since associating the available financial instruments ensures that the funding has maximum impact and helps to speed up the completion of the trans-European networks in particular. This option of staging projects requires close cooperation between the financial instruments.

⁵ OJ No L 146, 5.6.1997.

⁶ Advisory Committee on the Development and Conversion of Regions, the Committee under Article 124 of the Treaty (the ESF Committee), the Committee on Agricultural Structures and Rural Development (STAR Committee), Standing Management Committee on Fisheries Structures (See Chapter III.A.5. Opinion of the committees).

Thorough physical and financial monitoring of the projects is a necessary precondition for achieving this.

To avoid any overlap between Community aid from different sources, stages that can be identified separately are defined using physical indicators and a specific date is set from which payment applications and supporting documents will be considered for funding. The Commission usually accepts only the original invoices as proof. As a result, the same invoice cannot be submitted to two separate financial instruments. In addition, the Commission intensifies its inspection visits during the transition from one instrument to another. Those responsible for managing the Cohesion Fund regularly organise inter-departmental meetings with the other financial instruments, the ERDF in particular, to ensure the best coordination possible. It goes without saying that the administrative burden in managing projects divided into stages is more complicated than is the case for separate, distinct projects.

2. The EIB

The goal of economic and social cohesion was assigned to the EIB by the Treaty on European Union. The EIB confirms that this goal remains its number one priority. In 1996 Bank lending increased by 8.4% over 1995 (as against a rate of 7.5% between 1995 and 1996 and 1.6% between 1993 and 1994). The number of loans contracted in 1996 in the Community amounted to ECU 20 946 million as against ECU 18 603 million in 1995 (up 12.6%), ECU 17 682 million in 1994 and ECU 17 724 million in 1993 (5.2% in one year). Loans were granted for projects in all the Member States, including Austria, Sweden and Finland, where lending operations got off to a strong start. Assistance focused on the trans-European networks and on Greece, Denmark and Sweden. Performance differed quite markedly from one Member State to another when compared with the previous year: there was a strong upswing in Italy, Greece, the Netherlands and Germany, but a downswing in Spain, Denmark and Ireland.

The concentration of funding in favour of investment in regional development zones, which had eased in 1994 (72.4% in 1994 as against 74.3% in 1993) increased again from 1995 to 1996. Concentration is thus higher than the EIB's own mid-1996 forecasts. In the regions where development is lagging behind (Objective 1) EIB loans reached ECU 6 816 million, i.e. 49% of the total for regional development (46% in 1995, 48% in 1994 and 58% in 1993). There has thus been an upswing in activity in these regions compared to 1995 although the levels seen in 1993 have not been reached. Funding in the four Cohesion countries (Greece, Spain, Ireland and Portugal) amounted to ECU 4 477 million, similar to previous years. Loan applications doubled in Greece and remained stable in Portugal but less investment meant fewer applications from Spain and Ireland.

Table II-19: EIB - Financing for regional development (ECU million)

	1996	1995	1994	1993
Total EIB activity in the Community	19.810	17.782	16.624	16.779
Regional development	13.805	12.143	12.035	12.462
	70%	68%	72%	74%
Objective 1	6.816	5.620	5.748	7.228
	49%	46%	48%	58%
Countries eligible under the Cohesion Fund	4.477	4.648	4.743	6.142
	32%	38%	39%	34%

(1) Amount of finance granted, i.e. individual loans signed and appropriations allocated for current global loans

By sector, assistance for infrastructure continued to increase, representing 77% of the Bank's activities. Loans for communications have stabilised at 1995 levels, when growth was strong, as a result of an upswing in loans for telecommunications and mobile telephony in particular. Aid for

environmental projects, including urban infrastructure, also increased. Projects approved in the energy sector, natural gas in particular, also increased significantly.

Table II-20: EIB - Breakdown by sector of financing for regional development (ECU million)

Regional development	TOTAL	%
Energy	4.076	29%
Transport	3.574	26%
Telecommunications	1.066	8%
Environment and other infrastructure	1.826	13%
Industry, agriculture and services	3.263	24%
TOTAL	13.805	100%

The regional development objective has increased in importance again, reversing the trend of recent years. The Commission would encourage the Bank to pay special attention to its activities in the four Cohesion countries.

3. ECSC

Under Article 56(2)(a) of the ECSC Treaty, the Community has at its disposal, until 30 June 1997, a loan instrument for conversion investments to create jobs in areas affected by the reduction of activity and employment in the coal and steel sector. These can be accompanied by interest-rate subsidies - calculated on the basis of the number of jobs created - of up to 3% for five years. In view of the expiry of the ECSC Treaty, the Commission has decided⁷ not to consider loan applications received after 31 December 1996.

The total amount of new ECSC conversion loans which received the assent of the Council in 1996 amounted to ECU 379 600 000 with the number of jobs to be created around 27 000. ECU 37 250 000 was committed under the ECSC budget for 1996 for interest-rate subsidies on current loans. The Commission made 85 conversion loans in 1996, 84 of which formed part of global loans amounting to ECU 152 600 000 and 1 was a direct loan for ECU 14 600 000.

4. European Investment Fund

The European Investment Fund was established in 1994 as a result of a European Council Decision taken at Edinburgh and supports medium and long-term investment in two essential sectors for European economic development: trans-European networks and small firms. As a Union institution specialising in granting guarantees, and in coordination with the other institutions and financial instruments, it facilitates private sector participation in trans-European network projects and makes it easier for small firms to get investment funding.

In 1996, the loan volume guaranteed amounted to ECU 833 million, half for trans-European networks and half for small firms. As an example of the type of TEN funding involved, the EIF is playing a significant role in funding improvements to the motorway system in Catalonia. In the area of small firms, for example, the EIF is guaranteeing, through the *Merseyside Special Investment Fund - MSIF*, part of the loans granted by a commercial bank to two intermediary funds that reallocate the loans to such firms in this Objective 1 region. This EIF assistance is in addition to that from the ERDF so that the Community's contribution to the MSIF is maximised.

In addition, a new EIF activity was launched in 1996 in favour of small firms. Called the Growth and Environment pilot project, this European Parliament initiative will see the Commission and the EIF collaborate to facilitate access by small firms to bank loans for environmental investments. The first six decisions were taken in 1996.

⁷ OJ No C 175, 28.6.1994.

5. The financial mechanism of the European Economic Area

The Agreement on the European Economic Area provides for a financial mechanism to promote economic and social cohesion in the Community to be funded by the EFTA countries and managed by the EIB. Its scope is defined in Protocol 38 to the Agreement: grants totalling ECU 500 million between 1994 and 1998 and 10-year interest-rate subsidies of 2% a year on a total loan volume of ECU 1 500 million. The beneficiaries of the financial mechanism are Greece, Ireland, Northern Ireland, Portugal and the Objective 1 regions of Spain (1989-93). As a result of the accession of Austria, Finland and Sweden, their contributions to the mechanism have been taken over by the Community budget and the Commission is (heading B2-401, ECU 108 million a year). The Commission, as the body responsible for the Community budget, is thus jointly responsible for the mechanism and is represented on the financial mechanism committee that approves projects. A report on the implementation of the mechanism between 1 January 1995 and 30 June 1996⁸ has been drawn up.

In 1996 the interest-rate subsidies concerned ECU 305 million in loans for five projects in Spain and one in Greece. The Committee approved ECU 151 700 000 in grants for two projects in Greece, four in Spain, one in Ireland, one in Northern Ireland and one in Portugal. These were in the three eligible sectors: transport, environment and education and training.

Table II-21: Financing from the financial mechanism of the European Economic Area (ECU million)

	Greece	Ireland	N. Ireland	Portugal	Spain	TOTAL
Grants approved						
Transport	12,1	0,0	8,0	25,5	0,0	45,6
Environment	8,3	0,0	0,0	0,0	46,7	55,0
Education	1,1	0,0	0,0	0,0	45,4	46,5
Other	1,1	0,0	0,0	0,0	0,0	1,1
Total	22,6	0,0	8,0	25,5	92,1	148,2
Loans approved						
Transport	42,9	0,0	0,0	127,7	164,1	334,7
Environment	0,0	0,0	0,0	0,0	214,2	214,2
Education	0,0	0,0	0,0	0,0	0,0	0
Total	42,9	0,0	0,0	127,7	378,3	548,9

Source : Annual Commission report on the financial mechanism of the European Economic Area (COM (96) 653 final of 13.12.1996).

D. COMPLEMENTARITY WITH THE OTHER COMMUNITY POLICIES

1. The Structural Funds and employment

The Commission has adopted a wide variety of guidelines that stress the need for consistency between the Community's employment strategy as defined by the European Council and the Structural Funds' activities. This need was set out in the Commission communication on Community Structural Assistance and Employment⁹. The Structural Funds must provide a lasting contribution to employment by creating a better balance between tangible and non-tangible investment. Having a number of strategies will allow the Funds to improve their effectiveness in combating unemployment by using the funding options offered under the current rules and regulations. Appropriate weight must be given to human resources so that the conditions for long-term growth are set in place and the capacity to absorb the changes brought about by technological development are similarly improved. The capacity of economic growth to create greater numbers of jobs must be improved through innovation and by using the job-creation opportunities offered by new socio-economic needs. Lastly,

⁸ COM(96) 653 final of 13 December 1996.

⁹ COM (96) 109 final of 20 March 1996.

there needs to be more pro-active intervention in the labour market to deal with the specific problems of the most disadvantaged categories (young job-seekers, long-term unemployed and women). The communication stressed the need to involve all the major partners in this task of assisting the labour market.

The themes of this communication were subsequently contained in the Confidence Pact for Employment¹⁰. On the Structural Funds, the Commission suggested that the financial margins for manoeuvre available in the existing programmes should be used to create a special reserve to support employment, that the new guidelines for Objective 2 (1997-99) should aim to create employment and that the mid-term review of Objectives 1, 3, 4 and 5(b) should be an occasion for fine-tuning operations in support of employment. Particular attention should be paid to the development of small firms, not only so that they might turn research and development measures into new activities and jobs but also so that an appropriate framework might be created for local employment initiatives. The Confidence Pact for Employment had the specific aim of encouraging territorial pacts for employment. The European Council in Florence gave these pacts new political momentum, their guidelines were set in the autumn and most of the Member States had submitted proposals for pacts by the end of the year.¹¹

The communication on Community Structural Assistance and Employment has also served as a framework for drafting the new guidelines for Objective 2 (1997-99) published by the Commission on 30 April 1996. The overall aim is to improve production structures - within SMEs in particular - and workforce skills. The emphasis should be on improving management capabilities and adapting vocational skills so that human resources can contribute to the process of technological and organisational change¹².

2. The Structural Funds and equal opportunities

A Council Resolution of 2 December 1996¹³ stressed the importance of including equal opportunities as a principle of the Structural Funds. It should be remembered that the Structural Funds must aid operations that ensure more equal opportunities between men and women. The resolution invites the Member States and the Commission, in particular through the Monitoring Committees, to increase the efforts of the Structural Funds in this regard, to evaluate the Funds' contribution to the achievement of more equal opportunities and to take account of this evaluation in future proposals to revise the Structural Funds Regulations.

Even though some specific measures in the programmes have differing amounts of funding depending on the Member State, most States chose a horizontal approach that encourages equal opportunities across all priorities and measures. This makes it hard to give an exact estimate of the funding specifically allocated to equal opportunity measures but it does not mean that there has been a backing away from promoting this priority. There is a general trend towards assisting more complete and integrated operations, due to the expanded scope of the rules and regulations. The accompanying measures are now taken into account, although there is still room for improvement in this regard. The concept of a "route into the jobs market", broadly developed in current programmes, could also take greater account of the specific constraints on women. The operations undertaken rely heavily, however, on the legislative, socio-economic and cultural make-up of each Member State. The ongoing assessment reports will provide more information since concentration on the public and on equal opportunities are specified in the instructions for the evaluators. It will thus be possible to gauge better the first results of the integration of women into this general policy. Some adjustments to

¹⁰ CSE (96) 1 final of 5 June 1996.

¹¹ See Introduction. A.2. Support for employment and Chapter III.B. Regional Partnership.

¹² See Chapter A.3. Objective 2.

¹³ OJ No C 386, 20.12.1996

programmes may then be made, depending on the recommendations of the evaluators and the Commission guidelines.

In preparing the Objective 2 programmes for 1997-99, the Commission placed great emphasis on equal opportunities for both ERDF and ESF funding. The concept seems to be taken into account now to a greater extent than in the past. Furthermore, to improve the role and status of women working on agricultural holdings or in a rural setting, in 1996 the Commission launched a call for pilot projects under a programme for rural women. The programme has a budget of ECU 20 million over three years (1997-99) and the final date for applications was 20 February 1997.

Lastly, a leaflet entitled "Women, players in regional development" was published in 1996 and women entrepreneurs were one of the topics discussed at the Northern Scandinavia Europartenariat. The discussions resulted in the concept of "resources centres for work enhancement and women's integration into the economy" and the networking of these centres. This topic was selected to be one of the five activities in the invitation for proposals under Recite III published on 31 October 1996.¹⁴

3. The Structural Funds and the environment

The environment continues to play an increasing role in assistance from the Structural Funds. The 7th Annual Report (1995) devoted part of each chapter to a discussion of the environment and included numerous examples. As a result of the communication on "Cohesion policy and the environment"¹⁵ adopted in 1995, Structural Funds assistance in 1996 was even more marked by the environmental dimension. In accordance with the principle of subsidiarity, the communication's priorities were discussed on several occasions with the Member States in the Monitoring Committees and in the Advisory Committee for the Conversion and Development of the Regions¹⁶.

The priorities in the communication were implemented in 1996 with particular emphasis on environmental issues as set out in the Commission guidelines to the Member States for the preparation of the new Objective 2 programmes¹⁷. Firstly, the Commission stressed the need for a greater number of environmental projects, especially ones that created "green" jobs, and preventative measures for environmental protection in environment-related businesses, services, technology and training. Secondly, programme approval depended on whether procedural guarantees were in place on the environmental quality of the programmes, such as the involvement of the relevant environmental agencies and improvements in programme/project monitoring and evaluation. In accordance with these guidelines, the new programmes lent much greater weight to preventive environmental operations such as ecological products and environmental research. Their most striking feature is the horizontal integration of the environment in various non-environmental priorities and operations. Evaluating the impact of the measures on the environment remains however a weak link, and while progress has been made in involving the environmental agencies, the results have not been satisfactory in every instance.

Similarly, the guidelines for the new Interreg II C Initiative were adopted by the Commission in May 1996¹⁸ and place particular weight on environmental issues, including cross-border cooperation in land planning, combating drought and floods and the management of waterways.

In the case of the programmes currently under way, the Commission organised training courses for its own staff and launched environmental training seminars for Structural Fund administrators in the

¹⁴ See Chapter I.B.2. Innovative measures and technical assistance.

¹⁵ COM (95) 509 final of 22 November 1995.

¹⁶ In the case of the Cohesion Fund, the Commission has made progress towards the goal of dividing assistance equally between investments in transport and the environment. The share of total commitments devoted to environmental projects increased from 48.5% to 49.9% in 1996.

¹⁷ See Chapter I.A.3. Objective 2.

¹⁸ See Chapter I.B.1. Community Initiatives.

Objective 1 regions. The first such seminar was held in Ireland in November 1996 and similar activities were in preparation for 1997. Furthermore, to identify the prevention measures and best practices, the Commission carried out a study in 1996 on sustainable development and employment in the Objective 2 regions. This study, which ended at the start of 1997, includes 20 examples of good practice and illustrates for Funds administrations the possible measures that might be taken to promote sustainable development. A booklet entitled "The environment and the regions: towards sustainable development" was also produced¹⁹.

Finally, in the longer term, the preparatory work on the European Spatial Development Perspective (ESDP) is looking at the issue of prudent management of the natural heritage and its development. Alongside this, the Commission has initiated a strategy study of water resources in the Mediterranean basin to be carried out by the I.P.T.S. (*Institute for Prospective Technological Studies*), Seville, which will be of major importance when thinking about the next programming period for the Structural Funds and for work on the Perspective.

4. The Structural Funds, the common agricultural policy and rural development

Structural Funds and the common agricultural policy

Since agriculture is still one of the main activities for many regions of the Community, most of the programmes for 1994-99 include measures relating to the sector. It is therefore essential to ensure that the measures proposed by the Member States in the development plans for rural areas under Objectives 1, 6 or 5(b) are compatible with the guidelines of the CAP while equally considering the contribution which agricultural measures make to the development of economic activity.

In the case of Objective 5(b), the agricultural measures were planned in the SPDs with due regard to the necessary complementarity between the reform of the CAP and rural development. While the planned measures to ensure that a sufficient number of farmers remain on the land contribute to the socio-economic development of the rural areas, the Commission has also required certain guarantees. In general, every time a national aid scheme is proposed, it is always examined for compatibility with current CAP rules and the rules on state aids. The priority operations selected involve the application of new technology, energy savings, quality promotion, etc. In irrigation, for example, priority has been given to the improvement of existing structures to prevent water loss (through evaporation, leaks, etc.) without changing the area actually irrigated. When it became apparent that new irrigation was involved, the Commission strictly limited the newly irrigated areas and asked to be informed of the intended crops.

The same approach was followed under Objective 5(a) with regard to the structures for both production and marketing. The trends on agricultural markets require farm holdings and the production and marketing structures for agricultural products to make constant adjustments. The Objective 5(a) measures seek to ease the adjustments so as to improve agricultural competitiveness. By maintaining jobs in agriculture and in those sectors downstream of it, the measures help in the development of the rural areas. Many procedures have been implemented to ensure that the measures are consistent with the CAP guidelines. In the case of investment aid, restrictions have been imposed in certain sectors to avoid creating surpluses (pigmeat, eggs and poultrymeat, beef and veal). In the case of processing and marketing, priority is given to certain types of investment: to protect the environment for example, introduce technological innovation or improve health quality and conditions, and the Commission has set selection criteria on the basis of Community policy guidelines, in particular those of the CAP. In some sectors, investment aid was prohibited (tobacco, fodder crops) or authorised subject to strict limits, sometimes accompanied by a requirement to reduce capacity (slaughter, regrouping of enterprises in the wine and spirits sectors).

¹⁹ EUROFFICE, 1996, CX-90-95-744-C.

The challenges facing rural society

More generally, the Community has introduced a specific policy for rural areas. Rural society is undergoing far-reaching changes and is increasingly subject to pressures which threaten an already delicate balance. Predominantly rural areas account for more than 80% of Community territory and over a quarter of its population. The prosperity and environment of rural communities are increasingly threatened while agriculture, the main activity in a large number of rural areas, is going through a crisis which at times calls into question their very existence. The Treaty on European Union takes account of the problems of the rural areas. Article 130a of the Treaty provides that the Community should reduce "disparities between the levels of development of the various regions and the backwardness of the least-favoured regions, including rural areas". The programmes implemented for the second Structural Funds programming period have enabled a strategy to be set in place to develop the economy of the rural areas through the diversification of both agricultural and non-agricultural activities. The strategy's multi-sectoral character, its emphasis on innovation and bottom-up approach all contribute to maintaining or creating employment.

To prepare for the next Structural Funds period, it was thought useful to take a detailed look at the future of rural society and the challenges it faces: economic globalisation, the continuing reform of the CAP, WTO negotiations, the foreseeable enlargement of the European Union, the appearance of new technologies. These issues were focused on in particular at a conference in Cork (Ireland) on 7, 8 and 9 November 1996 which brought together policy makers and specialists from the 15 Member States of the Union, from the countries of central Europe, the Mediterranean countries, the USA and Japan. The conference confirmed that agriculture and forestry represent the two most important forms of land use in rural areas, that agriculture remains a major interface between people and the environment, but that the relative importance of farming and forestry continues to decline and rural development must accordingly concern itself with all socio-economic sectors operating in a rural environment.

The conference concluded that sustainable rural development had to be a priority for the Union and that rural development policy should check the flight from the land, fight poverty, promote employment and equal opportunities, meet requirements with regard to quality, safety, personal development and leisure, improve living standards in rural areas and preserve the quality of the environment. This policy, some aspects of which it should prove possible to apply in all the Union's rural areas, should be based on an integrated and multisectoral approach which encourages the diversification of economic and social activities while ensuring sustainable rural development in order to safeguard the quality of the countryside. Rural development policy should also comply with the principle of subsidiarity by encouraging those involved at the lowest levels and their initiatives (the 'bottom up' approach) in order to take better account of the great variety of rural areas. It should encourage synergies between public and private finance to promote productive investment, help small and medium-sized firms and encourage research and innovation.

5. The Structural Funds and the common fisheries policy

Since 1994, the year marking the incorporation of the common fisheries policy into the Structural Funds, the instruments mobilised to assist fisheries structures have had a dual purpose. On the one hand, they seek to ensure the survival and sustainable development of the common policy by helping the fishing effort to adapt to the resources that are actually there. On the other hand, the instruments help to strengthen economic and social cohesion through aid to reinforce the structures in the fishing industry as a whole: the fleet, aquaculture, processing and marketing of products and port facilities. Furthermore, measures financed by the FIG in relation to the fishing fleet must comply with the objectives of the Multiannual Guidance Programmes (MGPs), which place restrictions on the fishing effort of each Member State. In particular aid for the construction of new fishing vessels is authorised only where the annual intermediate objectives of the MGP, and subsequently the final objectives, are observed.

6. The Structural Funds and SMEs

Structural Funds assistance to SMEs continued to increase in 1996. On the one hand, the preparation of the Objective 2 programmes for 1997-99²⁰ made their development one of the priorities in the Commission's guidelines that had to be reflected in the SPDs submitted by the Member States. A reference to the new definition of an SME was introduced to standardise usage both at Community and national level, in accordance with the Commission recommendation on the definition of small and medium-sized enterprises²¹. On the other hand, as regards the SMEs Initiative, 1996 saw the adoption of a large number of new programmes²², and the ones already adopted were closely monitored in the Monitoring Committees. The programmes for the Objective 1 regions that focused most on SMEs, such as the "Industry" OPs for Ireland, Italy, Portugal and Greece, were monitored in particular by the departments responsible for enterprise policy, so that the SMEs would be considered when implementing the programmes. In addition, under the reserve for the SMEs Initiative, the Commission proposed three types of operation to encourage cross-border activity: exchanges of experiences and good working practices between the Member States in spheres of activity identified in advance, aid for buyer's exhibitions, and aid to get tourism enterprises connected to the Internet (teletourism).²³

IBEX: International Buyer's Exhibition

The IBEX concept was launched as part of the Community's enterprise policy with a view to trying out a formula whereby large and small firms could meet to discuss the demand requirements of the former. The concept was adopted by the regional policy through the SMEs Initiative which promotes the holding of IBEX exhibitions in the regions eligible under the Structural Funds, and Objective 1 regions in particular.

IBEX exhibitions focus on the needs identified by large enterprises and the specific capacity of the SMEs to satisfy those needs. This identification of supply and demand centres on a particular sector (cars, agri-food, textiles, timber, etc) and is intended to assist large enterprises in the search for partner SMEs with a view to specific cooperation while at the same time offering SMEs an opportunity to make direct contact with large enterprises interested in their products, services or know-how. IBEX exhibitions optimise these contacts and offer the participants savings of both time and money when compared to traditional subcontracting exhibitions.

As part of the enterprise policy, the Third Multiannual Programme for SMEs (1997-2000)²⁴ adopted in 1996 seeks in particular to simplify and improve the financial, legislative and administrative environment for businesses and to help SMEs to plan their business strategies in international terms, improve their competitiveness and improve their access to research, innovation and training. Particular attention was paid in this regard to improving SME access to the Structural Funds. The Council twice sought²⁵ to improve the business environment and stimulate business support measures, in particular by improving SME access to the Community programmes, including the Structural Funds. In addition, where trade and distribution are concerned, the importance of local businesses in rural areas got the Commission thinking about ways to use the Structural Funds (the ERDF in particular) to maintain and

²⁰ See Chapter I.A.3. Objective 2.

²¹ Recommendation of the Commission to the Member States, the EIB and the EIF on 3 April 1996, OJ No L 107, 30.4.1996.

²² See Chapter I.B.1. Community Initiatives.

²³ See Chapter I.B.1. Community Initiatives - SMEs.

²⁴ Council Decision of 9 December 1996 on the third multiannual programme for SMEs in the European Union (1997-2000), OJ No L 6, 10.1.1997.

²⁵ Council Resolution of 9 December 1996 on realizing the full potential of small and medium sized enterprises (SMEs), including micro-enterprises and the craft sector, through an integrated approach to improving the business environment and stimulating business support measures (OJ No C 18, 17.1.1997) and Council Resolution of 22 April 1996 on the coordination of Community activities in favour of small and medium sized enterprises and the craft sector (OJ No C 130, 3.5.1996).

develop local businesses in rural areas. A similar initiative is being studied for urban areas and consultations will take place on the two approaches as part of the Green Paper on Commerce²⁶.

Information, partnership, networking, innovation: the coordination of regional policy and enterprise policy initiatives for the benefit of SMEs

The Structural Funds and the Euro-Info-Centres: Within the network of 250 Euro-Info-Centres, a subgroup of 49 EICs in the 15 Member States specialises in the Structural Funds. In addition to meetings providing information and an exchange of views on the SMEs Initiative and inter-regional cooperation under Article 10 of the ERDF Regulation, the subgroup made a collection in 1996 of German and Italian "success stories" for example. The specialist EICs relay information for the Commission and offer technical advice to the local, regional and national authorities on the planning and implementation of programmes aided by the Structural Funds.

Europartenariat, a display of enterprise partnership:

The Europartenariat programme was launched by the Commission in 1987 as part of its regional and enterprise policies. It encourages SMEs in the eligible regions (Objectives 1, 2, 5(b) and 6) to make business contacts with one another and to cooperate with enterprises in other Member States or third countries. The ERDF part-finances the events by ECU 1 million under Article 10 of the ERDF Regulation. Since Europartenariat was first launched, close on 22 000 enterprises have been able to make contact and discuss possible cooperation agreements covering trade, finance, technology, franchising, joint-ventures, etc.

Two Europartenariat events were held in 1996:

- **Europartenariat Luleå (Sweden, 13-14 June 1996):** "Northern Scandinavia 1996" brought together more than 1 500 SMEs from 50 countries. It was the first Europartenariat organised in one of the new Member States. The 386 Swedish, Finnish and Norwegian enterprises in the region made some 7.500 contacts with the 1 200 visiting firms, 225 of which came from the countries of central and eastern Europe (CEEC) and 160 from the newly independent states. Several seminars took place, including a particularly successful conference on women entrepreneurs.
- **Europartenariat Genoa (Italy, 27-29 November 1996):** "Italia 96" brought together 406 SMEs in the Objective 2 areas of Italy that were thus able to meet more than 2 000 other SMEs. Over 12 000 contacts were made between the host and visiting enterprises. In addition to a large delegation of enterprises from the CEEC, the newly independent states and the Mediterranean basin, Europartenariat Genoa also included for the first time significant numbers of enterprises from Asia, Latin America and the United States; more than 70 countries were represented.

Aid for European SME business and innovation centres (EC-BICs) (Business and Innovation Centres - BICs): This programme is funded under Article 7 of the ERDF Regulation and assists the creation of innovative enterprises and the modernisation and development of existing SMEs. Twenty two EC-BICs were promoted by the programme in 1996. Most of these were located in Objective 1 or 2 areas (six and nine respectively) but four were in Objective 5(b) areas and three in Objective 6 areas. As in the past, the ERDF part-financed activities to prepare, organise and launch the new centres and provided technical assistance to the management teams as they were set up. This brings the total number of EC-BICs in the EBN (*European Business and Innovation Centre Network*) to about 140.

The «seed capital» pilot project, 5 years on: This pilot plan was adopted by the Commission in 1988 as part of its regional and enterprise policies. In January 1996, 23 investment funds were operating under the plan, all of which had been created between 1990 and 1993. The funds qualified for five years for repayable advances covering 50% of their operating costs. Fifteen of these in eligible regions also received an injection of capital through the business and innovation centres mentioned above. The funds, based in 8 Member States²⁷, are independent bodies governed by private law with responsibility for their investment decisions. Three funds have a cross-border dimension²⁸. They all now form the kernel of the European Seed Capital Fund Network (ESCFN) which comprises 50 funds.

7. The Structural Funds and tourism

Tourism is one sector in which Structural Funds assistance is of major importance both financially in all eligible regions and in terms of its contribution to the diversification of the local economy. The

²⁶ COM(96) 530 final of 20 November 1996.

²⁷ Belgium, Germany, Spain, France, Ireland, Italy, Netherlands, United Kingdom.

²⁸ They cover respectively: Benelux; France and Spain; Saarland, Lorraine and Luxembourg.

Commission published in 1996 a document entitled "*Tourism and the European Union: A Practical Guide*"²⁹, which identifies all the Community financial instruments that can be mobilised for tourism purposes, first among which are the Structural Funds. The document shows the important place occupied by tourism in Structural Funds spending and gives an overview of the significant contribution of this activity to strengthening economic, social and regional cohesion. In this regard, in addition to developing the quantitative analysis of the volume and structure of financial assistance, special attention needs to be paid in 1997 to perfecting the tools for evaluating the quality of tourism's contribution to achieving cohesion.

At the same time and with a view to improved coordination of financial assistance to tourism (a requirement identified by the Court of Auditors in its special report on tourism policy and promotion) additional measures will be taken to evaluate in a more detailed and systematic manner the impact of the structural policies on tourism and identify the main steps required to boost the quality and competitiveness of European tourism³⁰. It should be noted that the implementation of the Community action plan for tourism (1993-95), which the Commission evaluated in a report in 1996, identified numerous points of convergence between structural assistance and specific tourism measures, both in sectoral terms and the operating approach.³¹

8. The Structural Funds and energy

The availability of adequate supplies of energy at reasonable prices is essential to the competitiveness of regions whose development is lagging behind. A good energy balance, the rational use of energy and stress on the development of renewable sources of energy are also important considerations for territorial planning. Almost all the Objective 1 CSFs include a section on energy and of their total funding some ECU 2.4 billion (2.7% of the budget for that Objective) is allocated to energy projects for the period 1994-99.³² While these projects contribute to the main aim of regional development, they also comply with the priorities of the Community's energy policy: security of supply, the competitiveness of European firms and the compatibility of energy and environmental aims.³³ The projects financed are mainly concerned with more efficient energy use, the diversification of sources of energy, the development of renewable sources of energy, cost reduction, improved transport and distribution of energy and the protection of the environment in activities relating to the production, processing, transport and utilisation of energy.

Furthermore, some Community Initiative programmes are directly concerned with energy. The Regen strand of Interreg II contains provision for completing measures begun under the earlier programme on energy networks (Regen) and the promotion of cross-border cooperation projects for the distribution of gas and electricity and the use of renewable sources of energy. In the most remote regions, the Regis Initiative covers investment in energy-saving materials and local energy production and the training of staff in the field of energy.

Outside the Structural Funds, the Union finances specific energy programmes designed to achieve the goal of cohesion. For example, one third of the measures under Thermie (the demonstration strand of the Joule-Thermie programme on non-nuclear research and development) and almost half the local and

²⁹ European Commission, 1996, OPOCE.

³⁰ See the proposal for a Council Decision on the first multiannual programme for European tourism "PHILOXENIA", adopted by the Commission on 30 April 1996.

³¹ See in particular "Tourism and the environment in Europe, 1995, EUROFFICE, and "Transnational Partnerships in European Tourism", 1996, EUROFFICE.

³² The breakdown of this amount is: Greece: ECU 865 million; Spain ECU 624 million; France: ECU 10 million; Ireland: ECU 70 million; Italy: 312 million; Portugal: ECU 322 million; United Kingdom: ECU 182 million.

³³ See the Commission communication 'An overall view of energy policy and actions' - COM(97) 167 final of 23 April 1997.

regional energy-saving agencies (the Save programme for the rational use of energy) are being carried out in Objective 1 regions and over 20% in areas eligible under Objectives 2 and 5(b).

9. The Structural Funds and trans-European Networks

Under Title XII of the Treaty on European Union, two main aims lie behind the construction of trans-European transport, energy and telecommunications networks: to improve the working of the single market and to foster economic and social cohesion. The TENs seek to connect networks together and make them operationally compatible, improve access to them and carry out projects of common interest, taking particular account of the need to connect the islands and isolated, peripheral regions to the Community's core. The TENs are implemented on the basis of Community guidelines identifying projects of common interest. Based on the Regulation on TENs funding adopted in 1995³⁴, the Community contributes to work on projects of common interest by part-funding feasibility studies, offering loan guarantees, interest-rate subsidies and, in duly justified cases, direct grants. The TENs have a budget line of ECU 2 345 million for the period 1995-99³⁵. Community funding is mainly intended to overcome the financial obstacles that can occur at the start of a project.

Significant progress was made in 1996 on the TENs. The Union's financial contribution was appreciably higher in 1996 than in 1995 and the role of the TENs in improving the unemployment situation was acknowledged, in particular in the European Confidence Pact for Employment. Other measures and/or initiatives improved the operating climate for the TENs, examples being the start made to liberalising the electricity market, the reopening of negotiations to liberalise the market in gas, the Commission's green and white papers on internationalisation of the external costs of the transport infrastructures, the "citizen's network" and the relaunch of rail transport. Some difficulties remain³⁶, nevertheless, in particular with regard to the budget for work on 14 specific (or priority) transport projects identified at the European Council in Essen in 1994. Issues are still addressed from a national perspective instead of being resolved at Community level in an integrated way and with networks and systems in mind. Difficulties have also arisen over establishing public-private partnerships, transport charges, public procurement and the European Company statute.

On TENs legislation, the guidelines on transport and energy networks were adopted on 23 July, as was the Directive on the interoperability of the trans-European high-speed rail system³⁷. The Member States were less inclined to proceed with environmental network projects as part of the criteria laid down for water and waste.

Since 1993, the TENs are explicitly eligible for ERDF funding, which has now become the main source of Community funding (more than ECU 5 billion for 1994-99), and for Cohesion funding (more than ECU 7 billion in the same period). The ERDF funds TENs projects, or (secondary) projects providing access to TENs in eligible areas while the Cohesion Fund finances TENs transport projects in Greece, Ireland, Portugal and Spain. A number of projects of common interest in the guidelines, including several projects that the European Council in Essen in December 1995 deemed a priority, are funded under the Objective 1 CSFs. Attempts are made to co-ordinate the assistance as much as possible with the other Community financial instruments, such as the TENs budget line, EIB loans and EIF guarantees by setting up committees of representatives of the Member States, holding internal consultations or publishing a schematic plan for monitoring funding. Since 1993 the EIB and the EIF have also contributed more than ECU 20 billion in loans and loan guarantees for TENs funding. The Commission has stressed³⁸ the need to improve coordination in the Member States between the national administrations in charge of transport and the national, regional and local authorities that channel assistance from the Structural Funds.

³⁴ Council Regulation (EC) No 2236/95 of 18 September 1995.

³⁵ 1995 prices.

³⁶ See the 1996 Annual Report on trans-European Networks, COM(96) 645 final of 6 December 1996.

³⁷ Directive 96/48/EC, OJ No L 235, 17.9.1996.

³⁸ 1996 Annual Report on the trans-European networks.

Trans-European transport networks

The guidelines for the trans-European transport networks were adopted by the Council and Parliament on 23 July 1996³⁹. Their goal is to introduce by 2010 a multimodal network offering modern, efficient infrastructure for economic activity and a wide variety of rapid and reliable transport options helping to absorb the increasing traffic in goods and passengers and establishing the best connections for the peripheral and remotest regions. In terms of the projects already under way, steady progress has been made by most of the 14 specific projects identified by the European Council in Essen. In 1996, the Commission committed ECU 280 million to the TENs budget line for transport projects of common interest, 75% of which went on the specific projects in accordance with the conclusions of the Cannes European Council in June 1995. Of the priority and specific projects, a number receive significant joint-funding from the ERDF and the Cohesion Fund: main roads in Ireland, Northern Ireland and Italy, Athens-Thessaloniki rail link, the Via Egnatia and Pathe motorways (Patras-Athens-Thessaloniki) which has made appreciable progress since the tender for two sub-projects was awarded, and the Cork-Dublin-Belfast rail link, which should be completed in 1996-97.

Trans-European energy networks

The TENs guidelines for gas and electricity were adopted by the Parliament and Council on 5 June 1996⁴⁰. To adjust to the rapid changes in the energy sector in Europe and to take account of the accession of Austria, Finland and Sweden, in July 1996 the Commission presented a proposal⁴¹ supplementing the first list of 43 projects of common interests mentioned in the guidelines with 31 new projects. The proposal was adopted in June 1997. The Essen European Council moreover identified ten priority projects among the 43 in the guidelines. In the gas sector, appreciable progress was achieved in 1996 on the gas pipeline projects assisted by the ERDF in Greece, Spain and Portugal in particular, to which the EIB also granted substantial loans. The projects involve:

- construction of the Algeria-Morocco-Spain pipeline in Spain, with spur lines to certain towns and cities in Andalusia;
- the introduction of natural gas to more Spanish towns and cities (the western gas pipeline project and the Valencia-Orihuela-Cartagena project);
- the introduction of natural gas to Portugal and interconnection of the Portuguese and Spanish networks;
- the main pipeline in the project to introduce natural gas to Greece, which has already been built, and funding of the remaining work to build the high-pressure gas supply network. The work is being carried out with a loan from the EIB;
- the connector between eastern Germany and western Poland and the start of work on the other sections in Germany and Poland, part of the Russia-Belarus-Poland-European Union pipeline.

Most of the electricity projects on the other hand have yet to get permission or comply with environmental standards. This is the case for the electricity interconnection projects between France, Spain and Italy and between Italy and Greece. Only the electricity connector between northern Portugal and Spain is partly operational and this project and is not yet complete.

As regards financial assistance from the TENs budget line to projects of common interest identified in the guidelines, in 1996 the Commission decided to grant ECU 8 900 000 to part-finance studies, 45% of which went on projects in Spain, Portugal, Greece and Ireland.

³⁹ European Parliament and Council Decision No 1693/96 of 23 July 1996, OJ No L 228, 9.9.1996.

⁴⁰ European Parliament and Council Decision No 1254/96 of 5 June 1996, OJ No L 161, 29.6.1996.

⁴¹ COM(96) 390 final of 24 July 1996.

Trans-European telecommunications networks

At the end of 1996, the European Parliament and the Council were preparing the conciliation procedure for the overall guidelines for trans-European telecommunications networks. The guidelines, which supplement the ones already in force for the integrated services digital network (Euro-ISDN), highlight applications and services meeting the socio-economic needs of the users and focus in particular on those areas of public interest where telecommunications provide innovative solutions: multimedia for education and culture, data transmission links between those involved in health care, value-added services for transport system users and data transmission services for SMEs. Along with Euro-ISDN, the guidelines cover all advanced and mobile networks and the preparatory work on the move to broadband (IBC) networks. The ERDF is funding expansion of the physical networks. It is similarly contributing ECU 173 million to the development of the ISDN-TENs in Greece under the Telecommunications OP.

Funding of the TENs telecommunications activities in 1996 from the TENs budget line was based on the 1995 guidelines and was aimed at developing Euro-ISDN. The activities funded included the selection, after a call for proposals published on 13 April 1996, of 11 advanced telecommunications services and applications projects of socio-economic relevance covering such aspects as urban information networks, telemedicine, teleinformation, teleworking, cultural services from a remote site and electronic trading for SMEs. The Community contribution to these projects was ECU 18 100 000. It is impossible to calculate the extent to which these funds actually benefited the Cohesion countries as the beneficiaries in each case were *ad hoc* consortia formed of companies from different Member States.

10. The Structural Funds and the transparency of public contracts

In the Annual Report for 1995, the Commission stressed the need to be close geographically to project decision-makers so that the preparation of the project case files, their monitoring, the speed of implementation and understanding of Community documents might all be improved. As information on public procurement is available at national, regional or local level, monitoring must also act as an aid to the decision-makers and thus be carried out at the appropriate level. As previously stated, the Commission gave thought to this issue and it consequently adopted in November 1996 the Green Paper on Public Procurement.⁴² 1997 was spent collecting the comments of the economic actors and preparing the framework for the physical implementation of the proposed approaches.

On monitoring assistance part-financed by the Structural Funds, the Green Paper has a number of innovative proposals to make. Two chapters are of direct relevance to the contracts receiving Community assistance: the issue of "Attestation" in the chapter on the application of public procurement law and the issue of procurement involving Union funds in the chapter on public procurement and other Community policies. The Commission has suggested creating at national level independent bodies monitoring public procurement rules, increased use of the procedure certifying compliance with Community legislation on public procurement (already provided for in the Remedies Directive) and making public procurement decision makers accountable. Movement in this sense does not mean that Commission would give up its rights in this regard; it will continue to monitor public procurement in accordance with the Treaty and the Directives.

In the case of the checks carried out on the award of public tenders funded by the ERDF in the 1989-93 period, the Commission received "public procurement questionnaires" completed by the bodies carrying out the projects and returned along with the applications for the payment of outstanding balances as laid down in the Structural Funds Regulations. Using these questionnaires, the Commission knows when a notice of public works contract to carry out these projects is published in the Official Journal, thereby allowing it to scrutinise all relevant information. In the case of the public

⁴² COM(96) 583 final of 27 November 1996.

procurement procedures used for awarding contracts, the documents enabled the Commission to carry out more detailed investigations using the records of awards.

11. The Structural Funds and competition policy

Under Articles 92 and 93 of the Treaty, the Commission keeps under review public aid to firms in so far as it distorts competition and affects trade between Member States. When examining regional aid for compatibility with the Single Market, the Commission pays particular attention to its potentially beneficial effects on the economic development of the least-developed regions, provided that the terms of competition and trade between Member States are not affected to an extent contrary to the common good. These principles are applied not only when specific aid schemes are being scrutinised but also to the horizontal arrangements. Thus, in line with the guidelines adopted in recent years, more favourable treatment is reserved for this type of aid under the various provisions adopted in 1996. In particular, both the Community rules on State aid for research and development⁴³ and for SMEs⁴⁴ provide for an increase in the acceptable intensity of aid if the projects are located in a region eligible for structural funding.

Since a significant proportion of the aid from the Structural Funds benefits firms directly, it is also important to ensure that the Community's regional policy is carried out in full conformity with the rules on competition. The Commission must take account of the effect any cumulation of State aids and Community funding will have on competition and trade. With this in mind, in 1996 the Commission examined the measures in the Objective 2 SPDs for the period 1997-99 for compatibility with the Treaty.

In addition, the Commission's efforts to improve consistency and coordination between Community and national regional policies continued in 1996 through the analysis of maps of regions eligible for regional aid. New maps were approved for Germany, Luxembourg and the Netherlands. In each case, interest focused mainly on the percentage of the population covered and the intensity of aid. On that occasion the Commission made sure that coverage in terms of the eligible population was such that greater concentration of the aid was achieved overall so that its economic impact was maximised, its effect on competition was contained and limited budget resources were used more effectively. On the other hand, the Commission ensured that the ceilings for aid were differentiated depending on the relative macro-economic standing of the regions concerned.

In the First report on economic and social cohesion⁴⁵, the Commission felt that the principle of overall concentration of the aid in the least-favoured regions could be even more resolutely applied, in particular by improving consistency between the identification of regions eligible under the Structural Funds and the decisions on eligibility for national aid, and it intends to continue in this vein. In this regard, eligibility under the Structural Funds (in the case in point, the Urban Community Initiative) has been made an additional criterion for the eligibility of certain areas for national aid falling within Community rules on State aid to firms in disadvantaged urban areas.

⁴³ OJ No C 45, 17.2.1996.

⁴⁴ OJ No C 213, 23.7.1996.

⁴⁵ COM(96) 542 final of 6 November 1996.

Furthermore, in the case of the new Member States, the Commission examined the new schemes and the amendments which, in accordance with the Agreements on Accession, were made to the schemes existing at the time of accession to bring them into line with Community rules before 1997. Most notably, in 1996 the Commission approved an aid scheme for transport in the northern regions of Finland to take account of the special regional development problems resulting from the area's low population density. This is the first case applying the provisions set out in its communication on the application of Article 92(3)(c) of the Treaty relating to State aid for regional purposes⁴⁶.

12. The Structural Funds, education and training

Two main approaches were followed in 1996 to ensure coordination between the Structural Funds - the ESF in particular - and the Community's programmes on education and training: in the first place coordination was maintained between the ESF's activities, in particular its Employment and Adapt Community Initiatives, and the two extensive education and training programmes Socrates and Leonardo Da Vinci; secondly, specific initiatives were undertaken to promote a Community-wide debate on essential education and training policies. The place of education and training in the Community's employment strategy has generally remained a central concern, as evidenced by the various activities undertaken.

In terms of actual programming, the provisions on coordination in the Socrates and Leonardo Da Vinci programmes remained applicable so that consistent approaches might be adopted for the selection of projects under the Community Initiatives and for funding under Article 6 of the ESF Regulation. More generally, complementarity between the policy guidelines focused on four Commission education and training initiatives, i.e. *The European Year of Lifelong Training and Education* (1996); the White Paper *Teaching and Learning: towards the learning society*, which resulted in proposals on employability, social exclusion and a strengthening of cooperation between schools and the world of work; the Commission task force responsible for educational software and multimedia drafted a final working paper in July⁴⁷ and a joint invitation for proposals in December 1996; lastly, the Commission proposal "*Learning and the Information Society: Action Plan for a European education initiative*", which proposes Structural Fund aid for the policies set out in the proposal.

13. The Structural Funds and culture

Culture is a job-creating sector of the economy identified by the Commission in its White Paper on Growth, competitiveness and employment. Having presented its first Report on the consideration of cultural aspects in European Community action⁴⁸, which includes a presentation of the various types of Structural Funding available, in November 1996 the Commission adopted a communication entitled "Cohesion Policy and Culture: a contribution to employment"⁴⁹, in which it stressed that culture was not only a costly public activity but also an increasing economic sector in its own right. The document identifies the interaction between regional development and culture and emphasises the importance that culture can have in creating jobs. Culture can in fact fulfil three major regional development functions since cultural activities and development linked to the cultural heritage are a source of direct and indirect employment, culture is an important element for a region's image region and the establishment of economic activities and, lastly, it can be a factor in boosting and integrating social activities.

⁴⁶ OJ No C 364, 20.12.1994.

⁴⁷ SEC (96) 1426 of 23 July 1996.

⁴⁸ COM(96) 160 final of 17 April 1996.

⁴⁹ COM (96) 512 final of 20 November 1996.

While it is difficult to provide exact figures, the Structural Funds are the most important instruments for funding cultural projects. The Communication concludes therefore that, in future, culture must be more fully integrated into the local and regional development strategies so that they can have maximum effect on employment and innovation. While the cultural heritage has already benefited greatly from the Funds, greater attention must henceforth be paid to cultural activities and their exploitation as a source of income.

14. The Structural Funds and disability

Following the Commission's Communication ⁵⁰, the Council adopted on 20 December 1996 a Resolution on equal opportunities for the disabled. This document drew special attention to changing attitudes to disabled persons at both European and wider international level ⁵¹ and made the following points:

- disabled persons form a significant proportion (37 million) of the Community's population;
- social cohesion in the European Community implies promotion of equal opportunities and removing any discrimination against such persons;
- access to properly-linked education and training is a necessary condition for successful integration into social and economic life.

With an unemployment rate two to three times above the average for the population as a whole, disabled people must be the subject of a special effort via well thought out measures for their social and professional integration. Since 1989, the Structural Funds have been working for economic and social cohesion in all regions of the Union. The fight against unemployment and the creation of jobs are held to be a special priority. The Structural Funds, and in particular the ESF, are a vital element of the Commission's strategy of implementing a combination of programmes in favour of equal opportunities. In total, 5.5 thousand million ecus from the Structural Funds are targeted against social exclusion in the 1994-99 period under Objectives 1, 2 and 3. Specifically for disabled persons, the FSE is contributing some 1.3 thousand million ecus (1996) via its "mainstream" actions (765 million ecus) and via the Employment / Horizon Community Initiative (513 million ecus). Horizon aims at an integrated approach (partnership between social actors and local/regional/national authorities) and supports four types of measure: training, job creation, guidance and new technologies. Given the special theme of the present report, it is interesting to note that one fifth of the Horizon projects concern new technologies and distance-working. In its 1997 mid-term evaluation of the Structural Funds, the Commission will seek to assess the impact of measures in favour of the disabled.

⁵⁰ COM(96)406 of 30 July 1996.

⁵¹ cf. the United Nations General Assembly Resolution 48/46 of 20 December 1993 for the promotion of the principle of equal opportunities, and the White Paper "European social policy: a way ahead for the Union" COM(94)333 of 27 July 1994.

CHAPTER III

INTER-INSTITUTIONAL DIALOGUE, REGIONAL PARTNERSHIP

DIALOGUE WITH THE ECONOMIC AND SOCIAL PARTNERS,

INFORMATION AND COMMUNICATION

A. INTER-INSTITUTIONAL DIALOGUE

The implementation of the Structural Funds is generating a steady, varied and growing flow of dialogue between the Commission and the other Community institutions; this dialogue takes many forms, from exchanges of information, now regular and systematic, to the adoption of communications and notices by the Commission and opinions and resolutions by the other institutions. The main channels of this dialogue are meetings, both formal (e.g. part-sessions of the European Parliament and its committees and ministerial meetings) and informal (seminars or joint working parties), and there is dialogue at both policy-making and technical levels (e.g. between departments and in Structural Fund committees). This wide range of contacts involves a large number of subjects. In 1996 those chiefly discussed by all the institutions, in response to several Commission communications and documents, were employment, economic and social cohesion and the key role of the Structural Funds. More attention was also devoted to the links between certain policies - the environment, culture, equal opportunities, rural development, fisheries - and the Structural Funds, action to assist certain types of area (urban, coastal, rural and border) and spatial development at European level. Lastly, issues relating to the implementation of Structural Fund assistance as such remained a central theme, as in previous years, with a specific focus on the progress of programme implementation, the allocation of the Community Initiative reserve, the preparation of the second phase of the Objective 2 programme (1997-99), ways of simplifying the administration and improving the effectiveness and assessment of the Structural Funds, and how to involve as many players as possible, in particular in the context of territorial pacts for employment.

1. Dialogue with the European Parliament

In 1996 dialogue with Parliament covered both the full range of structural policies and specific instances of Structural Fund assistance. Parliament adopted a resolution on economic and monetary union and economic and social cohesion in Europe, stating its view that the nominal convergence criteria for transition to a single currency were such as to create a favourable environment for more effective regional policy, a key factor in a long-term cohesion strategy. The resolution also called on the Inter-governmental Conference to strengthen Title XV of the Treaty concerning economic and social cohesion. In another resolution on Community structural assistance and employment, Parliament expressed the view that economic and social cohesion was being undermined by excessively high unemployment rates, in particular in remote regions and those whose development is lagging behind. It called on the Commission and the Member States to use Structural Funds resources for measures that would promote long-term job creation. It also asked the Commission to develop an evaluation methodology suitable for an improved assessment of the impact of structural policies on employment.

There was also intensive discussion of specific cases of Structural Fund assistance. With regard to regional policy, Parliament delivered opinions approving Structural Fund assistance for Objective 1 CSFs in Portugal, Spain, Greece and Ireland, while stressing the problems requiring particular attention in each case. Parliament also gave its views on the guidelines for the second programme of innovative measures under Article 10 of the ERDF Regulation. Given the considerable interest attracted by measures under Article 10 in the previous financing period and the remarkable results of measures during that period, Parliament encouraged the Commission to promote inter-regional cooperation measures and pilot projects as widely as possible. In another resolution it approved the policy guidelines which the Commission had followed in its allocation of the Community Initiatives reserve, but expressed its regret that the industrial Initiatives had received so little extra funding and that the Regis Initiative had received no additional appropriations.

Commission Members also frequently addressed Parliament. The main focus of Commission addresses to the Committee on Regional Policy was employment and cohesion. Mrs Wulf-Mathies, the Member of the Commission with special responsibility for regional policy and cohesion, outlined the main aspects of the Confidence Pact for Employment proposed by the Commission in 1996 and stressed the role of the Structural Funds in implementing the resulting territorial pacts for

employment. She also spoke about the first approaches to be explored concerning the reform of structural policies in preparation for the enlargement of the Union to include central and eastern European countries. On other occasions, she summarised the main points of the first report on economic and social cohesion and presented the Commission's work programme for 1997. Mr Oreja, the Member of the Commission with special responsibility for cultural matters, attended the joint meeting of the Committee on Regional Policy and the Committee on Culture, where he presented the Commission's cultural programme, emphasising the role that the cultural sector could play in generating employment and therefore advocating that Community policies should take greater account of it. The Commission was also present at the conference organised by Parliament and the Union's regional and local authorities. In his address to the conference, President Santer reminded those present of the importance of the principle of partnership, which meant that regional and municipal authorities were more involved in work towards cohesion. Mrs Wulf-Mathies also focused on the growing importance of the regions in the European project, while Mr Oreja gave an account of progress made at the Inter-governmental Conference.

The Commission continued its discussions of social issues with Parliament through the *ad hoc* working group, which continued the work begun in 1995. At its meetings, the working group examined a variety of ESF issues, both horizontal aspects, such as assessment, financial equalisation and relocations, and specific aspects of implementing ESF assistance, such as payments, carryovers, budgets and forecasts. The working group proved very useful as a channel for more in-depth dialogue and explanation of ESF assistance. Its value was demonstrated by the fact that Parliament's Committee on Social Affairs decided in September 1996 to increase the number of its members participating in the group to ten.

The discussions of Parliament's Committee on Agriculture and Rural Development culminated in the adoption, on 25 October 1996, of a Resolution on European rural policy and on the creation of a European Rural Charter. Parliament stated that in the light of the problems facing rural areas and in order to keep up employment levels in the countryside, it was essential to establish an integrated multi-sectoral policy that would give priority to employment and foster improvements in the quality of agricultural products, the protection of the environment, equal opportunities and the development of services. The Committee on Agriculture and Rural Development also addressed the issue of young farmers and the transfer of farms. Other matters it discussed were ways of improving existing mechanisms and the distribution of powers and responsibilities between the Commission and the Member States.

The Commission maintained regular and fruitful dialogue with Parliament's Committee on Fisheries. Several Parliamentary questions were addressed to the Commission on the subject of structural assistance for fisheries, including measures eligible for FIFG financing, the distribution of such financing and the Community Pesca Initiative. Mrs Bonino, the Member of the Commission with special responsibility for fisheries, attended several meetings with Parliament, both at the Committee on Fisheries and at plenary sessions. The Commission also responded to a Parliamentary Resolution on the crisis in the fisheries sector which raised several issues about structural assistance for fisheries. Finally, Parliament endorsed the third and fourth amendments to the FIFG Regulation¹.

2. Dialogue with the Economic and Social Committee

The Commission continued its contacts and cooperation with the Economic and Social Committee at all levels. The Committee gave its reactions and comments in opinions which were studied attentively by the Commission. The Committee considers that economic and social cohesion should be the leitmotif of all regional assistance, and most of its opinions were formulated with this in mind. In its opinion on the future of cohesion and the long-term implications for the Structural Funds, the Committee addressed the full range of cohesion issues and examined the challenges facing the Structural Funds. It stressed the importance of European regional policy instruments in the context of

¹ See Chapter I.A.1. Objective 5(a) fisheries.

an enlarged Union in which economic and monetary union will have become a reality. Similarly, in its opinion on the Sixth Annual Report on the Structural Funds (1994), it stressed the importance of economic and social cohesion and job creation, while specifying that the latter must be pursued with a view to long-term economic development and should not constitute the only criterion for granting funding. The Committee also reaffirmed the importance of the principles of structural action and urged effective implementation of the principle of partnership.

The Committee welcomed the consistent nature of the allocation of the Community Initiative reserve proposed in the Commission decision and the fact that more funding was going to the Employment Initiative; at the same time it underlined the need for monitoring and assessment. It also expressed its support for a policy designed to achieve greater synergy between cohesion and environmental policies and called on the Commission to define specific measures for putting the proposed principles into practice. With regard to urban issues, the Committee pointed out the value added that differentiated operations integrating social, economic and environmental aspects could contribute towards greater economic and social cohesion. With this in mind, it called for urban issues to become one of the Community's responsibilities. Spatial planning was also the subject of discussion within the Committee in connection with its work on the "Europe 2000+" planning document, with particular attention devoted to specific problems facing the Alpine Arc; the Committee proposed using the Structural Funds to help deal with these problems. As regard the integrated development planning of coastal areas, it recommended that the aims of funding to be allocated to this objective should be more thoroughly defined.

Finally the Committee unanimously endorsed the two amendments to the FIG Regulation² (adapting the premium arrangements and concerning reference to the geographical origin of products).

3. Relations with the Committee of the Regions

The dialogue between the Commission and the Committee of the Regions was continued and stepped up following the guidelines adopted by the Commission in April 1995. At the beginning of the year, the Commission sent the Committee a projected programme of consultations going beyond those provided for in the Treaty. The Commission actively participated in the Committee's work and regularly informed it of action taken in response to its opinions. The Committee particularly focused on employment and the greater role which the Structural Funds should play in this area. In June 1996, President Santer addressed the Committee, presenting the Confidence Pact for Employment in Europe. He stressed the key role of local and regional authorities in implementing the Pact and called on the Committee to make an active contribution. For its part, the Committee adopted a resolution stating its intention of participating fully in the specific process of implementing territorial pacts for employment. Mrs Wulf-Mathies also participated in the Committee's work on two occasions. In January she spoke on the interaction between cohesion and environmental policies, stressing the growing importance of the environmental factor in the competitiveness of regions and the contribution being made by Structural and Cohesion Fund assistance to improving the environment in disadvantaged regions. In November she presented the first Report on Economic and Social Cohesion, noting that the effectiveness of structural policies should be increased to deal with the challenges lying ahead, in particular by concentrating assistance, making continuation of programmes conditional on results and improving financial management.

The Committee also stated its position on subjects such as the new regional programming under Objectives 1 and 2, the allocation of the Community Initiative reserve, the Union's policy on cross-border cooperation with the Russian Federation and the region around the Barents Sea and regional cooperation in the Baltic. The Commission organised, jointly with the Committee of the Regions, a series of six seminars to examine, with the representatives of local and regional authorities and social and economic partners, the role of spatial development in Europe as elaborated in the "Europe

² See Chapter I.A.5. Objective 5(a) fisheries.

2000+” document. The results of these seminars are recorded in a report by the Committee of the Regions.

The Committee issued three opinions on rural development. The first called for a rural development policy based on a multi-sectoral approach and aimed at all rural areas, but with programmes defined at regional level to take account of each region's specific characteristics. The second concerned new forms of economic activity and new services in rural areas and recommended that, since services were playing an increasingly important role in the economy and had major job-creation potential, they should be actively fostered in rural areas, their quality and conditions of access should be improved and the use of telecommunication networks in isolated regions should be developed. The third dealt with young farmers and the problems of the transfer of farms. It called for the conditions for young farmers taking over farms to be made easier by developing an early retirement scheme, authorising multiple sources of income, facilitating access to training for young farmers, harmonising taxes and other charges on the sale or inheritance of farms, staggering payments of setting-up costs and improving the provision of information on ways of setting up in farming. In June 1996 Mr Fischler, the Member of the Commission with special responsibility for agriculture and rural development, gave a talk on the implications of enlargement for agricultural policy and took the opportunity to give his views on the future of the CAP and rural development policy.

Finally, the Committee of the Regions gave its opinion on the regional impact of the common fisheries policy, analysing, among other things, the role of the FIFG and Pesca on the regions.

4. Informal meetings of the ministers responsible for regional policy and spatial planning

The ministers responsible for regional policy and spatial planning attended two informal meetings in 1996, one on 3 and 4 May in Venice under the Italian Presidency and the other on 14 and 15 November in Ballyconnell under the Irish Presidency. The second meeting was organised in the form of a seminar.

The Venice meeting discussed the effectiveness and monitoring of the Structural Funds and how to simplify their application, and culture and regional development. With regard to the implementation of structural measures, the ministers expressed the view that the Funds were operating properly but certain improvements were needed in programme quality and implementation, financial management and the application of the principle of partnership. It was agreed that Structural Fund assistance procedures needed simplifying in order to reduce delays. In this connection, the need was pointed out for the decision-making procedure for the new Objective 2 programming and the use of the Community Initiative reserve to be as simple as possible. The ministers also fully endorsed the objectives of the SEM 2000 Initiative³. In addition, they recognised the role of culture in regional development and job-creation in the less advantaged regions of the European Union. They agreed that it would be desirable to develop Structural Fund assistance for various types of cultural activities such as the protection and development of the cultural heritage and the improvement of culture-related industries and products⁴.

The meeting devoted to spatial planning constituted an additional stage in the process of elaborating the European Spatial Development Perspective (ESDP) begun at the end of 1993. The ESDP will be an indicative document proposing a reference framework for spatial development for Community policies which involve this dimension (the CAP, the Structural Funds, the environment, major networks, etc.), and the spatial development policies of Member States and their regional and local authorities, as well as various cooperative projects in this area. The most recent contributions of Member State administrations on this subject were discussed in Venice. The analysis of major trends in European spatial development was continued in greater depth. However, the ministers stressed that studies of this type, which were necessary in the initial stages, should be temporarily suspended and

³ See Chapter II.B. Checks and financial management.

⁴ See also Chapter II.D. Complementarity with other Community policies.

during the next stage the emphasis should be on defining differentiated policy guidelines adapted to the particular characteristics of different parts of Europe. Some initial specific suggestions on this subject by the Member States were presented in Venice. The Italian Presidency also submitted two studies, one on the future of European cities and the other ways of making more of the cultural heritage. The ministers highlighted the importance that should be accorded to these two subjects in the future ESDP. They also reminded the Spatial Development Committee, which is in charge of drawing up the ESDP, that they hoped that by the meeting in June 1997 under the Dutch Presidency they would be able to give their opinions at on a first official outline ESDP which could serve as the basis for broad public discussion with the various parties concerned.

At the Ballyconnell seminar on 14 and 15 November, where spatial planning issues as such were not on the agenda, discussion focused on ways in which Structural Fund programmes could do more to encourage job creation, on the promotion of territorial employment pacts and on the first Report on Economic and Social Cohesion. It was generally agreed that the impact of Structural Fund programmes on employment should be made a priority in the next mid-term programme reviews. It was agreed that the Commission would draw up guidelines for adjusting current Objective 1 and 6 programmes, concentrating on the development of employment. There was also emphatic support for the goal of promoting 60 employment pacts under Structural Funds programmes. In discussing the Report on Economic and Social Cohesion, ministers expressed the view that progress towards convergence was being made and that Community structural policies had contributed to this progress. They stressed the need to maintain economic competitiveness and reduce economic and social disparities. They also agreed there was a need to continue efforts to improve the transparency and effectiveness of structural policies and to work for greater regional and thematic concentration of financial resources.

5. Committee opinions

The Committee on the Development and Conversion of Regions met four times in 1996. It issued only one official opinion, on the list of areas eligible under Objective 2 for the 1997-99 programming period. At the Committee's meetings there were many discussions on subjects of a general nature, the Commission provided information and exchanges of experience took place. The progress of programming was also discussed on the occasion of a talk by the Director-General for Regional Policy and Cohesion, on the presentation of the Sixth Annual Report on the Structural Funds (1994) and when information was given on the preparation of the new programmes under the Interreg II C Initiative and pilot projects in spatial planning (Article 10 of the ERDF Regulation). The Commission also informed the Member States' representatives about certain aspects of Structural Fund administration such as its procedures for adopting new programmes, the implementation of interim assessments and irregularities of which it had been informed in the context of anti-fraud operations. It also presented communications it had adopted and initiatives it had taken concerning links with other Community policies (environment, employment and innovation). Finally, as part of the SEM 2000 exercise, each Committee meeting addressed the question of the eligibility of expenditure under the Structural Funds. When it had presented its guidelines on this subject, the Commission consulted the Committee, and all the other Structural Fund Committees, for an initial examination of the eligibility criteria. The result was a consensus on the need for clear and transparent rules adopted in partnership between the Commission and the Member States. In parallel with the work of the group of personal representatives of Finance Ministers and pursuant to Council guidelines, a draft Commission Decision was presented to the Committees at the end of 1996, to be adopted at the beginning of 1997.

The ESF Committee also met four times in 1996. Following long discussions, the Committee created an *ad hoc* working group on the contribution of the ESF to growth with a higher job-creation factor in the context of existing measures to fight unemployment, particularly long-term unemployment. The group met six times in 1996 and presented its interim report to the Committee in September. As laid down by the Coordination Regulation, the Committee issued its opinion on draft Commission decisions on CSFs and SPDs under Objectives 2, 3 and 4 for the 1997-99 programming period. The Commission also informed the Committee about the implementation of innovative measures under

Article 6 of the ESF Regulation. Other subjects studied by the Committee were equal opportunities, the Green Paper on Innovation, the Commission's interim report on Objective 4 and the Adapt Initiative, the implementation of the Peace Initiative, the annual report of the Court of Auditors, and fraud-related irregularities reported by the Member States. Finally, at its last meeting in 1996, the Committee adopted its work programme for 1997.

The Committee on agricultural structures and rural development (the STAR Committee) met 11 times in 1996 and issued 155 favourable opinions. These concerned principally measures under Regulations (EEC) Nos 2328/91 on improving the efficiency of agricultural structures, 2078/92 on agricultural production methods compatible with the requirements of the protection of the environment and the maintenance of the countryside and 866/90 on improving the processing and marketing conditions for agricultural products. It issued favourable opinions on all the Swedish SPDs under Objective 5(b). The Committee also discussed other subjects such as compensatory payments, additionality and assessment.

The Management Committee on Fisheries Structures met five times in 1996 and was informed of all structural operations relating to this sector. The Management Committee for Community Initiatives met twice in 1996 and endorsed the allocation of the financial reserve and the new guidelines for certain Initiatives. The Committee held a initial policy debate at the end of 1995 which enabled the Commission, after consultation with the Member States and Parliament, to present a paper taking account of the comments made. Committee meetings also included exchanges of information and experience on trans-national cooperation under Community Initiatives, progress in implementing the Initiatives and the preparation of the Interreg II C programmes.

B. REGIONAL PARTNERSHIP

Following Commission approval, after consultation with each Member State, of the programming documents, 1995 was devoted to the gradual establishment of the new partnership arrangements. The Seventh Annual Report (1995) gave a first account of these activities, broken down by Member State and the different partners concerned. During 1996 the partners consolidated and progressively improved their practice. Application of the principle was complex and sometimes difficult, but one year is not long enough to assess significant advances at Community level. The Commission's work to further application of the partnership principle had three main strands in 1996: consideration in greater depth of ways in which partnership might be reinforced, as proposed in the previous report; promoting experimentation with complementary approaches, already recorded in the implementation of certain programmes; and increasing the capacity of certain partners, continuing to endorse the approaches arrived at during the annual consultation on 1995 structural assistance.

1. Consideration and promotion of new forms of partnership

A discussion paper was drawn up for the members of the 'Cohesion' group of the Commission; it noted that despite a positive balance overall, partnership remained imperfect in a number of cases and there was therefore room for improvement. It posed a number of questions about how to overcome difficulties in implementing the partnership and proposed specific guidelines for improvement while avoiding the pitfalls of either multiplying partnerships to an extent that defeats the purpose of the exercise or reducing participation in the partnership to that of national and regional authorities and Commission staff. The proposals were aimed in particular at:

- encouraging an immediate start to discussions in preparation for the period after 1999 on reformulating the legal framework to allow improved implementation of the partnership, in particular by clarifying the roles and responsibilities of each partner;
- reinforcing the current partnership within the Monitoring Committees by establishing, if necessary and politically acceptable, a differentiation between partners part-financing assistance ("decision

- partnership") and partners who are consulted ("consultative partnership") or by exploring other forms of consultation, coordination and cooperation;
- improving the technical and operational capacities of partners where necessary by supporting training, information and technical assistance measures.

More generally, the paper proposes promoting exemplary and innovative initiatives at Community level in cooperation with national and/or regional authorities. Such initiatives would include territorial pacts for employment or partnerships for employment that foster a dynamic policy at the appropriate regional or local level and are intended to enrich the activities of the Monitoring Committees and bring together those involved in job creation in informal meetings where discussions can be held and proposals put forward.

These proposals were contained in the Commission communication on Community structural assistance and employment⁵ and consolidated in its communication "Action for Employment in Europe - A Confidence Pact". To take advantage of the existing room for manoeuvre, the Commission specified the main priorities to be implemented and proposed establishing territorial employment pacts to mobilise the public and private sectors at the appropriate regional, national or local level. It stressed that, without actually creating new structures, a political momentum needed to be launched and promoted, either by a systematic approach initiated by the national authority concerned and applied throughout the region or area concerned, or by experimental approaches based on each Member State selecting the areas or regions it judged most appropriate, or, again, at the initiative of local authorities themselves. The Florence European Council (June 1996) subsequently called on each Member State to select, where possible, regions or towns suitable for participating in pilot projects concerning employment pacts so that such pacts could be implemented during 1997, partly by using the margins available under the structural policies. Technical documents were drafted and presented to the national authorities, in particular during an information meeting in November. The Dublin European Council (December 1996) welcomed the positive reactions to the initiatives concerning the territorial pacts for employment and called for the rapid implementation of the 60 projects proposed by the Member States.

The Commission helped the Member States to implement this strategy by drafting guidelines for the pacts:

- the range of partners should be as wide as possible and include national, regional and local authorities, the private sector, associations for the development or conversion of the area concerned, the socio-economic partners, representatives of citizens' cooperatives and associations, trade and professional organisations and chambers of commerce, institutions providing training, promoting technology or carrying out research and the chairpersons of the Monitoring Committees for structural assistance;
- each pact should produce a document giving an account of analyses carried out, the precise commitments of each participant and specific proposals adopted. The proposals may take different forms: measures that promote job creation; measures to assist specific sections of the population; proposals concerning social and labour law; suggestions to the socio-economic partners about working organisation and working hours; support for innovative or experimental pilot projects; improving education and training; improving the operational and administrative capacity of regional or local authorities and specific proposals addressed to the structural policy Monitoring Committees as to how to use available margins and more effectively direct structural assistance towards job creation.

⁵ COM(96) 109 of 20 March 1996. See Introduction and Chapter II.D. Complementarity with other Community policies.

Leader and the bottom-up approach.

One of the fundamental aims of Leader is to mobilise as broad a local partnership as possible. It has been found that the greater the involvement of local people, the greater the effort to find solutions appropriate to the specific problems of each area concerned. The most innovative Leader groups with the greatest chance of success are those which involve representatives of all the local socio-economic groups.

The Leader European Observatory, in collaboration with the Leader "*Alta Val Venosta*" group, organised a seminar in Trentino Alto Adige in October 1996 on the subject of "Partnership for innovation". The construction, results and timespan of the partnership were discussed. This local action group (LAG) was selected as an example of the creation of a culture of partnership in an area not traditionally propitious to this approach. The provincial authorities showed a particular interest in this project and provided substantial assistance. There are four levels to the partnership: a prefinancing partnership (Province, State, Commission); a partnership responsible for administration and the programme (inter-municipal association); the LAG; five informal working parties (agriculture, tourism, crafts, training and data transmission). Specific training programmes have been developed for each project.

Following the success of the Val Venosta seminar, the *Austrian Leader network* organised a meeting on the same subject in Schlierbach in December 1996. A study group for structural renewal was formed there made up of a number of concentric circles: the four founders, members of the association (about 20 people) and all the local actors from the different sectors involved (agriculture, alternative energy sources, education, business, etc.). This group stimulated new forms of cooperation and partnership. The association played a key role in forming the LAG of which it is one of the members. Since the area of Eisenwurzen is relatively well developed, the local actors focused on development projects to improve the quality of life and preserve the natural and cultural heritage.

In a different context, on the left bank of the *Guadiana in the south-east Alentejo*, a region lagging behind in development, with high unemployment, suffering from rural depopulation and with a traditional, not very structured society, an association was established in 1992 at the initiative of private individuals. The association gradually became a permanent forum for local development, bringing together municipalities and organisations involved in the development of the area. In response to the difficulties encountered under Leader I, the association included as many players as possible to create a permanent forum and a large number of working parties, trying in this way to involve local people, including those most marginalised.

2. Increasing the partners' capacities

Under Article 7 of the ERDF Regulation, the Commission contributes to measures to improve partners' capacity to participate actively in the monitoring of structural assistance. In this context, funding was allocated to the Council of European Municipalities and Regions (CEMR) to organise seminars on the participation of local authorities in preparing and implementing structural assistance in Objective 2 areas. A total of nine seminars were held in various Member States, with a final session in Brussels to review the results. This enabled the Commission to explain more fully its own guidelines for the new Objective 2 programming period, to become better acquainted with the practical operation of partnership at local level and to facilitate the systematic submission of proposals by local authorities concerning their participation in structural assistance.

3. Opinions of the other institutions on the application of the partnership principle

At the joint conference which they organised in 1996⁶, Parliament and the Committee of the Regions approved a final declaration which:

- states their belief that “it is necessary to redefine the principle of subsidiarity to make explicit provision for its application to regional and local authorities in accordance with the powers vested in them by the domestic law of the Member States, with a view to achieving greater efficiency [...]”;
- calls for “the principle of local autonomy as defined in the Council of Europe’s Charter of Local Self-Government to be incorporated in the Treaty as a general principle of Community law derived from the shared constitutional traditions of the Member States” and states that this principle “entails both respect for all the powers proper to the local authorities and the granting of the means necessary for their exercise”, also calling for “due recognition of the principle of regional autonomy by analogy with its equivalent at local level”;
- calls on the Commission and the Member States to ensure “a better horizontal and vertical coordination of EU policies to [...] limit the disadvantages to regions and local authorities [...]”;
- calls for “the principle of partnership, which has been tried and tested in the implementation of the Community’s structural policies and which constitutes a practical expression of the subsidiarity principle, to be more fully applied and strengthened by incorporating it in the EC Treaty and extending it to other policies, particularly those for which regional and local authorities are responsible” and recommends that “the Member States extend this principle to the social partners”;
- expresses the view that when the Structural Funds are next reformed, “they should be consolidated as instruments of economic development, with the following priorities [among others]: simplification, reduced bureaucracy and greater flexibility of procedures; more direct partnership with regional, local and social partners, particularly in the context of programming”.

C. DIALOGUE WITH THE ECONOMIC AND SOCIAL PARTNERS

1. The socio-economic partnership in the implementation and monitoring of structural assistance

The participation of the economic and social partners in structural assistance follows the rules laid down in Article 4 of the Framework Regulation, which specify that Member States should designate the economic and social partners at national, regional, local or other level following the rules and practices of the institutions concerned in each Member State. Consequently the composition and operation of the partnerships varies considerably from country to country according to the national cultural and political traditions, as well as varying from one Objective to another within the same country. The Seventh Annual Report (1995) presented the information available to the Commission about each Member State as regards the partners’ participation in preparing and coordinating assistance for the new programming period, 1994-99, and their involvement in the work of the corresponding Monitoring Committees.

1996 was a year in which rules and practices introduced for the new programming period were consolidated. Since the Monitoring Committees were set up in 1994 and 1995, the composition of the partnership within these bodies has stabilised. For example, the social partners are generally now represented on the Monitoring Committees for measures under Objectives 3 and 4, except in Portugal and the United Kingdom. In the latter case, representation is slowly being introduced for the regional Objectives, but is still not allowed for Objective 3. In Italy, the participation of the social partners in Objectives 3 and 4 has been established, but is applied to the regional Objectives to varying degrees. The participation of representatives to promote equal opportunities has been vigorously encouraged in Italy. They are full members of decision-making bodies in all the Member States except Germany,

⁶ “The European Parliament and the Regional and Local Authorities of the European Union for a Europe based on Democracy and Solidarity”, Brussels, 1-3 October 1996.

where they do not participate, but if one considers the degree to which they actually make use of this right, the situation is less homogeneous. The social partners have a certain influence in Austria, Denmark and Finland, related to the strong tradition of social dialogue in those countries. In the Netherlands they play a very important role because of their experience of debate on the ground (they are often the channel for signs of malfunction, in particular as regards Objective 4, since they are involved in training for workers). In Belgium and France, although their contribution is sometimes very constructive, it is generally on a fairly small scale and varies according to the programmes and representatives concerned.

However, the participation of the economic and social partners is not restricted to the Monitoring Committees, and it is strongly influenced by social and political structures, practices and traditions in each Member State. They are consulted by governments and often participate in defining employment and training policy part-financed by the ESF at national, local or regional level. Despite certain improvements (for example, in France, members of regional joint committees for employment and training), their participation at local level in the implementation of ESF operations still needs to be stepped up. Several innovative measures have been encouraged by the Commission, on occasion at the initiative of the social partners themselves (Finland), to organise operations to inform and train the social partners, since their involvement and influence depends on their having learnt how the ESF operates (in Finland an intensive training programme was drawn up jointly by employers and employees and seminars were organised; in Italy the unions organised training and studies on the role of the unions in the administration of the ESF; in France, agreements were concluded between the unions and the Ministry concerned on the training of advisors for inter-branch networks).

The situation as regards Objective 4 is more satisfactory in this respect, since the social partners are normally very involved in most of the Member States, where they continue their traditional forms of participation but are also more and more involved in promoting, devising and implementing projects. This is the case in Denmark (for the other Objectives too), Finland (where a project for restructuring the graphic design industries has been launched by the two trade federations concerned), France (emergence of collective operations between the national authorities and the economic and social partners with a view to initiating projects in small and medium-sized business and industry to improve quality and management, the environment and health and safety; establishment of a body collecting funds for training and also responsible for a multi-media training project in the food industry). Their involvement in this Objective sometimes even includes participation in programme management and the appointment of representatives of the social partners to promote Objective 4 in SMEs and assist them with implementation, as has been the case in the Netherlands.

It is very important for the quality of implementation of the Structural Funds to develop the active participation of the social partners both at local level and in projects, to provide the partners directly with information and training about the Structural Funds and to improve the match between the type of programmes and/or projects and the selection of partners and operational procedures. All these aspects therefore need to be further developed.

2. The economic and social partners at Community level

Encouraging participation

Commission operations to promote the participation of the social and economic partners are focused around three types of activity, already referred to in the context of regional partnership⁷: discussion, promotion and equipping them better for participation. All the analyses, discussions and proposals contained in the relevant Commission communications, the Report on Economic and Social Cohesion and the conclusions of the European Councils of Florence and Dublin cited above with reference to regional partnership apply equally to the economic and social partners. In terms of specific action to encourage participation, all the efforts to mobilise those involved, broaden the partnership and create

⁷ See B. above, Regional partnership.

informal forums for participation were equally directed at the economic and social partners. Similarly the initiative to promote territorial employment pacts is intended to facilitate the practical participation of the economic and social partners in improving the programming of structural assistance to increase its impact on employment.

To better equip the social and economic partners for participation, an ERDF technical assistance operation for the European Trade Union Confederation (ETUC) was adopted on the basis of the conclusions of the annual consultation of 1 February 1996. During the consultation it transpired that the social partners do not yet have the necessary technical capacity to monitor structural assistance. They are not always able to prepare specific proposals to improve the effectiveness of their partnership at national and regional level. The Community subsidy to the ETUC is to be used to hold various seminars and support a small network of experts. The seminars should enable the union leaders concerned better to understand and monitor structural assistance in Objective 1 and 2 areas and the most remote regions. Other seminars will concern horizontal assistance and inter-regional measures, and their content will be decided in collaboration with Commission staff in the light of the most important developments in the sphere of structural policies. The Commission will assist the ETUC in organising a small Community network of experts on regional development to facilitate the organisation of seminars, ensure the effective and efficient participation of the union leaders concerned and officially document the conclusions and proposals arrived at. In principle, the network will be made up of six half-time experts supported by other independent experts and headed by a coordinator who will organise several meetings to exchange information and discuss working methods.

As regards the ESF, following the pattern of previous years Commission relations with the three major pan-Union organisations (ETUC, UNICE and CEEP) in 1996 took the form of part-financing training operations in the context of the social dialogue, with particular emphasis on the issue of industrial change. These operations are to be seen as tools for enhancing social dialogue in order to deal better with the impact of industrial and technological change on industrial relations. They allow structural assistance under Objective 4 and the Community Adapt Initiative, which encourage the active participation of the social partners in their implementation, to be more effective. In the case of the ETUC, the operations part-financed consisted of 18 training courses in which trade union organisations from the fifteen Member States participated. The courses dealt with the impact of new technology on employment in areas such as the pharmaceutical industry, catering, mail-order trade and the textile and clothing industry as well as new methods of organising work in similar branches. Training sessions were also organised under the Conpri II project⁸ under the auspices of UNICE, as an extension of the Conpri programme. The seminars had three objectives: dealing with the changes brought about by industrial change in a manner both economically efficient and socially acceptable, contributing to training policies appropriate to the modernisation of production structures and improving competitiveness and industrial relations through the implementation of policies on with the human, logistical and organisational factors. The programme of operations presented by the CEEP, called EUREXCTER is designed to promote regional and local excellence in Europe and integrate an emphasis on quality into the social dialogue at regional and local levels.

In 1996 the ESF also continued to finance sectoral studies in partnership with the social partners concerned on the effect of industrial change on the world of work (qualifications, new skills and new trades in particular) in the footwear, clothing and civil aviation industries among others.

Consultation of the economic and social partners at European level

This consultation is organised on a sectoral basis as well as being a forum for the representation of all social partner organisations at European level. On rural matters the Advisory Committee on Questions of Agricultural Structure Policy is the forum for consultation with the socio-economic partners at Community level. It met three times in 1996 and gave its opinion on the application of certain measures. The Committee held a wide-ranging debate on the three accompanying measures to the

⁸ confederations of employers for industrial relations.

reform of the CAP (Regulations (EEC) Nos 2078/92, 2079/92 and 2080/92). It also gave its view on the Commission's report to the Council on young farmers and stressed the importance of the assistance provided, the difficulties involved in taking over farms and the need for information and training. With regard to Regulation (EEC) No 2328/91 on improving the efficiency of agricultural structures, various opinions were delivered on the status of those for whom farming is the main source of income, hill farming, the possibility of making the reference income more flexible and assistance for small farms. In the context of Regulation (EEC) No 866/90 on improving the processing and marketing conditions for agricultural products, discussion focused on the opening up of new sectors, taking account of the specific characteristics of different regions, the level of national aid and adjustment of the selection criteria. The Committee was also kept regularly informed about the preparatory work for the European Conference on rural development, to which the social and economic partners were invited.

The Advisory Committee on Fisheries is the official body for dialogue with those working in the fisheries sector. On several occasions it received information and explanations about the implementation of the FIFG, innovative measures under Article 4 of the FIFG Regulation⁹ and the Community Pesca Initiative. Commission staff also participated in the work of the joint committee on social problems in maritime fisheries, established as part of the social dialogue.

The Commission also consults annually all the social partners organised at European level as laid down by the Coordination Regulation of the Structural Funds (Article 31(2)). This consultation took place on 18 December 1996. Approximately thirty representatives of such organisations took part in the meeting, which Mrs Wulf-Mathies also attended. The main subjects discussed, by agreement with the social partners, were the Seventh Annual Report on the Structural Funds (1995), the first Report on economic and social cohesion, work in progress and the prospects for the future.

All the partners warmly welcomed the Commission's work on the Cohesion Report. They wished to see discussion of the analyses and questions raised by the report continued. Most partners stressed the importance of cohesion in the building of the Community and the need to find ways of making competitiveness compatible with the objectives of cohesion policy; they also recognised the difficulty of accurately assessing the impact of cohesion policy on other Community and national policies. Certain partners emphasised:

- the need to improve convergence between the Union's social policies and those of the Member States;
- the role the single market should play, despite certain continuing blockages, in increasing the competitiveness of the European economy and economic and social cohesion;
- the value of carrying out specific studies to identify better the causes of regional disparities;
- the need to protect the European social model;
- the value of improving analysis of the causes of unemployment and making more specific proposals to combat them;
- the need for a better forecast of the impact that economic and monetary union may have on regional imbalances and disparities;
- the value of a policy geared to specific local and regional characteristics to help create a level playing field between regions;
- problems affecting specific sectors such as fisheries and specific policies such as the CAP.

With regard to the content and orientation of future structural policies, all the partners stressed the need for a greater concentration of assistance and better targeting of Objectives and eligible areas. Certain partners also made more specific points concerning:

- seeking greater coherence between structural assistance and Community and national policies for employment in order to build on the guidelines of the Essen European Council, in particular support for active labour market policies;

⁹ See Chapter I.C.2.

- the fact that current aid must not be considered as an automatic right by the beneficiaries, although changes in the allocation of aid should not be too abrupt or harsh;
- giving greater attention to job creation, in particular by developing new sources of employment, local development and support for sectors sheltered from competition;
- the attention to be paid, in employment matters, to the issues of the environment, equal opportunities and the information society;
- the need to involve private firms more fully in structural assistance;
- a better balance between grants and loans by adapting instruments to the needs of small firms;
- programming structural assistance by sector rather than by geographical area;
- the role of economic services of general interest and the quality of their input in programming future assistance;
- specific problems in the fisheries sector.

As regards the operational side of structural assistance, all the partners agreed with the analysis of the Cohesion Report, namely that there is a need to simplify assistance procedures, reduce the number of programmes and Community Initiatives, improve the effectiveness of management systems, raise the profile of assistance and step up measures to combat fraud. The partners considered that the complexity of the present forms of operation limits their ability to participate actively in preparing and implementing assistance. They continued to ask to be more fully involved in both the planning and actual implementation of assistance and given more genuine responsibilities. Finally, all the partners expressed support for the work in progress on and prospects for the employment pacts initiative, qualifying their approval with the following points: if the partnership is opened to too many partners, this may limit its effectiveness; the social partners should be more involved in the process of area selection and in the preparation and implementation of the pacts; innovative projects allowing a greater degree of partnership work, in particular through public/private cooperation, should be sought.

The consultation showed that:

- all the partners appreciate the Commission's efforts in proposing guidelines better adapted to the problems of cohesion, development and employment;
- the Commission's analyses and proposals were on the whole well-received;
- there was a certain weakness in the partners' contributions, probably because their limited resources, the diversity of Community Initiatives and the multiplicity of forums for dialogue and consultation on these subjects (Social Dialogue Committee, Standing Committee on Employment, ESF Committee, the annual consultation, etc.). This confirms the need for Community technical assistance for the partners;
- there has been gradual progress in the partnership, although further progress remains to be made. At Community level, a better balance still needs to be found between the plenary session of the annual consultation and activities of the preliminary informal working party and/or bilateral contacts.

D. INFORMATION AND COMMUNICATION, SPREADING GOOD PRACTICE

1. Information and communication

The Member States have obligations concerning information and communication about operations financed by the Structural Funds, which are specified in Article 32 of Regulation (EEC) No 4253/88 and the implementing Decision adopted by the Commission on 31 May 1994¹⁰. Pursuant to this Decision, the Commission provided the relevant authorities in the Member States with a practical guide. In this sphere 1996 was devoted principally to a first inventory of operations undertaken by Member States, which should lead to an exchange of experiences on better practices in this field. The

¹⁰ Commission Decision concerning information and publicity measures to be carried out by the Member States concerning assistance from the Structural Funds and the Financial Instrument for Fisheries Guidance (FIG) - OJ No L 152, 18.6.1994.

second meeting of the Member State representatives responsible for ESF information was held in Brussels in June 1996. Member States reports on the implementation of Article 32 were presented. Considerable progress has been made in this field, although the situation is still very uneven among Member States. A third meeting of this informal network is planned for 1997.

In the sphere of regional operations, under Article 7 of the ERDF Regulation the Commission part-financed major events, the organisation of seminars and other individual operations. For example, it was represented by an information stand at 37 events, of which it initiated half and which were attended by more than 30 000 representatives of the political, academic and institutional worlds. The Commission made contributions through speakers, the organisation of assistance and documentation (more than 60 000 copies of various publications, plus 1 200 press releases and more than 300 press articles). Pilot projects aiming to develop better contacts with the media in Great Britain, France, Germany and Spain were also extended and the Commission provided detailed information, interviews and answers to 148 newspapers. The provision of rapid responses to questions from the press was extended and improved. To inform the general public, for the first time a brochure was published on projects carried out between 1989 and 1993. It was called *History of the Regions* and gave an account of 36 projects selected from the 1 000 listed with the assistance of the Member States. Other publications included information sheets on financing for regions eligible under Objective 2 and two brochures on *The Environment and Cohesion* and *Women, Players in regional development*.

To take better advantage of the opportunities offered by the electronic distribution of documents, the Commission also produced pages on the ERDF on its Internet server (Europa), including a database on operational programmes and invitations for proposals published in 1996 for operations financed under Article 10 of the ERDF Regulation. In 1996 the Commission plans to make this information available in the languages of the countries concerned. A photo library programme was extended to Germany and France, and its extension to Italy is being planned. This enterprise puts into practice the new principle of giving priority to publishing, on paper and in databases, examples of the many successful projects part-financed by the Structural Funds.

In the case of the ESF, a communications audit was carried out on those responsible for its implementation. This made it possible to evaluate the Fund's image, the information available, the tools used and the flow of communication between the different parties involved. As a follow-up, a set of measures were taken to facilitate comprehension of the ESF and raise its profile. In parallel with the audit, several new communications aids were launched in 1996. They included publications such as an information magazine on the ESF, 15 brochures designed for the general public on the ESF in each Member State, publications on the Adapt and Employment Community Initiatives, the information society (Green Paper on *"Living and working in the information society"*), and a brochure entitled *"Building the information society for us all in Europe"*. Other measures taken to improve communications were the establishment of an ESF site on the Europa server, and raising the ESF profile at public events (creation of a portable stand and exhibition material). As to the events themselves, a conference was held in Toulouse at the beginning of the year to mark the launch of Objective 4 projects, and the ESF took part in several events on new sources of employment (Rome, Dublin), the information society (Dublin), exchanges of experience among trainees benefiting from ESF aid (Herbeumont) and the exchange of know-how (Madeira).

The Commission intends to step up its activity in the sphere of rural development policy and has devised a strategy for publicising its activities better. For this purpose it will be using the services of an outside company, and an invitation to tender has been published. During 1996 the Commission organised the Cork Conference, a broad debate on rural development policy. It was held from 7 to 9 November and was extremely successful, with 500 participants engaging in very animated debates on the future of the countryside. Information was distributed principally through the European rural development network. The Commission has given the European Association for Information on Local Development (EAILD) the task of running the European rural development network. One of the essential tasks involved is issuing publications. Thus the EAILD publishes an information bulletin called *Info-Leader* about the network (10 issues a year in 7 languages) and *Leader Magazine* (3 issues

in 1996) publicising the results achieved under Leader and addressing the key rural development issues being debated in Europe; other publications include methodological guides and other technical papers on innovation measures, guides to Community operations and rural development, innovative measures for regional development and national and regional Leader programmes. Most of the information is also available on the Commission Internet site. An Internet site called "*Rural Europe*" has been set up with information in six languages, which allows exchanges between those involved in the rural world and participation in forums.

In the fisheries sector, several communications measures have been implemented, directed at both those working in the sector and the general public. 15 brochures were published and distributed on *European Union Aid to the Development of the Fishing Industry* (one per Member State). They summarise all the FIFG operations carried out in each Member State. The brochure on "*The European Community and the Fishing Industry - Practical Guide to Structural Aid*" and information pamphlets on "*The Common Fisheries Policy*" were produced and up-dated and translated into two new languages (Swedish and Finish). An information bulletin on the trans-national operations of Pesca¹¹ (*Pesca-Info*) has been published since December 1996. This information sheet, published in all the Community languages, covers the Pesca Community Initiative, areas dependent on fisheries and issues affecting the sector in general. In the same context, inter-regional meetings and conferences on particular subjects between public authorities, experts and those working in the sector were started up in December 1996 (the first, on training, was held at Glyngore, Denmark), with the aim of improving communication and increasing exchanges of experience between different countries and regions. The positions adopted at the round table on the conversion of areas dependent on fisheries (organised by the Commission in 1995) were also published and distributed. Several publications can also be consulted on the Europa server.

2. Spreading good practice and exchanges of experience

Measures to promote good practice and exchanges of experience were also stepped up considerably in 1996, principally because all the types of Structural Fund assistance became fully operational, so that initial experience of the implementation of assistance had been acquired. Many operations were also carried out under certain Objectives, as well as under Community Initiatives, pilot projects and innovative measures.

Firstly, one of the aims of the Community Initiatives is to promote cross-border exchanges, and in 1996 the Commission implemented several operations for the present programming period to promote such exchanges¹². Several Initiatives are based on networking to facilitate the exchange of experience between regions and those participating in the programmes. This applies to Leader in particular, for which the European Observatory for innovation and rural development organises a number of trans-national seminars each year on the local approach to rural development. For instance, seminars were organised in Sierra de Gata (Spain) to analyse local tourist potential, in Marina di Ascea (Italy) on the environment, in Växjö (Sweden) on new services for the public, in Bad-Windsheim (Germany) on the situation and prospects for rural Europe, in Alta Val Venosta (Italy) on partnership for innovation and in Languedoc-Roussillon (France) on communication and local identity. Other seminars provided an opportunity to learn from the first programming period or to prepare work for the current period through exchanges of information about implementation in Bolzano (Italy), Netze Band (Bavaria), County Kerry (Ireland), Santarém (Portugal), Dumfries (Scotland), and Forcalquier (France)).

Secondly, publicising experience of programmes under specific Objectives (CSFs/SPDs) was stepped up considerably. In the case of the FIFG, the publications referred to in the previous Chapter, such as *European Union Aid to the Development of the Fishing Industry* and *Pesca-Info*, often include examples of good practice. Similarly, a series of events to promote and publicise practices relevant to ESF assistance was held in 1996. In each Member State, the Commission strongly encouraged

¹¹ See Chapter I.B.1 Community Initiatives.

¹² See Chapter I.B.1 Community Initiatives.

exchanges of experience through the Monitoring Committees. At these meetings one or more projects are now presented, by their promoters themselves or by the authority in charge of administering the project, and these accounts give rise to discussion of ideas and practices and future contacts between the various players. Furthermore, Commission publications on the ESF give accounts of projects and thus contribute to the spread of good practice¹³. Such exchanges of information on good practice were also developed among Member States. They are an important factor in improving mutual comprehension and cohesion, as well as a valuable basis for future trans-national operations.

ESF and exchanges of experience.

The following are examples of some events which took place in 1996:

- a forum to foster participation by the beneficiaries of ESF operations (Herbeumont, June 1996). This exercise in citizenship was aimed mainly at those concerned by Objective 3 (job-seekers, the unemployed, recipients of social security). At the forum there were many exchanges between Belgian and other Community policy-makers, the social and economic partners, institutional and private promoters, social workers, etc.;
- a seminar on "a new Structural Funds objective: employment and industrial change" (Toulouse, January 1996). This seminar was intended to allow policy-makers, programme managers, social partners and those implementing projects to meet, gain a fuller picture of the economic and social issues involved in industrial change and examine their experiences in implementing Objective 4;
- a training seminar for ESF managers in the French in the French overseas departments and territories was extended to the other most remote regions (the Azores, Madeira and the Canary Islands) in June 1996. The purpose was to publicise what had been achieved in each region and promote contacts for later cooperative operations. The discussions focused on trans-national cooperation as a way of overcoming isolation, new information technologies and social exclusion and integration. Cooperation projects between regions resulted from these meetings and contacts were made which led to the participation of those responsible for programmes or projects in Madeira participating in the Réunion Monitoring Committee.
- a seminar on the ESF and new sources of employment (Italy, June 1996). In this case the main subjects of the presentation and discussion were the quality of life and the environment, protection of the environment, the cultural heritage and local services. The Commission presented an account of the initiatives being taken in the Member States, in particular using ESF assistance.

The most practical application of the spread of good practice and the transfer of experience is taking place in the context of pilot projects since, during 1996, several pilot projects financed under Article 10 of the ERDF Regulation were finalised¹⁴. These are "Regional Technological Plans" (RTPs), which have focused the attention of thousands of participants in the first four regions concerned: Wales (UK), Limburg (Netherlands), Lorraine (France) and Saxony-Anhalt (Germany). The completion of these four projects allowed the Commission to publish the first results of this type of exercise which involves the formulation of a regional strategy for supporting innovation in SMEs, based on an advance analysis of the needs of regional enterprises. Their approach attaches great importance to active consultation of and participation by business people and service suppliers (universities, technology transfer centres, Business Innovation Centres, etc.) in formulating action plans and the new instruments or projects to which they give rise. These Regional Technological Plans have had considerable direct impact on regional operational programmes, as may be seen from the introduction of new instruments or sub-programmes concerning innovation.

¹³ For example: "ESF Measures for the Long-Term Unemployed: a guide to good practice" in the United Kingdom; various publications on Objectives 3 and 4 in Sweden presenting interesting projects and giving the names and addresses of those running them.

¹⁴ For all the pilot schemes carried out under Article 10 of the ERDF Regulation, see Chapter I.B.2., Innovative measures and technical assistance.

The experience acquired and good practice learnt from these first projects were also used for the selection and launching during the second half of 1996 of 19 new similar projects, renamed "Regional Innovation Strategies (RIS). To disseminate the results, the Commission took several steps in partnership with the regions concerned. Firstly, the regions participating in the projects constitute a network whose activities essentially concern the exchange of information on best practices regarding the analysis of regional innovation potential and training methodologies, arrived at by regional consensus on the subject of promoting innovation. Secondly, a conference was organised by the region of Saxony-Anhalt with the Commission's support in April 1996 on the subject of promoting innovation and the information society in Structural Fund programmes. The talks given at this conference were based on the experience acquired of RTPs, "Regional Information Society Initiatives" (RISIs) - pilot projects launched during the 1994-96 period - and instances of best practice in projects financed by the Structural Funds in regions of Germany, France and the United Kingdom, so as to increase the innovation and information society-related content of their new SPDs under Objective 2. Lastly, a meeting to launch new RIS and RITTS projects was held in Luxembourg in September. The meeting was attended by more than 100 representatives of the regions involved in RIS/RITTS during 1997-98, and was intended to facilitate effective start-up based on the experience of the first pilot projects.

The Euro-Tradelink project: Developing electronic trade methods through the exchange of experience

In 1996 the Commission launched the Euro-Tradelink project in which Irish, Italian and Spanish SMEs participated under the direction of EMTel (Ireland), the aim being is to develop cross-frontier electronic trade in consumer goods. The project is based on the transfer of the experience of "Irish Tradelink" to other SMEs in Italian and Spanish regions to enable them to establish connections with each other and with other companies. This inter-regional cooperation is thus both a means and an end of the project, whose total cost is ECU 2.9 million, with a Community contribution of ECU 1 million. It is being developed in three phases:

- 1. a feasibility study and recruitment of trade partners. The purpose is to identify and recruit at least twelve trade partners to participate in phase 2. These should be equally distributed among the three countries, with preference given to SMEs located in Objective 1 regions. This phase was completed in 1996;*
- 2. experimental application of a service in the target regions. At this stage, the projects will be finalised to confirm the user community and the operational procedures. This will involve the approval of operational standards and procedures, the preparation of operating specifications, the identification and planning of the level of services provided for each enterprise, applications for documentation, training users, promotional activities and accompanying measures;*
- 3. extending the network to all the enterprises registered in the feasibility phase of the project, i.e. to more than 100 SMEs in the three Member States concerned.*

CHAPTER IV

EVALUATION

INTRODUCTION

Evaluation in the context of the programming cycle

The succession of Structural Fund programming periods makes it difficult to co-ordinate dates when the results of evaluations are available with those for programming or reprogramming decisions. There will inevitably be some lack of synchronisation in view of the fixed deadlines for programming decisions and the time required for launching and completing evaluation, especially *ex post*. Nevertheless, it is possible to make operational use of the results of evaluations, giving them an active role in the construction or correction of multi-annual programmes. The principle is to combine the results of evaluations for earlier periods with the evaluation work under way. As measures are relatively continuous from one period to the next, the recent past can throw light on programmes under way. This principle is applied as follows in the three main stages of evaluation.

- **Prior appraisal:** the purpose of prior appraisal is to prepare the adoption of forthcoming programmes. It is based mainly on the examination of the programme prepared by the Member State. Three series of results may be used to fine-tune prior appraisal: the first review of the achievements of measures in the preceding period; the results will be only partial, since the figures were collated at the beginning of the final year of programming, but will give some idea of successes and failures over the period; the on-going assessment for the preceding period, drawing conclusions from the first years of activity and the subsequent reprogramming; and the results of thematic evaluations begun during implementation of the previous programme along with any other evaluation required by the special circumstances of the programme or of a particular measure.
- **On-going assessment:** the role of on-going assessment is to verify whether the aims identified in the programme can be achieved, and to specify what adjustments need to be made to the programme to ensure that financing is used as efficiently as possible. On-going assessment is based on two main sources of information: the review of the early years of implementation of programming, obtained from the management reports of the Monitoring Committees; and the *ex post* evaluation of the previous programme - mainly for that part of the conclusions dealing with the same areas of assistance (many of which are covered for more than one period) - which is usually carried out at least two years after the end of programming.
- **Ex post evaluation:** *ex post* evaluation is completed several years after the end of the programming period. Like prior assessment, it is based on the review drawn up before the end of the period, and on the results of thematic evaluations during the period. However, field surveys are the main source of information for *ex post* evaluation; they assess the real and lasting impact of assistance. The results of this work are basic to reliable on-going assessment in the following programming period.

A. PRIOR APPRAISAL OF OBJECTIVE 2 (1997-99)

In the context of the preparation of the new Objective 2 plans, and in conformity with its obligations under Article 9(9) of the Framework Regulation, the Commission carried out prior appraisal of the programmes in order to help improve their overall quality and effectiveness. In particular, the programmes needed to reflect the priorities identified in the policy guidelines on Objective 2 for the period 1997-99, and to provide a sound methodological basis for the measurement of employment effects.

Lessons from the past : Although not all evaluations of the 1994-96 programmes had been completed when the programmes were being prepared, some of the new SPDs demonstrated that lessons had been learnt from the previous programming period and incorporated into their preparation phase. This related in particular to the context, analysis and design of the strategy. A good example related to the

Plan for Aquitaine, where the evaluators played an important role in re-designing the strategy along clear and well-argued lines, as well as reinforcing synergies within the programme. More generally, Plans based partly or wholly on evaluations or lessons learnt from previous programmes appear to have benefited from clearer and better focused strategies as a result.

Content and quality of the programmes

In the prior appraisal, particular attention was paid by the assessors to the following elements :

- the extent to which the priorities outlined in the Commission guidelines had been taken into account in the plans, and the degree to which they had been integrated within the proposed measures;
- the quality of analysis of the area concerned, including the identification of the principal barriers to sustained growth and the identification of development potential;
- an appreciation of the strategy presented in each SPD, especially the coherence between the declared objectives and the resources devoted to their achievement;
- the appropriateness of quantified indicators and targets, with particular regard to employment creation;
- with regard to the environment, the key issues concerned the quality of the environmental assessment of the area concerned and the environmental impact of the strategy and related actions presented by the Member States.

Respect for Objective 2 guidelines: In general, the programmes included the policy areas emphasised in the guidelines although the content and quality of their integration into the proposed plans varied considerably between the regions. Employment remained the main focus of all the programmes, although the effects of certain of the proposed measures on job creation were sometimes regarded by the evaluators as being too limited or indirect. Most Plans also favoured the promotion of SMEs and local potential as a driving force of regional economies, often associated, in the United Kingdom Plans for example, with the promotion of inward investment. A number of measures related to the environment but were focused on support for activities such as environmental and operational improvements to transport infrastructure and services rather than on business opportunities arising from environmental technologies. R&D and innovation-related actions were recognised as an important element in a strategic approach which sought to develop competitive and sustainable local businesses. Such actions were, however, often under-represented in the financial structure of the programmes. The principle of equal opportunities for men and women was, however, in general only partially addressed, and most plans failed to integrate this issue horizontally with other themes within the overall strategy.

SWOT analyses: The Plans were generally well presented and their strategies are consistent with the economic development context. SWOT (Strengths, Weaknesses, Opportunities and Threats) analyses were used in a more systematic way, although there was still scope for improvements in linking this instrument to the translation of the strategies into priorities and measures.

Strategic aims and objectives: The strategic approaches varied widely in terms of structure and contained differing degrees of geographical and sectoral orientation. In most cases, there was a strong degree of continuity of strategy between the new programmes and the previous period. Strategic aims were expressed in many forms with job creation the most frequently mentioned aspect in the Plans. Within the global aim of achieving economic development, some programmes focused on absolute (or relative) improvements in certain socio-economic criteria such as employment, population and income. Other strategic statements gave prominence to the conversion processes, e.g. diversification, modernisation or the target priorities of the strategy e.g. SMEs.

Almost all Plans had clearly presented, explicit strategic objectives, contributing to a further development of the strategic statement. Examples of aims embodied in strategic objectives included the growth of specific sectors such as tourism and transport, the exploitation of assets such as location and RTD facilities, and the nurturing of trends such as diversification of industrial activities,

strengthening competitiveness or greater entrepreneurial activity. Some also highlighted horizontal aspects of economic development, such as environmental sustainability and equal opportunities. In particular, many plans contained some sectoral targeting (e.g. the French and Italian Plans) or "drivers for change", in particular in the Dutch strategies, where there was an emphasis on the potential of knowledge-based approaches to develop new forms of economic activity.

On average, the Plans contained four strategic objectives, although these did not necessarily relate to the size of a programme, being more usually a measure of its complexity or number of development aspects. Whilst most Plans had explicit strategic objectives, it was not always clear how these had been derived from the regional economic analysis, or how the proposed programme of priorities and measures related to achieving them.

Targeting of measures: Compared to the previous period, the number and the range of proposed measures increased significantly even for programmes with relatively limited funding. The focus of strategies was also often over a broad range of assistance, rather than on few crucial aspects of economic conversion. SMEs and local potential were the main target in almost all Plans, in particular in Italy where the proportion of resources devoted to these measures represented more than 50% of total funding. The accuracy of targeting of training measures was not always satisfactory, the fact that most of them were very large in financial terms perhaps reflecting their lack of focus. The environment is included in a limited number of measures, and particular attention was paid in some Plans to the relationship between jobs and environment (e.g. Zuid-Limburg).

In general, measures were consistent with the strategic objectives and the priorities of the Plans. The majority of the measures contained concrete and quantified objectives, although baseline data should be provided. Specific selection criteria relating to the priorities outlined in the plans, in particular job creation, need also to be reinforced. ERDF and ESF measures were better integrated compared to the previous period 1994-96. ESF measures were better defined, although there shortcomings and unexploited opportunities were still evident as regards more innovative actions. Examples of good practice can be identified in a number of regions (Bremen, Tuscany, some Dutch regions) where management and co-ordination of training actions have been enhanced at local level. The Spanish case is distinctive in that, whilst human resources measures can be linked in substance to specific ERDF priorities, they are still presented separately.

Quantification of objectives and impacts: Progress has been made in quantifying objectives and impacts although there is a need for further improvement in most Plans. Regional authorities should be encouraged to develop indicators which more effectively monitor the effect of measures and priorities. More careful consideration is also required of the quality of certain indicators as well as the accuracy of the targets. Concerning the impact on employment, the methodological framework on "ex-ante quantification of employment effects" was transmitted to the Member States. Although indicators on measures and at programme level were generally listed, they were often insufficiently quantified. Where quantification was available, little explanation was provided as to the basis of calculation of these effects. A notable exception, among others, was the Aquitaine SPD, where the Commission's methodology had been widely followed and proved to be effective for monitoring and evaluation purposes.

Expected impact on employment: Substantial progress has been made in quantifying employment effects in the 1997-99 SPDs. In 55 SPDs, detailed estimates have been provided at measure level corresponding to around 66% of total EU funding. Most programmes focus on jobs created or safeguarded as a result of the assistance. They generally refer to gross jobs, and do not take account of deadweight and displacement effects. Notable exceptions providing specific estimates of net job creation are some UK and French SPDs. Data on gross job maintenance have been collected from the SPDs agreed, excluding those containing only global estimates. These data have been reclassified according to main areas of assistance in order to compare their relative efficiency in terms of average cost per job. The interpretation of these figures, is however, subject to caution in the absence of a standard methodology used in the various regions to estimate employment effects.

On the basis of these data, which would require further refinement, it is estimated that more than 870 000 gross jobs will be either created, saved or redistributed as a result of Objective 2 assistance over the 1997-99 period. The order of magnitude is, according to recent evaluations, around the same as the programmes carried out over the 1989-93 period. Temporary jobs represent a relatively small proportion of the overall employment effects, i.e. over 100 000 jobs for seven Member States. The three main recipient Member States (France, Spain and United Kingdom), which account for around 70% of total EU funding, contribute more than two-thirds of the gross jobs. The average cost per job - based on ERDF and ESF funding - is estimated at ECU 13 800. Considerable variation exists in the EU cost per job, ranging from an average of around ECU 4 400 in Spain to an average of around ECU 24 000 in Denmark. An explanation for this lies in the priorities pursued in the various Objective 2 strategies. In particular, where infrastructure investment is a priority, the job creation effects will take longer to become apparent than elsewhere and this will be reflected in a higher cost per job than in other regions where the emphasis is on, for example, SME support which has more immediate impacts.

Table IV-1: Objective 2, 1997-99 - Expected impact on employment

	B	DK	D	E	F	I	L	NL	FIN ²	UK	Total
Temporary jobs ¹	120	--	4 100	13 986	14 049	6 255	--	20 193	10 391	40 350	106 115
Created or maintained jobs	14 457	2 348	114 224	93 500	147 459	116 359	570	43 762	5 399	341 873	874 552
Average public cost per gross job (ECU) ²	16 177	51 006	11 181	9 159	16 811	15 698	21 842	17 484	--	13 305	13 847
Average EU cost per gross job (ECU) ²	7 226	24 251	5 466	4 475	7 196	6 065	7 107	6 521	--	6 219	6 154

NB. Data have been collected from agreed SPDs with the exception of 3 SPDs which do not include any information. A reclassification has been made.

The interpretation is, however, subject to caution in the absence of a standard methodology used in the various regions

¹ Data on temporary jobs are not estimated for Denmark and Luxembourg.

² Estimation of average cost per gross job relates only to measures for which data on employment effects are available. Jobs data for Finland are not related to measures or priorities and are therefore not included

Environmental appraisals: The majority of plans provide a strategic environmental assessment and address a number of environmental issues. Some plans presented detailed information following a standard format, with a matrix detailing possible impacts of measures/actions against environmental concerns and issues. However, this strategic assessment should be integrated in most plans with the provision of suitable environmental indicators. Another notable improvement concerns the association of environmental authorities, which is more widely accepted as part of the plans. As regards the inclusion of environmental issues, the link between measure and programme level has to be reinforced as well. Furthermore, environmental measures are often linked to the stimulation of local activity. They are rarely preventive in nature and there is no mention in most plans of the "polluter pays" principle or information on its concrete application. An example of good practice is the Finnish plan, whose special feature is the inclusion of prior appraisal of environmental impact and the involvement of environmental authorities in decision making, monitoring and evaluation (at programme and project level).

B. ON-GOING ASSESSMENT

The purpose of on-going assessment is to see how far the objectives pursued are being achieved, on the evidence of the implementation of Structural Fund programmes and the external environment. These assessments constitute a valuable management tool for the Monitoring Committees, for they contribute to decisions on changes to the programmes. As a rule, for programmes lasting for more than three years, a mid-term assessment is made after the first three years. For three-year Objective 2 programmes, interim assessment of the first stage replaces the mid-term assessment.

The 7th Annual Report (1995) explained that as a general rule, because of legal requirements, the interim assessment process for 6-year programming should comprise three stages: a preliminary report on the feasibility of the assessment, covering an analysis of the quality and content of the programming document and of the monitoring system established; a mid-term assessment report prepared after the third year of activity (i.e. 1996), followed by additional reports; and a first summary report at the end of 1999 which would provide the preparatory work for the final *ex post*

evaluation. In the case of Objective 2, the mid-term report would be replaced by an analysis before the end of 1996.

During 1996, good progress was made with setting up assessment arrangements in most of the Objective 1 regions. Except in Italy, the Monitoring Committees issued invitations to tender for the selection of independent assessors. Almost one hundred bodies were selected to carry out on-going assessments. Preliminary reports were drafted in most of the regions to verify the conditions for programme evaluability, and, where necessary, to flesh out the systems of indicators in the programmes. Mid-term reports will be available in the course of 1997, so that where necessary, assistance can be reprogrammed.

With specific reference to the programmes concerning human resources under Objective 1, which are major programmes involving significant volumes of financing in both relative and absolute terms, one interesting topic for on-going assessment is an analysis of how national policies have been reoriented as a result of the assistance financed. For example, emphasis in the period 1994-99 on socially-excluded groups was a major innovation in certain Objective 1 countries. Nevertheless, the priority for assessment is still the impact of reinforcing education and training systems. On questions of implementation, the preliminary mid-term assessment reports give an initial idea of where the bottlenecks lie, in particular at the level of monitoring and information systems, and the selection of projects, often limited to a formal analysis of eligibility criteria for expenditure. On the methodological side, in most of the Objective 1 regions, the inclusion of a set of indicators in the programmes was a major innovation of the 1993 reform of the Structural Funds. "Evaluability" is a recurring theme in the reports received so far.

For rural and agricultural development programmes under Objective 1, with measures applying on a nation-wide scale, an assessor has been appointed. Mid-term reports have already been presented for Ireland and Northern Ireland. There was a more specific report for Ireland, relating to the establishment of young farmers. It highlights the practical difficulties, caused chiefly by problems of succession and the high cost of capital investment to start up a holding.

For Objective 2, assessment has got under way in most regions. Altogether, 50 assessors have been selected by the Monitoring Committees, with the exception of the United Kingdom. In certain cases, on-going assessment was used for the preparation of the SPDs for 1997-99, where it made possible an initial review of assistance and enabled lessons to be learned about the strategy to follow and the type of measure to undertake. The Aquitaine region is a good example of this type of practice, with assessors playing an active role in the preparation of the programme; especially in terms of quantifying objectives and impacts.

For Objectives 3 and 4, the mid-term assessment process has also begun, with the appointment of independent assessors, the establishment of steering groups and the submission of the first preliminary report. These reports contain initial conclusions on programming, implementation and measurement of impact. For Objective 3, the priority of the mid-term assessment is to gain an initial idea of concentration on target groups and of the nature of Community value added. Available assessment reports show the different ways programming is implemented in the Member States. In certain cases, assistance increases the capacity of the arrangements part-financed in specific areas, and in others the ESF has acted as an incentive to the creation of new arrangements (this is the case, in particular for "personalised integration pathways"). The Community value added associated with these modes of assistance is very different. On the methodological side, the indicators are mainly the "classic" indicators of results at the level of beneficiaries (certification, immediate placement rates). Few indicators of specific results at the level of measures were planned.

Analysis of Objective 4 programming shows widely varying interpretations, depending on the strategic choices of the Member States but also on the national background. Two of the themes proposed for mid-term assessment are the participation of SMEs and the notion of workers threatened with unemployment. An initial examination of the selection criteria provided important pointers to

policy priorities. In certain cases, these criteria have not so far played their filtering role, since the novelty of the approach and the delay in implementation have led to a somewhat limited supply of projects. Another reason for the lack of projects may be that promoters must go through a learning process, as they are more used to measures like those of Objective 3.

Under Objective 5(b), efforts made in 1996 resulted in the establishment of assessment structures in the regions: a work programme, a working group appointed under the Monitoring Committee to monitor assessment, terms of reference for the selection of the assessor, and an assessor appointed for each programme. The procedure, in the framework of the Monitoring Committees, has been completed for all 83 SPDs under Objective 5(b). The Monitoring Committees understand the special nature of this exercise, since assessment helps improve management of the programmes and the forthcoming changes (1997-99). So far, assessment has been positive, since, with a few exceptions, most national and regional authorities represented in the Committees have understood the need for a transparent and professional assessment. The vast majority of contracts were awarded following a public call for tenders. The other condition for a useful assessment is that it should be ready on time. The Monitoring Committees therefore all asked for mid-term reports by the summer of 1997 (with some exceptions for the new Member States). Certain regions had already submitted an initial progress report before the final report, which, in most cases, was to be ready for the end of the first half of 1997. A data-base recording all the indicators in the programmes and their quantification has been set up by the Commission. It should make it possible to monitor the implementation of each programme, especially at the level of physical data and employment, and to produce national and Community aggregates.

Similarly, most of the FIFG Monitoring Committees issued invitations to tender for the selection of independent assessors for on-going assessment reports. These reports were expected in the first half of 1997. In Finland and Sweden, Objective 6 Monitoring Committees set up on-going assessment procedures. The invitations to tender were issued on time, and the bodies were selected. Mid-term reports are expected towards the end of 1997.

On-going assessment has also been organised for certain Community Initiatives. For Leader II, certain regions have decided to assess CIPs in the same framework as Objective 5(b). For others, especially in the Member States where programmes are established at national level, specific procedures have been introduced. The Irish report has already been submitted, and it shows that the programme has made good progress, with stress laid on acquisition of expertise and transmission of experience for new local action groups, but also that difficulties have been encountered in the introduction and running of measures. For Employment and Adapt CIPs too, arrangements for assessment on a partnership basis were introduced in 1996. Priorities for on-going assessment are directly linked to the nature of the Initiatives themselves, which means assessing how the principles of trans-nationality and innovation are reflected in the implementation of programmes and whether the results of the measures are disseminated with a view to the "mainstreaming" of good practice.

C. EX POST EVALUATION

1. Objective 2 1989-93

In the course of 1996, Structural Fund assistance was evaluated in the 60 areas eligible under Objective 2 in the period 1989-93, to assess the main results obtained and to help improve the operation of present and future measures. The *ex post* evaluations involved examining certain specific questions, such as: what impact did Objective 2 assistance have? How far did it contribute to industrial conversion in the areas? How far did the 1988 reform of the Structural Funds improve the implementation of the programmes, and their results? What lessons can be learned from the evaluation of Objective 2 programmes for 1989-93, and incorporated in a code of good practice? The main obstacle to this evaluation was that, in a number of Objective 2 areas, relatively little information was available on the outcome of the programmes for 1989-93. Where information was

available, performance indicators applied were not standardised, or not sufficiently comparable. Consequently, the results and conclusions presented below should be regarded as merely indicative.

Main conclusions

In general, the conclusion of *ex post* evaluation is that assistance under Objective 2 played a major role in the process of industrial conversion in the period 1989-93. While global macro-economic trends were not favourable for much of the period, Objective 2 programmes helped to sustain the process of structural adjustment in the regions affected by the decline of traditional industrial sectors. The short-term impact on unemployment and the long-term contribution to industrial restructuring were considerable. The evaluation also highlights the major effects of the 1988 reform of the Structural Funds.

Strategies implemented

The strategies adopted for CSFs and OPs made for coherent regional development strategies in many Objective 2 areas that did not have such strategies. The framework defined in 1989 by the European Commission highlighted the need, in line with the reform of the Structural Funds, to adopt a more integrated, focused and programme-oriented approach to the process of industrial conversion. The results of research in certain regions, e.g. in Spain, Italy and the United Kingdom, suggest that this framework forms a more solid base for regional development programming than before, even if certain aspects of the regulations governing the Structural Funds are regarded as too restrictive. In the regions where a strategic approach to regional development was well-established (France and Germany), this aspect of the value added by Objective 2 was less pronounced.

The leverage effect of the Structural Funds was considerable: for every million ECU of Community money, a further ECU 2 million was committed by the Member States. The Funds also elicited private sector financing, which accounted overall for about 20% of Objective 2 programme expenditure. It is difficult to assess the extent of financial additionality, but research shows that Structural Fund aid was crucial to enabling Objective 2 programming to continue, at least at the pace and in the volume achieved.

Objective 2 priorities were broadly similar in the various regions; but major differences were noted in the breakdown of resources between types of measure. As a rule, the breakdown of resources between measures reflected development priorities in the regions. For example, in the French and Spanish regions, the emphasis was on infrastructure investment, but elsewhere (e.g. the Netherlands, Italy and certain regions of the United Kingdom), support for the development of SMEs, tourism and human resources was more important. At the level of projects, the allocation of financing did not always reflect the strategic priorities, however.

The degree of external coherence was generally high, despite certain problems in adapting to CSFs in the Member States with existing well-established regional strategies. However, strategies often lacked internal coherence, with a few exceptions (e.g. the Netherlands). This applies in particular to the integration of ERDF and ESF measures. Differences in administrative procedures, institutional structures and responsibilities at national level made integration difficult. On the other hand, at the level of projects, the development of partnership in the Objective 2 regions helped to optimise links and synergies between measures.

Management of programmes

Because of the need to commit resources rapidly at the beginning of the 1989-93 programming period, the regional authorities in some cases introduced formal procedures for the appraisal and selection of projects after programmes had commenced. Delays in setting up CSFs and OPs mean that the regional authorities were initially under pressure to commit financing over a relatively short period. There was therefore a widespread tendency to take projects "off the shelf" or to select projects

on the basis of "first come, first served". The introduction of official appraisal criteria and procedures began, in most regions, when competition for financing grew keener. It would seem that by the end of the period, a much more rigorous approach was adopted for the evaluation of projects in most regions. The most sophisticated appraisal methods are probably those devised in the Netherlands and the United Kingdom (where scoring, weighting and ranking methods were tested).

In general, programme monitoring and evaluation practices proved inadequate, despite the measures adopted at the end of the period to reinforce them. In most regions, monitoring procedures were limited to checking financial indicators, with minor importance given to scrutiny of physical results. Research shows that, in most regions, the regional authorities had neither the expertise nor the resources for efficient monitoring of projects. For example, site visits do not appear to have been organised on a large scale. Most regions also encountered technical problems in analysing and using the monitoring data collected. There were few global mid-term assessments, although considerable research has been done into specific projects and specific aspects of programmes. In several regions, the shortcomings of monitoring and evaluation practices were one of the factors explaining the general lack of a strategic approach to reprogramming. It is nevertheless clear that measures were taken at the end of the period to improve procedures.

Approaches to programme management were not standardised; they were strongly influenced by institutional structures and national traditions in the Objective 2 regions. Broadly speaking, there seem to have been two types of approach: highly centralised structures (e.g. in Spain) and more decentralised structures (e.g. in the Netherlands, Italy and the United Kingdom). The Monitoring Committees played a major role in most regions, acting as a link between national, regional and local authorities and between the various economic and social partners in the regions. Their capacity to exercise genuine decision-making powers did vary, however: in certain regions, it seems to have been quite extensive, but in others (e.g. in Germany), it was much more limited.

With the 1988 reform of the Structural Funds, the partnership process gained considerable impetus. Research points to this as one of the major and most lasting benefits of Objective 2 assistance in the period 1989-93. It is also clear that major problems arose in the early stages. In some regions - in particular those whose administrative structures are relatively centralised - tensions arose between national and regional authorities on the matter of prerogatives for the setting of priorities and decision-making. In certain Member States, it was difficult to obtain a contribution from the private sector. However, it is clear that all the partners were going through a learning process, and that at the end of the period 1989-93, generally efficient partnership had been established in all the regions covered by Objective 2. Several partnership models have been developed: where the number of participants is relatively limited, the partnerships are more cohesive and easier to manage, while wider partnerships, although more representative, were often more difficult to co-ordinate. Here again, the type of model adopted tended to reflect specific features of the regions, in particular the size of Objective 2 areas.

Objective 2 strategies underwent a major adjustment during the programming period, but its purpose was to ensure maximum take-up of available financing rather than to change the regional development priorities. However, several regions adjusted programming to take account of the lessons of the period 1989-91. On the whole, where the effect of the adjustment was to shift the emphasis from infrastructure investment to measures liable to be of immediate benefit to employment, this was a good thing, in view of the incipient recession and the rise in unemployment rates.

Gross and net results

It is estimated that almost 850 000 gross jobs were created, saved or redistributed following measures under Objective 2 during the period 1989-93. After adjustment for additionality, the displacement effect and indirect effects, it is estimated that 450 000 to 500 000 net additional jobs altogether can be attributed to Objective 2 programmes. Of the 850 000 gross jobs, some 570 000 (or 67%) were due to

ERDF programmes, with the remainder resulting from ESF assistance. Three Member States, France, Spain and the United Kingdom, accounted for about 3/4 of the gross jobs created or maintained, which corresponds broadly to the distribution of appropriations between the Member States.

The average cost per job, on the basis of ERDF and ESF expenditure, is estimated at ECU 7 000 (gross) or ECU 14 000 (net). There was wide variation between the Member States in cost per job for estimated basic net job creation (450 000), from an average of about ECU 5 000 in Belgium to an average of ECU 20 000 in the Spanish Objective 2 regions. The reason for this can be found in the priorities pursued in the different regions covered by Objective 2. In particular, where infrastructure investment is a priority, induced effects on job creation are slower to materialise than in regions where the emphasis is on measures such as aid to SMEs, and this leads to a higher cost per job during the programming period. Taking both national and Community expenditure on Objective 2 programmes gives an average or global/real cost per net job of ECU 40 000. This figure is within the range expected for regional development measures.

Results of Objective 2 programming for 1989-93 also show an estimated 917 000 beneficiaries of training programmes supported by the ESF, and approximately 470 000 beneficiary SMEs.

As few regional authorities set targets at the beginning of the programming period, it is not easy to assess the degree to which the programmes have been successful. Information collected in the course of research shows that in only twelve of the 60 Objective 2 areas did the regional authorities set targets for ERDF measures in terms of employment. The authorities in 20 regions had set quantified targets for ESF measures. Where targets were set, they seem, in most cases, to have been not only achieved but actually exceeded. In certain cases, this may mean that performance really was better than expected, but it may also be that the targets themselves were not sufficiently realistic, or that monitoring systems were not capable of accurate measurement of programme results.

Impact assessment

Structural Fund assistance helped to ensure economic diversification of the regions, since the jobs created or maintained between 1989 and 1993 were equivalent to an estimated 0.7% to 1.3% of non-industrial jobs. The impact of Objective 2 measures on employment is certainly an important yardstick for measuring achievements, but the strategies adopted were essentially designed to address deep-seated structural weakness over a longer period. From this point of view, the contribution of Structural Fund measures to the diversification of the economies of the Objective 2 regions, and to reducing their dependence on traditional industrial sectors as a source of jobs and income, is a critical measure of success. In most of the Objective 2 regions, the conversion process was well under way at the end of the 1980s, but it is clear that Structural Fund measures played a major role in sustaining the process.

Moreover, Objective 2 programming slowed down the loss of industrial jobs: the level of employment was 0.9% to 1.8% higher than it would have been without assistance. As the programming period 1989-93 largely coincided with a deep recession, Structural Fund assistance to maintain jobs in declining industrial sectors clearly served important social and economic aims. Its impact is demonstrated by the fact that some 0.9% or 1.8% of industrial jobs (depending on whether gross or net effects are considered) were created or maintained thanks to Objective 2 programming.

Apart from the effects highlighted above, the evaluation also indicates that Objective 2 assistance had a considerable non-measurable impact. The most significant was probably the way it stimulated the development of regional partnerships and their capacity to plan and manage regional development strategies. The 1988 reform of the Structural Funds certainly had a major impact from this point of view. The repercussions of other changes made in 1988, especially the new emphasis on the principles of concentration, additionality and programming, are more difficult to assess.

2. Other ex post evaluations

In 1996, certain Objective 5(b) areas completed evaluations taking stock of results of the period 1989-93. Some Member States also decided to compile summaries of the contents of the various evaluations, although without enhancing the precision of figures for final results and impact. The DATAR (France) undertook a study into evaluation methods for Community programmes, and the problems encountered, assessing the dynamics of approaches adopted in different regions.

After a public invitation to tender issued in 1995, an assessor was selected for the Leader I Initiative in 1996, and the study, which is to cover 217 local action groups in the twelve Member States, began the same year. The first step was to produce a methodological report as a basis for forthcoming work in the Member States, with an original method for assessing innovation and the "bottom-up" approach.

D. ASSESSMENT OF MAJOR PROJECTS

1. Introduction

In 1996 a survey of appraisals of major projects attracting assistance from the ERDF and Cohesion Fund was carried out. It was an update of a survey looking at major projects in the first programming period (1989-93). The first survey, commissioned in 1994, examined the cost-benefit analyses (CBA) of 200 major projects approved for ERDF part-financing between 1989 and 1993. The CBAs were a requirement of Article 5 of the ERDF Regulations for applications for the part-financing of major projects. The aims of the exercise were to assess the overall quality of appraisal data; to compare the different methods of analysis used; and to identify key issues for the evaluation of major projects in 1994-99. The survey results are summarised in the "Fifth Annual Report on the Implementation of Reform of the Structural Funds 1993" published in 1995. The results were also used in drawing up the *Guide to Cost Benefit Analysis of Major Projects, in the context of EC Regional Policies*, which was published in 1995. Both the *Guide* and the results of the survey of major projects 1989 to 1993 were used in the preparation of training seminars for Commission officials dealing with major projects.

In 1996 a new survey of the major projects, with similar aims to the first, was commissioned. Once again 200 project applications were examined, split this time between 107 ERDF projects and 93 Cohesion Fund projects. The Cohesion Fund projects are applications for projects agreed in the period 1993 to 1996. The ERDF projects are for the period 1994-99. Although this sample cannot be considered to be fully representative of the major projects part-financed, it is nonetheless significant. In examining the results a number of things should be borne in mind. The information is that available at the time of the survey, June 1996 and is principally derived from applications. In some cases these are different from the final outcomes. The quality of the CBAs was considered in relation to best practice, and any criticisms do not necessarily imply that the applications themselves did not meet the regulatory requirements.

Table IV-2: Major projects - Breakdown by Member State

	ERDF 1994-99		Cohesion Fund 1993-96		Total sample "2nd generation"		Total sample "1st generation"	
	Number	%	Number	%	Number	%	Number	%
Belgium	2	2%	-	-	2	1%	-	-
Denmark	1	1%	-	-	1	1%	-	-
Germany	28	26%	-	-	28	14%	-	-
Greece	2	2%	12	13%	14	7%	2	1%
Spain	9	8%	51	55%	60	30%	54	27%
France	1	1%	-	-	1	1%	11	6%
Ireland	10	9%	8	9%	18	9%	55	28%
Italy	15	14%	-	-	15	8%	52	26%
Netherlands	1	1%	-	-	1	1%	-	-
Portugal	25	23%	22	24%	47	24%	26	13%
United Kingdom	13	12%	-	-	13	7%	-	-
TOTAL	107	100%	93	100%	200	100%	200	100%

In the second survey, over half the Cohesion Fund projects are in Spain, and close to a quarter are in Portugal. Germany and Portugal each provide a quarter of the ERDF projects looked at. There are significant differences between the two surveys. In the original survey, six Member States were covered. In the second survey, an additional five countries are included. Germany, which was not included in the first survey, accounts for 28 of the 200 projects examined. The contributions from Italy, Ireland and Portugal are much reduced in the second survey, although they are still significant.

The Cohesion Fund projects are split between the transport and environment sectors. Two-fifths of the ERDF projects are also in the transport sector, while relatively few major ERDF projects are in the environment sector. Transport represents the bulk of expenditure too, some 60%. Environment projects tend to be smaller than average, and expenditure on them makes up less than 10% of the total. Energy projects by contrast tend to be expensive, and the three projects in the sample account for 12% of expenditure.

Table IV-3: Major projects - Sectoral breakdown

Sector	ERDF		Cohesion Fund		Sample of "2nd generation" projects		Sample of "1st generation" projects	
	Total	Data*	Total	Data*	Total	Data*	Total	Data*
Transport	40	38	57	57	97	95	82	76
Water, environment	5	4	36	36	41	40	23	22
Energy	3	3	-	-	3	3	9	9
Other services	12	10	-	-	12	10	12	12
Industry	47	46	-	-	47	46	74	69
TOTAL	107	101	93	93	200	194	200	188

* Number of projects for which data on total investment costs are available.

2. Assessment of the appraisals

Table IV-4: Major projects - Overall assessment

	Comparison with previous exercise
Economic analysis	
Economic rate of return	+
Estimation of shadow prices	+
Evaluation of externalities	+
Financial analysis	
Changes in relative prices	+
Financial rate of return	=
Financial planning	-
Risk analysis	
Sensitivity analysis	+
Risk analysis	-

+ Improvement from the first to the second generation
 - Deterioration from the first to the second generation

Cost-benefit analysis is an established method for estimating the economic benefit of projects. The principle behind it is simple. The costs and benefits are listed, valued in money terms, added up, and the total costs subtracted from the total benefits. In practice, though, the development of useful and comparable results involves considerable work.

Accounting for time: The present worth of future costs and benefits is less than that of those occurring now. Thus, it is first necessary to estimate the stream of costs and benefits that come from the project *over time*, and second, reduce the value of those that occur later. In practice, it is normally assumed that the rate at which value falls over time (the discount rate) is constant. In deciding whether or not to invest, private companies often use discount rates of 20-30% or more. Projections over time are available in over 70% of second generation projects. On average the projections for the transport sector were for 20-30 years, for the environment and water sector they were usually a little longer, while the projects for industrial, service, education and health sectors were based on projections for 6 to 13 years. In general, the different horizons reasonably reflect the nature of the investment.

Rate of return: Once the costs and benefits have been valued and set out over time and a suitable discount rate applied, subtracting the total costs from the total benefits results in the Net Present Value (NPV) of the project. An alternative measure is the Internal Rate of Return (IRR). In most projects, the costs occur early, and the benefits arrive later. Thus the higher the discount rate, the lower the NPV. The financial IRR reflects the actual financial position of the project. The proportion of CBA appraisals that have estimated financial IRRs, about a quarter, has remained the same. However, there has been a decrease in the proportion of appraisals which contain details of the data on financial planning used in calculating the financial IRR. In some cases, more approximate financial indicators, such as the profit/income ratio, were given. In other cases, the calculation was not made because no income was forecast. About 70% of project proposals provided an assessment of the economic IRR (i.e. after adjusting the price of a good or service artificially inflated by a monopoly) compared to 50% of the first generation projects. The survey suggests that both financial and economic IRRs were of a similar order of magnitude in both generations of projects.

Sensitivity and risk: Two elements can be distinguished: an examination of the sensitivity of the forecasts to changes in the assumptions, and an appraisal of outcomes in the light of the risks attached to the project. In general, the treatment of uncertainty has been better in the second generation of projects. Progress varied across sectors, with improvements in the transport and energy sector, but a deterioration in the industry sector. There were no risk assessments in the 200 projects examined - a marked deterioration in relation to the previous period. However, it should be noted that the regulations do not require the provision of sensitivity or risk analyses.

Conclusion: The different composition of the two surveys makes them difficult to compare. In general, there has been a marked improvement in the quality of the CBAs presented in the applications for the funding of large projects. However, there is still room for improvement. The publication of the *Guide to Cost Benefit Analysis of Major Projects* will have brought about improvements in the CBAs, as will the increased attention to evaluation that has been shown in the implementation of Structural Funds.

E. THEMATIC EVALUATION AND OTHER EVALUATION ACTIVITIES

In 1996, the Commission decided to launch a series of thematic evaluations of the impact of Structural Funds in a number of key areas, such as research and development, small and medium-sized enterprises, and the environment. It is expected that the outcomes of the evaluations will be used to better target expenditure on those areas that are most effective; to improve monitoring systems so that they are better able to provide accurate, timely, useful information for the better managing and evaluation of the implementation of the Structural Funds; and to refine evaluation tools in these areas. The work will be launched at the end of 1997, and will last a year to 18 months.

Evaluation of measures financed by the ESF in the framework of the European Social Dialogue

The 1988 ESF Regulation was the first sign of the Community's concern to take account, in the context of the social dialogue, of the massive advent in the working environment of new technologies with a substantial impact on the labour market, both in quantitative and in qualitative terms. The ESF is able to finance "operations directed, within the framework of social dialogue, at staff from enterprises in two or more Member States and concerning the transfer of special knowledge relating to modernisation of the production apparatus".

The assessment of training measures in the framework of the social dialogue has produced preliminary results. The measures as such are of good quality. The social dialogue does not appear as a theme in the content of measures closely related to the themes of "industrial change" developed in the framework of Objective 4 and Adapt. The Commission's guidelines on the application of social dialogue measures were welcomed, since they clarified the concepts and the procedures. Nevertheless, their application highlighted a number of shortcomings such as the lack of linkage between these measures and the social dialogue at European level, which is considered solely as a general framework; the need to increase the specificity of the measures financed under Article 6 of the ESF Regulation in terms of the other Community measures involving the participation of the social partners, and a lack of suitable ESF selection procedures. Clarification of the objectives of social dialogue measures would seem necessary to render them more operational and encourage links with complementary programmes. The social dialogue dimension should be reinforced, which means closer co-ordination between departments within the Commission and between the Commission and the social partners.

The MEANS programme

1996 saw the second year of implementation of the three-year programme of Methods for the Evaluation of Actions of a Structural Nature, or the MEANS Programme (after its title in French). This programme, operated by the *Centre Européen d'Expertise en Evaluation* (CEEE), aims to strengthen the capacity of the Commission to manage Structural Funds and to be accountable for the public expense involved. There were three major priorities: first, to draw up reference frameworks for the three main types of evaluation (prior appraisal, mid-term assessment and *ex post* evaluation); next, to develop evaluation techniques. A number of workshops took place in which academic experts, experienced officials from central and regional authorities in Member States and various Commission departments participated. As a result of these deliberations three *MEANS Handbooks* were published on improving the quality of evaluations, evaluating employment effects of the Structural Funds, and assessing the synergy effects of the programmes. In addition, progress was made in workshops on the development of impact indicators.

A conference on evaluation techniques was held in Berlin in December 1996. It brought together over 300 policy makers, managers of Structural Fund programmes and projects, and evaluation specialists. The conference focused on six questions, around which there was discussion, the sharing of experience, and examination of evaluation techniques: how to measure the impact of the multi-annual programme approach which covers a wide range of structural measures at different levels; how to measure the macroeconomic effect of Structural Fund assistance that accounts for a significant percentage of the Member State's GDP; the adaptation of macroeconomic and other methods to examine the impacts of programmes in the small regions in receipt of Objective 2 and 5(b) funding; the measurement of the Structural Funds employment impact; the role of thematic evaluations in the on-going assessment phase, and appropriate methods to carry them out; and the definition of indicators and of quality criteria.

PART B

THE STRUCTURAL FUNDS IN DETAIL

CHAPTER V

SUMMARY BY MEMBER STATE

1. BELGIUM

1.1. Implementation of assistance by Objective in 1996

Support for the development of technological potential in the regions of Belgium:

Objective 1: Support for technological development features in several of the priorities in the development strategy for Hainaut and involves a full range of measures:

- development of centres of excellence (research centres, institutions and universities), technological support for businesses, international partnership and dissemination of scientific and technical culture in educational, scientific and business circles, development of communications centres in universities, research centres, training institutes and firms (RDT priority: ECU 85.9 million; total cost: ECU 188.8 million);
- research on new agricultural products and technological innovation in businesses,
- development of human potential in RTD (ECU 13.2 million; total cost: ECU 26 million) and training in advanced communications (technical training of technicians in firms and unemployed people, communications demonstration and information measures, utilisation by managers) (sub-priority Communications: ECU 1 million; total cost: ECU 2 million);
- under the Human Resources priority, innovation awareness (ECU 1 million; total cost: ECU 2 million).

Objective 2 (1994-96): The four SPDs all provide assistance for technological innovation, either as part of support for industry or services (Aubange, Limburg and Turnhout), or as a priority in itself (Meuse-Vesdre):

- Aubange: in-house training in businesses concerned with new technologies and growth sectors, training for young people, creation of inter-company training schemes (ECU 0.2 million; total cost: ECU 0.6 million);
- Limburg and Turnhout: thematic workshops and measures to encourage cooperation and technology transfer between industry and the service sector (ECU 0.8 million; total cost: ECU 2 million); stimulation of R&D in the field of the environment (for both regions: ECU 0.3 million; total cost: ECU 8.5 million);
- Meuse-Vesdre (ECU 16.8 million; total cost: ECU 40.5 million): development of R&D centres of excellence to help equip firms to participate in Community programmes and international research projects; cooperation between firms and research centres and development of new products and production methods; training in innovation and the development of human resources in universities and research centres.

Concerning more specifically data transmission applications in connection with the development of the information society, only Limburg and Turnhout have planned measures, in the context of development of business accommodation. Only Limburg has provided for development of telecommunications to maximise growth of the service sector in the region.

Objective 5(b): The SPDs for Westhoek and Meetjesland provide for technology transfer among the measures to develop businesses, research projects, telematics services and new agricultural products, and upgrade natural resources.

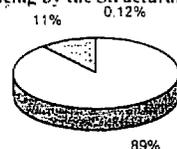
In total, Structural Fund assistance for technological development accounts for 13.6% of appropriations in Belgium (Objectives 1 and 2).

Table V-1: Belgium - Financing directly linked to technological development in 1994-99 (ECU million)

	TOTAL		Struct. Funds		Member State			
		%		%	Public	Private	Total	%
Objective 1	224,1	81%	100,9	45%	100,5	22,7	123,2	55%
Objective 2	51,5	19%	18,1	35%	20,7	12,7	33,3	65%
TOTAL	275,6	100%	119,0	43%	121,2	35,4	156,6	57%

NB The programming procedures and different approaches taken by the Member States invite caution in interpreting the figures, in particular spending on information society projects, which are often linked to other fields such as RTD and industry

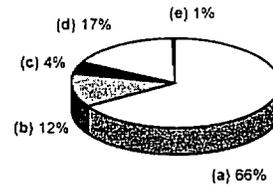
Financing by the Structural Funds



■ TIC □ RDT □ Telecom.

OBJECTIVE 1¹*Fig. V-1: Programming 1994-96 (ECU million - 1995 prices):*

Priorities:			
Stimulation of economic activity (a)			
Improving attractiveness (b)			
Transport infrastructure			
Equal opportunities (d)			
Technical assistance (e)			
By Fund:			
	ERDF	521,8	71%
	ESF	170,3	23%
	EAGGF	46,9	6%
	FIFG	1,1	0%
	Total	740,1	100%
I SPD			

**Main features of 1996**

The Monitoring Committee, which met in June and November 1996, studied the progress of measures and the outlook for the second phase, i.e. 1997-99, in the light of the results to date. So far, implementation of measures to support investment by businesses has been brisk: all the ERDF appropriations for the 'Aide' measure, designed to assist the development of SMEs employing less than 20 people, were used up within the year, while there was considerable uptake of the appropriations for the 'Ace' measure, to assist the creation of businesses employing more than 20 people, towards the end of the year as the measure picked up steam. By contrast, measures to increase the region's attractiveness made little progress (4.6% of appropriations had been absorbed by the end of 1996). Measures under the ESF include continuing training for the work force, reintegration of the unemployed in the labour market and modernisation of vocational training systems. Measures part-financed by the EAGGF account for approximately 7% of total financing under the SPD. More than half of these funds are allocated to horizontal measures, the remainder concerning rural development (local products, farm tourism, pony-trekking, etc). Management of these measures has resulted in good utilisation of appropriations. The small allocation from the FIFG, intended to increase the production of 'escabeche' was increased in 1996 by ECU 0.8 million by means of a transfer of appropriations from the EAGGF. Measures financed by the FIFG have made relatively slow progress.

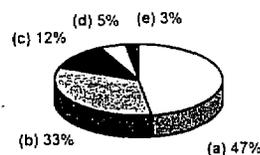
1996 in the context of programming for 1994-96

In view of the substantial consumption of appropriations under the 'Aide' measure, the Monitoring Committee decided, firstly, to increase the budget for the measure by ECU 33 million from the ERDF by reducing the appropriations allocated to measures deemed less pressing or making slower progress, secondly, to change the rate of ERDF part-financing for the measure, and, thirdly, to target it on manufacturing, a priority sector, (except for sectors assisted by the FIFG, the EAGGF or the ECSC) and services to businesses (including distribution centres and investments in logistic support to transport companies, but not including investments in movable transport infrastructure and courier services). In addition, negotiations were commenced, but not completed, in 1996 with the Walloon agencies with a view to improving the arrangements for implementing economic promotion measures for SMEs. Lastly, the entire financing plan for the SPD was amended to take account of the progress made by the different measures and the financial adjustments arising from various transfers or from the allocation of additional funds resulting from the indexing for 1994 to 1995.

¹ Only eligible region: Hainaut.

OBJECTIVE 2²**Fig. V-2: Programming 1994-96 (ECU million - 1996 prices and status):**

Breakdown by sector:			
Productive environment (a)		76,0	
Human resources (b)		52,8	
Land improvement and restoration (c)		18,8	
Environmental protection (d)		8,1	
Technical assistance (e)		4,1	
By Fund:			
	ERDF	110,6	83%
	ESF	22,9	17%
	Total	133,5	100%
4 SPDs			
	Average per SPD		33,4

**1996 in the context of programming for 1994-96**

The four SPDs for 1994-96 were closed. Since the appropriations initially programmed for three of them (Meuse-Vesdre (Liege), Limburg and Turnhout) had not yet been fully committed at the end of 1996, some allocations had to be transferred to 1997-99. In total ECU 28.7 million were transferred, i.e. 18% of the appropriations available for 1994-96. The transfer for the SPD for Meuse-Vesdre amounted to ECU 9.6 million (11% of initial assistance). It was mainly due to under-utilisation for three measures: "Development of business facilities" (temporary business premises and service parks), "Rehabilitation and redevelopment of derelict industrial sites" and "Environmental infrastructure". In addition, the financing plan was adjusted by transferring appropriations between measures. The chief transfer concerns a ECU 4 million increase in the ERDF contribution to the "Centres of excellence" measure, the purpose of which is to strengthen the ability of research centres to help businesses located in the eligible area. These appropriations were taken from measures to stimulate innovation in businesses which could not be implemented. In July 1996 agreement was reached on the arrangements for implementing the venture capital measure, which could then proceed. In the case of the SPD for Turnhout, ECU 5.6 million of unutilised appropriations were transferred (24% of initial assistance), while the annual instalments for 1994 and 1995 were closed and the first instalment for 1996 was committed. The transfer of appropriations to 1997-99 for the Limburg SPD amounted to ECU 13.5 million (29% of initial assistance) and, as in the case of Turnhout, the annual instalments for 1994 and 1995 were closed and the first instalment for 1996 was committed.

The SPD for Aubange was closed, since all Community appropriations had already been committed at national level before the closing date of 31 December 1996, once the Monitoring Committee had decided, in December 1996, to make transfers between measures and allocate the indexing, taking account of the programme's implementation. This led to an increase in the ERDF contribution to the "Business facilities" measure (temporary business premises and service parks) and a reduction in the ESF contribution.

Preparation of the 1997-99 programming period

Preparations for 1997-99 were also commenced in the second half of 1996 for each of the new SPDs, with no change in the eligible areas from one phase to the next. Preparations were still underway at the end of 1996, and some important points were still being discussed, for example in the case of the SPD for Meuse-Vesdre. In the main, the structure of the next wave of programmes is similar to those of the first phase. This is true, for example, of the SPDs for Turnhout and Limburg, except that, for Turnhout, a new priority for "Local economy" has been included and the allocation for infrastructure and premises for businesses has been reduced while that for innovation and technology development

² Eligible regions: Aubange, Meuse-Vesdre (Liège), Limburg, Turnhout.

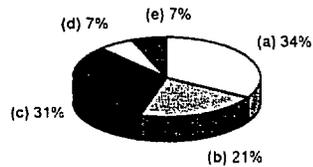
has been increased. Similarly, in the case of Limburg, a new measure entitled "Local employment initiative" has been included in each priority, while the overall structure of the programme is otherwise the same as for 1994-96.

OBJECTIVES 3 AND 4

Objectives 3 and 4 in Belgium are programmed in CSFs, each of which is implemented in five operational programmes. This complexity is due to the structure of the Belgian State, which consists of a federal government, three communities and three regions, and the authority responsible for each has its own specific powers in the areas covered by Objectives 3 and 4 of the ESF.

Fig. V-3: Objective 3 - Programming 1994-99 (ECU million - 1996 prices):

Priorities:	ESF
Integration of the long-term unemployed (a)	134,2
Vocational integration of young people seeking employment (b)	86,1
Integration of those threatened with exclusion (c)	132,9
Equal opportunities for men and women (d)	24,4
Aid for training and integration facilities (e)	24,3
Total	401,9
1 CSF/5 OPs	
Average per OP	80,4



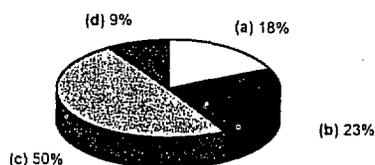
Implementation of Objective 3 has generally been satisfactory. Initial assessments give a positive first impression of the measures assisted by the ESF. Uptake of appropriations is close to 100% of the programmed annual instalments, with the result that some projects meeting the selection criteria have had to be rejected for lack of funds. About 70 000 people (outside of Hainaut, which is eligible under Objective 1) benefited from training, guidance or reintegration measures funded by the ESF. This is a remarkable number of beneficiaries in view of the budgetary constraints and the fact that under measures part-financed by the ESF priority is given to the most deprived groups (young people without qualifications, older unemployed people, the very long-term unemployed, etc). The programmes give a key role to "pathways to integration" and partnership between the different promoters. Under this approach, a pathway to integration is designed for each unemployed person. Implementation thus requires close cooperation between promoters (public or private) and the public authorities.

Example of an Objective 3 project in Belgium: "Cad Design" - an industrial design training project

The originality of Cad Design is that it brings together several partners: the Federal Ministry of Employment, the Cefora (training centre of the joint national auxiliary committee for employees), the training and employment fund for employees in the metal manufacturing industry in Brabant, the IBFFP and a public vocational training institute. The training provides a qualification and lasts for 10 months (approx. 1 600 hours). It makes use of the most powerful computer aids and offers a real opportunity for conversion to job seekers without any prior qualification but with a personal flair for industrial or technical design and an interest in creative project work. The training is designed to enable trainees to take initiatives in a proposed industrial project. The ESF is contributing ECU 120 000 per year towards an annual total cost of ECU 300 000.

Fig. V-4: Objective 4 - Programming 1994-99 (ECU million - 1996 prices):

Priorities:	ESF
Anticipation of labour market trends (a)	12,7
Improvements in training and guidance schemes (b)	16,3
Development of training and guidance (c)	35,0
Horizontal measures (d)	6,2
	Total
	70,2
I CSF/5 OPs	
	Average per OP
	14,0



Difficulties were encountered in setting up Objective 4 because of the large number of competent authorities resulting from the structure of the Belgian State. 1996 must therefore be considered the first year of actual implementation. Uptake of ESF commitments to Belgium are close to one quarter of the total amount initially programmed. It must be recognised that a very long time is needed to implement plans under this new Objective. The target of 6 000 employees of SMEs (outside Hainaut) benefiting from a training measure under Objective 4 was nevertheless reached in 1996. Thanks to the effort made by the Belgian authorities to inform the target groups of this instrument and the encouraging number of files newly submitted, the Community programmes can now be expected to reach their cruising speed.

OBJECTIVE 5(a) Agriculture

Table V-2: programming 1994-99 (ECU million - 1994 prices)

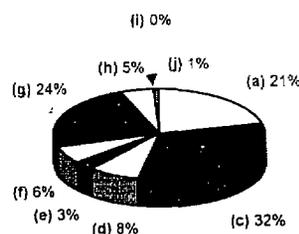
Total	Measures		%
170,4	Production	140,4	82%
	Marketing	30,0	18%

With regard to improving the efficiency of production structures, assistance to young farmers and aid for investment in farms are granted by both the federal government and by the regions of Flanders and Wallonia. Wallonia is, by contrast, alone in paying compensatory allowances in less-favoured areas. During 1996, Wallonia began the task of recasting its legislation applying Community rules, which should be completed in 1997. A similar operation in Flanders resulted in Commission approval, in December 1996, of an investment and start-up aid scheme. Implementation of aid for the processing and marketing of agricultural and forestry products is making good progress in both regions. Most projects are innovative and respect the environment.

OBJECTIVE 5(a) Fisheries

Fig. V-5: Objective 5(a) fisheries - Programming 1994-99 (ECU million):

	FIFG
Adjustment of fishing effort (a)	5,2
Other fishing fleet measures (b)	0,0
Modernisation and renovation of the fishing fleet (c)	7,9
Aquaculture (d)	1,9
Protected marine areas (e)	0,7
Port facilities (f)	1,5
Processing and marketing of products (g)	5,9
Promotion of products (h)	1,2
Socio-economic measures (i)	token entry
Other measures (j)	0,2
	Total
	24,5
I SPD	

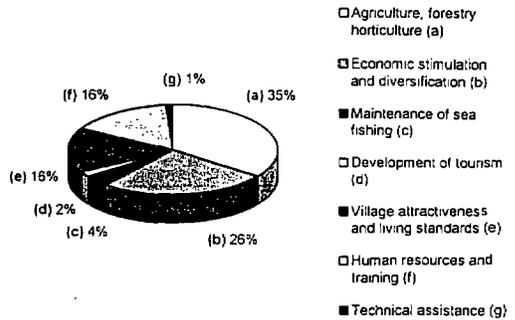


Implementation of the SDP programme in 1996 was slow because of the caution with which investors have greeted this new instrument in view of the difficulties faced by the sector. Projects commenced in previous years have been implemented and completed, but there has been hesitation about embarking on fresh investment projects.

OBJECTIVE 5(b)³

Fig. V-6: Objective 5(b) - Programming 1994-99:

Population ('000 inhab.)		448
Area (km ²)		6.831
<i>ECU million</i>		
By Fund:		
	EAGGF	23,8
	ERDF	41,1
	ESF	13,2
	Total	78,1
3 SPDs		
	Average per SPD	26,0



Implementation of the two programmes for Flanders (Westhoek, Meetjesland) ran into some difficulties, while that of the SPD for Wallonia picked up speed in 1996. The difficulties with the Flemish SPDs were mainly due to technical assistance problems and the search for regional part-financing, which was decided on in May 1996 for the agricultural section, so that projects could be launched, but had not yet been settled by the end of the year for the other parts, such as the economy, industry, tourism and social affairs. This explains the delays in financial implementation for the two Flemish areas. Implementation of the programme in Wallonia has gained speed in terms of both financial implementation and actual progress on the ground. The Monitoring Committee studied the overall situation in the wood industry in order to improve the conditions for granting assistance and the regional authorities held a seminar on integrating training measures in development projects. One of the main subjects which occupied the Monitoring Committees was the launch of evaluation for all programmes (selection of assessors, definition of terms of reference for evaluation). In addition, the ESF assistance under the SPDs for Meetjesland and Wallonia was adjusted (for Meetjesland unutilised assistance was carried forward and for Wallonia the financing tables were adjusted to facilitate management).

³ Eligible regions: Wallonia, Meetsjesland, Westhoek.

Table V-3: Belgium - Assistance by Objective - 1996 in the context of programming for 1994-96/99 (ECU million)

Programmes (year of adoption)	Total cost	S.F assistance (1)	Commitments 1996	Commitments 1994-96 (2)	% (2)/(1)	Payments 1996	Payments 1994-96 (3)	% (3)/(1)
Objective 1								
SPD Hainaut	2.356,4	740,1	122,7	229,7	31%	91,8	171,5	23%
Objective 2*								
SPD Aubange (1994)	3,2	1,3	0,0	1,3	101%	0,1	0,6	46%
SPD Liège	290,8	80,2	58,5	81,0	101%	15,9	27,1	34%
SPD Limburg (1994)	89,2	33,9	23,9	38,8	114%	3,1	10,6	31%
SPD Turnhout (1994)	44,7	18,1	-4,0	19,4	107%	1,6	11,7	65%
Total	428,0	133,5	78,4	140,6	105%	20,7	50,0	37%
Objective 3								
OP Flemish Community (1994)	632,0	188,3	59,2	89,6	48%	45,3	69,9	37%
OP French Community (1994)	361,7	159,6	26,3	78,1	49%	26,3	65,2	41%
OP German-speaking Community (1994)	12,4	5,5	1,5	2,4	43%	1,4	1,9	34%
OP Brussels (1994)	32,7	12,5	2,0	5,7	46%	1,5	3,9	31%
OP Ministry of Employment (1994)	94,3	36,0	5,9	16,8	47%	7,5	15,6	43%
Total	1.133,0	401,9	94,8	192,6	48%	81,9	156,4	39%
Objective 4								
OP Flemish Community (1994)	107,9	43,7	5,4	8,8	20%	2,7	4,4	10%
OP French Community (1994)	54,8	17,8	1,0	1,2	7%	0,5	0,6	3%
OP German-speaking Community (1994)	1,2	0,5	0,0	0,1	15%	0,0	0,1	15%
OP Brussels (1994)	7,0	2,2	0,0	0,3	13%	0,0	0,1	7%
OP Ministry of Employment (1994)	15,7	6,1	5,3	6,0	98%	2,7	3,0	49%
Total	186,7	70,3	11,7	16,4	23%	5,9	8,2	12%
Objective 5(a) agriculture								
SPD Flanders Regs. 866 and 867/90 (1995)	227,5	23,5	4,1	9,9	42%	4,9	7,8	33%
SPD Brussels Reg. 866/90 (1995)	11,1	1,1	0,0	0,3	24%	0,0	0,1	12%
SPD Wallonia Reg. 866 et 867/90 (1995)	45,9	5,3	0,9	2,4	45%	1,2	1,5	20%
Forecasts Flanders Reg. 2328/91 (1994)	130,5	48,1	7,7	17,9	37%	6,9	14,1	29%
Forecasts Wallonia Reg. 2328/91 (1994)	96,1	29,3	3,5	11,7	40%	3,5	9,4	32%
Forecasts federal level Reg. 2328/91 (1994)	186,4	62,9	10,6	37,6	60%	26,1	26,1	42%
Total	697,5	170,4	26,8	79,8	47%	42,6	59,1	44%
Objective 5(a) fisheries								
SPD Belgium (1994)	91,9	24,5	20,4	24,5	100%	16,3	19,6	80%
Objective 5(b)								
SPD Meetsjeland (1995)	34,2	10,3	0,0	1,2	12%	0,0	0,6	17%
SPD Wallonia (1995)	135,4	41,4	6,4	11,3	27%	3,2	5,6	17%
SPD Westhoek (1995)	96,6	26,4	0,4	3,5	13%	0,3	1,8	17%
Total	266,2	78,1	6,9	16,0	21%	3,5	8,1	10%
TOTAL	5.159,7	1.618,8	361,8	699,6	43%	262,7	473,0	29%

* After deduction of transfers to 1997-99

1.2. Implementation of the Community Initiatives in 1996

Note:

Belgium is participating in all the Community Initiatives except Regis, resulting in 26 programmes, including seven Interreg programmes. At the end of 1996, the CIPs for Leader had not yet been approved.

Support for the development of technological potential in Belgium:

The Belgian CIPs investing most in technological development are the SMEs and Interreg programmes. Both the SMEs programmes support technological innovation as a key to improving the competitiveness of businesses and creating jobs. The programme for Wallonia is investing ECU 1.3 million (total cost: ECU 1.8 million) in the creation of a technology activity centre to help firms make best use of research centres, the services provided by universities and regional innovation aid, and to access information and make contact with those operating in research and innovation. The programme also aims to facilitate access to information technology and full utilisation of its potential through the use of databases and shared communications services. The Flemish SMEs programme gives pride of place to assisting and implementing innovation projects and coordinating and developing RTD networks.

Under Interreg II, ECU 2.5 million (total cost: ECU 5.2 million) are provided for RTD and ECU 0.8 million for communications and data transmission applications (total cost: ECU 1.7 million). The CIP for Hainaut/Nord Pas-de-Calais/Picardie supports economic activity through the development of research and technology and communication projects, and encourages exchanges between scientific centres and centres of excellence. The CIP for West-Vlaanderen/Nord-Pas de Calais gives priority to strengthening and diversifying training and research potential in the targeted sectors (e.g. technology transfers). The CIP for

Belgium, France and Luxembourg supports individual and collective training and technological innovation projects (e.g. training networks and infrastructure). In addition, the CIPs for Belgium and the Netherlands and for Belgium, the Netherlands and Germany provide for cooperation between businesses and with research centres and technology transfer as means of stimulating innovation and the modernisation of production methods and products in firms. In the field of communications and telematics, the programme for Hainaut/Nord-Pas de Calais/Picardy provides for cross-border advanced communications poles and the creation of a vocal, optical and data communication network. The Belgium/France/Luxembourg programme seeks to develop teleworking and use of data transmission for education and technology development (e.g. databases, multimedia, distance education, etc).

In the context of the Initiatives concerned with the conversion of industry, one of the main measures under Resider II aims at promoting technology development in Liège with a contribution of ECU 2.7 million (total cost: ECU 5.4 million) and, in Charleroi and Centre, with a contribution of ECU 1.9 million (total cost: ECU 3.7 million). The purpose of the measure is to help research centres and universities with equipment, to help businesses analyse their strengths and weaknesses in terms of RTD and acquire advanced technology with which to modernise their production systems and to encourage the spread of technology. The Retex Initiative in Flanders also supports technology development and training with a view to preserving the textile industry. The Horizon section of the Employment initiative provides assistance to encourage telecommuting, distance training and computerised interactive learning for the disabled and the most disadvantaged groups (ECU 1.8 million; total cost: ECU 4 million).

Lastly, the Leader programme is contributing ECU 0.2 million (total cost: ECU 0.4 million) to the construction of a communications centre in Wallonia and the development of computer facilities, telecommuting and communications as support infrastructure for local production centres.

Three new Community Initiative programmes were adopted in 1996, namely: the SMEs programme for Flanders, Retex Flanders and Urban Brussels. In addition, allocation of the Community Initiatives reserve, worth an additional ECU 55.2 million, will allow all the Initiatives (except SMEs) in which Belgium participates to be strengthened, with the lion's share going to the new Interreg II C and Employment, for which the competent Belgian authorities have presented a draft programme to include the new section Integra from 1997. The same applies for the new Adapt-BIS initiative and the strengthening of Pesca⁴.

Regarding the existing programmes:

Urban: the projects already approved under the Antwerp programme account for ECU 1.6 million of the ECU 2.6 million programmed. A further ECU 1.4 million will be allocated from the reserve; and will be earmarked for a new measure ("Handelspandenbeleid"). The financial structure of the CIP for Brussels was adapted to change the contribution of the private partners and the scope of the measures concerning two business centres in Brussels. The decision will be finalised during 1997.

Employment: the two programmes are now well underway. In Flanders, 42 projects were selected and commenced in 1996 (19 projects under Horizon, 15 projects under Now, 8 projects under Youthstart), with a total of 1 227 participants (264 for Now, 87 for Youthstart, 876 for Horizon). The promoters are extremely varied, while the measures mostly concern training. In the French and German-speaking communities, 89 projects were approved and launched in 1996 (26 projects under Now, 15 under Youthstart, 48 under Horizon). The themes are varied: 35 training projects, 30 concerning training schemes, 16 concerning job creation and 8 dissemination/information.

Adapt: under the programme being implemented in Flanders, 23 projects were selected in 1995, the great majority of which were launched in 1996 and concern sectors like textiles, electrical engineering, environment, construction, transport and tourism. The emphasis is more on innovation, participation of SMEs and increasing the requirements as regards the qualifications of employees, and less on technical aspects of adaptation to change. The promoters are fairly diverse (Regional vocational training and employment office, association of independent workers, other training and education establishments, chamber of commerce and provincial government). The 35 projects were

⁴ See also Chapter I.B.1. Community Initiatives.

approved in the French and German-speaking communities in 1996. The regional priorities are improving levels of qualification, competitiveness of businesses, the environment and the creation of new jobs. The measure most utilised concerns training (22 projects).

Resider: the programme for Liège is fairly far advanced, with all the allocated appropriations for three measures under the priority concerned with promotion of technological innovation already committed at national level. The programme for Hainaut provides for the creation of a start-up fund for SMEs, for which the implementing arrangements had yet to be brought into line with the Commission's communication of July 1995 on financial engineering. These arrangements were worked out by the Walloon authorities and accepted by the Commission in September 1996.

Leader: the programmes were not yet ready for adoption in 1996. Both programmes for Flanders (Meetjesland and Westhoek) were presented in October 1994 and several amended versions have been submitted, but further adjustments were still needed before they could be adopted by the Commission, particularly to avoid any overlapping with the SPDs for Objective 5(b) and to reduce the technical assistance. In the case of Wallonia, too, the regional authorities continued in 1996 to prepare their programme proposal on the basis of the Commission's comments. The Commission is expected to approve the programmes at the beginning of 1997.

Most of the Community Initiatives were adopted by the Commission during the second half of 1995 and the first half of 1996, so actual implementation commenced during 1996. In almost all cases, Community appropriations were committed using the single commitment procedure, so commitments and payments to end beneficiaries began to be booked in 1996, but the sums involved are still fairly small.

Table V-4: Belgium - Community Initiatives - 1996 in the context of programming for 1994-99 (ECU million)

Initiative (Number of programmes)	Total cost	S.F. assistance* (1)	Commitments 1996	Commitments 1994-96 (2)	% (2)/(1)	Payments 1996,0	Payments 1994-96 (3)	% (3)/(1)
Adapt (2)	91,9	31,2	25,5	31,2	100%	6,5	9,4	30%
Employment (2)	70,7	32,1	10,4	32,1	100%	5,2	16,1	50%
Pesca (1)	4,3	2,0	1,7	2,0	100%	0,4	0,6	30%
SMEs (2)	22,9	12,1	4,6	12,1	100%	1,8	4,0	33%
Rechar	58,1	15,7	0,0	15,7	100%	0,0	7,8	50%
Konver (3)	30,4	11,5	0,0	11,5	100%	0,0	5,7	50%
Resider (2)	52,9	24,4	0,0	23,7	97%	6,3	11,8	48%
Retex (2)	9,0	4,4	1,4	4,4	100%	0,7	2,2	50%
Urban (3)	37,6	10,4	2,2	10,4	100%	1,1	5,2	50%
Total (19)	377,7	143,8	45,8	143,1	99%	22,0	62,9	44%
<i>Interreg/Regen (*)**</i>								
<i>CIPs adopted in 1996</i>								
SME Flanders	8,6	2,7	2,7	2,7	100%	0,8	0,8	30%
Retex Westhoek-Middenkust (Vlaanderen)	3,0	1,4	1,4	1,4	100%	0,7	0,7	50%
Urban Brussels	11,1	2,2	2,2	2,2	100%	1,1	1,1	50%
Total (3)	22,7	6,3	6,3	6,3	100%	2,6	2,6	41%
<i>Interreg (4)***</i>								

* Excluding reserve

** For programme details see Chapter VII, Table 2.2.

*** For programme details see Chapter I.B.1 Community Initiatives.

2. DENMARK

2.1. Implementation of assistance by Objective in 1996

Support for the development of technological potential in the regions of Denmark :

Most of the Danish programmes form part of a strategy of supporting the information society, with the aim - thanks to close cooperation between public and private sectors - to encourage access to and exchange of information, stimulate the democratic process, support personal development, to improve transparency and the quality of service in the public sector, to integrate groups excluded from society and to reinforce the international competitiveness of businesses in order to consolidate the social system in Denmark.

The SPDs under Objective 2 (1994-96) also aim to support **technological development** as a factor in developing businesses, improving competitiveness and reducing the structural vulnerability of regional economies. For instance, the strategy for North Jutland is devoting ECU 38.7 million to RDT (21% of Structural Fund allocations), the industrial sector (developing new products, technology transfer) and services with high job-intensity, with a high technology content and highly integrated into production processes. Improving technology management in firms is another aim. Around 60% of the operations being funded deal with the introduction of new technologies and new types of production, and between 5 and 10 new networks are being established to assist knowledge transfers between businesses. The SPD for Lolland provides support for RTD and the development of R&D infrastructure so as to strengthen the links between research-centre activities and the needs of businesses. Support for technological development is also integrated into the operations for implementing other SPD priorities (adult training, etc.).

In all, in the two Objective 2 areas, almost ECU 13 million from the Structural Funds (23.3% of total Community funding) are going into operations supporting RTD.

Table V-5: Denmark - Funding directly linked to technological development in 1994-99 (ECU million)

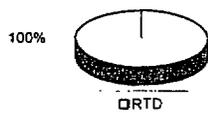
	TOTAL		S.F.		Member State			
		%		%	Public	Private	Total	%
Objectif 2	45,1	100%	12,6	28%	13,7	18,8	32,5	72%

NB: The programming procedures and different approaches taken by the Member States

invite to caution in interpreting these figures, in particular spending

on information society projects, which are often linked to other fields such as RTD

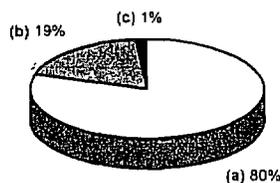
Financing by the Structural Funds



OBJECTIVE 2⁵

Fig. V-7: Programming 1994-96 (ECU million - 1996 prices and status):

By sector:			
Production environment (a)			43,2
Human resources (b)			10,1
Technical assistance (c)			0,8
By Fund:			
	ERDF	43,7	81%
	ESF	10,4	19%
	Total	54,1	100%
2 SPD			
	Average per SPD		27,1



1996 in the context of programming for 1994-96

The two SPDs for Lolland and North Jutland were wound up at the end of 1996. Under the Lolland SPD there still remained ECU 2.7 million uncommitted (28% of the original assistance), which were transferred to the envelope for 1997-99. Under the North Jutland SPD all the allocated funds were committed before the end of 1996.

⁵ Eligible areas: Lolland, North Jutland.

An assessment of the two programmes was made in 1996. This covered both SPDs and contained a general part dealing with both areas and a part on each separately. In the general part, the assessors gave particular attention to the correspondence between goals, programmes and preliminary conditions in order to identify appropriate indicators. In the part on Lolland, the assessment looked at the assistance to existing small businesses as a long-term development strategy and the need to strengthen aid towards improving general conditions in the region. The assessment report shows that, while it is useful to aid existing firms, they cannot create enough new jobs to offset the job losses due to declining production and company closures, so that it is also important to support the setting-up of new businesses. The report also concludes that firms in Lolland have a much greater need to improve their general operating conditions than is apparent in their take-up of current aid schemes, especially a need for training and in particular training in the new technologies. Firms are having difficulties recruiting graduates and middle management, which suggests a project specifically aimed at training that will also encourage innovative people. Finally, it was clear that advisory services to businesses could play a more active role in making firms aware of the assistance available to them.

The assessment specific to the North Jutland SPD concentrated on evaluating the target firms and the support given to large and small businesses. The assessment report concludes that a basis exists for a strategy of internationalisation, since of 2 500 firms that could potentially be exporters only 2 000 are today. The report suggests giving more weight when selecting projects to the growth potential of firms, the relative scale of projects and their payoff rather than the size of businesses themselves. The report also proposes creating a subprogramme aimed at smaller scale projects funded by small businesses.

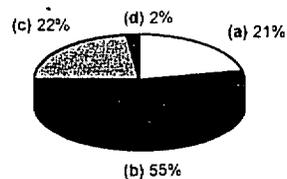
Preparation for the 1997-99 programming period

Preparations for the 1997-99 phase took up the second half of 1996 and covered the same eligible areas. The content of the draft programmes has not changed significantly. The structure of the Lolland programme is identical except for an operation concerning support infrastructure which is turned into an operation to assist strategic infrastructure. The same applies to North Jutland, except that two priorities for 1994-96 have been run together because of the difficulty of distinguishing between manufacturing and service firms. This will simplify the management of this programme.

OBJECTIVES 3 and 4

Fig. V-8: Objective 3 - Programming 1994-99 (ECU million - 1996 prices):

Priorities	ESF
Vocational integration of young people (a)	58,4
Integration of jobless and long-term unemployed (b)	142,4
Integration of people threatened with exclusion (c)	61,9
Technical assistance (d)	5,4
Total	268,1
<i>1 SPD</i>	

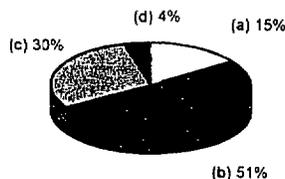


The implementation of the SPD under Objective 3 made good progress in 1996, and appropriations allocated for the three years 1994-96 were committed as forecast. Schemes involving training (especially in the target groups), vocational training, counselling and monitoring have concentrated on helping participants make contacts with the world of work and on individual counselling and monitoring in accordance with personal plans of action drawn up with the help of public job centres. It is important for the most vulnerable groups that project content should correspond to the needs of the local labour market, personal qualifications, the conditions of a normal working life and the needs of the individual. 1996 also saw the adoption of new legislation to strengthen the administration of the ESF, the management of funds, the selection of projects, oversight rules, monitoring, accounting procedures and assessments, as well as the gathering of data for assessments. A new computer system

was also installed, part of which will serve the central authorities and part of which will be at regional level.

Fig. V-9: Objective 4 - Programming 1994-99 (ECU million - 1996 prices):

Priorities	ESF
Anticipating labour market trends and vocational training needs (a)	5,8
Vocational training, advice and guidance (b)	19,8
Improving vocational training systems (c)	11,7
Technical assistance (d)	1,6
Total	38,9
1 SPD	



The Objective 4 SPD was adopted in 1994 to cover the three-year period 1994-96 and was worth ECU 13 million, all of which was committed by the end of 1996. Since this was a new departure, the Danish authorities made considerable efforts to set up the implementing machinery and good progress was made in 1996. The target group for the programme are workers threatened with redundancy who need to be helped to cope with change by vocational training schemes. The programme also sets out to develop new ways of forecasting training needs and improving vocational training systems so as to increase the flexibility of workers in terms of qualifications required. The SPD has been extended to cover the period 1997-99, with an additional ECU 25 million in funding. It was essential to continue the strategy already begun because there was little data for assessing the programme adopted in 1994. Any other changes that may be needed can be made later in light of the mid-term assessment to be carried out in mid-1997.

OBJECTIVE 5(a) agriculture

Table V-6: Programming 1994-99 (ECU million - 1994 prices):

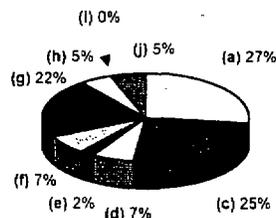
Total	Mesures		%
127,0	Production	100,3	79%
	Marketing	26,7	21%

As regards improving production structures, most of the Community's funding is investment aid (ECU 57.1 million), followed by assistance for new entrants to farming (ECU 30.8 million). As regards processing and marketing, the SPD has been implemented with success. By the end of 1996, a total of 79 projects had been approved, mainly in the meat sector (36) and in the milk and milk products sector (35). In all, 48% of the Community contribution had been committed by the end of 1996.

OBJECTIVE 5(a) fisheries

Fig. V-10: Objective 5(a) fisheries - Programming 1994-99 (ECU million):

	FIFG
Ajustment and redirecting of fishing effort (a)	37,7
Other fleet structuring measures (b)	0,0
Renewing and modernising the fleet (c)	35,0
Aquaculture (d)	9,2
Protected marine areas (e)	3,2
Port facilities (f)	9,8
Processing and marketing of products (g)	30,1
Promotion of products (h)	7,2
Socio-economic measures (i)	pm
Other measures (j)	7,6
Total	139,9



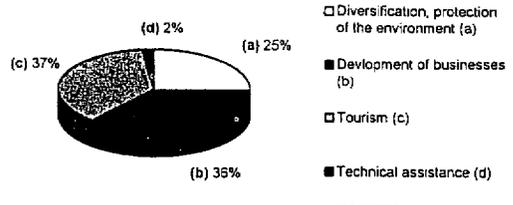
Programme implementation in 1996 involved the commitment of the 1996 tranche and payment of the second advance for 1994. The take-up of funds was very high in the case of processing, fleet adjustment and other measures. The Danish authorities have notified an early-retirement scheme for

fishermen which will be incorporated into the 1997 programme. The Commission has approved seven of nine national implementing regulations, with three remaining to be approved in 1997.

OBJECTIVE 5(b)⁶

Fig. V-11: Objective 5(b) - Programming 1994-99:

Population ('000s)			361
Area (km ²)			8.374
			ECU million
By Fund:			
	EAGGF	21,6	40%
	ERDF	10,8	20%
	ESF	21,6	40%
	Total	54,0	100%
1 SPD			



The SPD adopted in December 1994 was adjusted in November 1996 to amend the financing schedule to take account of the late approval of the programme and changes in socio-economic conditions which had taken place in the mean time. The Monitoring Committee discussed the 1995 annual report and a new table analysing the projects approved, and it also approved plans for an information campaign and the preparation of the intermediate assessment (assessment plan, terms of reference).

Table V-7: Denmark - Assistance by Objective - 1996 in the programming for 1994-96/99 (ECU million)

Programmes (year of adoption)	Total volume	Struct.F. (1)	Commitments 1996	Commitments 1994-96 (2)	% (2)/(1)	Payments 1996	Payments 1994-96 (3)	% (3)/(1)
Objective 2*								
SPD Lolland (1994)	30,5	7,0	-0,2	9,3	134%	2,1	6,4	91%
SPD North Jutland (1994)	210,5	47,1	23,0	43,8	93%	1,6	17,3	37%
Total	241,0	54,1	22,8	53,1	98%	3,7	23,7	44%
Objective 3								
SPD Denmark (1994)	584,3	268,1	42,0	127,0	47%	41,0	115,2	43%
Objective 4								
SPD Denmark (1994)	87,7	38,9	7,0	13,0	33%	7,7	10,7	27%
Objective 5(a) agriculture								
Forecast Denmark R. 2328/91 (1994)	354,4	100,3	17,0	50,3	50%	16,4	32,9	33%
SPD Denmark R. 866 and 867/90 (1994)	213,6	26,7	5,1	10,5	39%	5,7	8,4	31%
Total	568,0	127,0	22,1	60,8	48%	22,1	41,3	32%
Objective 5(a) fisheries								
SPD Denmark (1994)	438,8	139,9	23,3	69,9	50%	0,0	30,3	22%
Objective 5(b)								
SPD Denmark (1994)	204,4	54,0	3,7	13,5	25%	0,1	5,8	11%
TOTAL	2.124,2	682,0	120,9	337,2	49%	74,5	226,9	33%

* After deduction of transfers to 1997-99.

2.2. Implementation of the Community Initiatives in 1996

Note:

Denmark is involved in eight Community Initiatives: Urban, Konver, Employment, Adapt, SMEs, Pesca, Leader and Interreg. Five Community Initiative programmes were adopted at national level between 1994 and 1995, and four Interreg programmes. The three programmes remaining to be approved, the programmes under the SMEs Initiative and Leader and an Interreg programme with Sweden were adopted in 1996.

Support for the development of technological potential in Denmark :

Development of the information society in Denmark is a goal in the community Initiative programmes under Interreg, Konver and SMEs. The Interreg programmes shared by Denmark and Germany are designed to reduce the isolation of the three regions concerned (Planungsraum V and Sønderjyllands Amt, Ostholstein, Lübeck and Størstrøms Amt, and Kern and Fyns Amt) and its impact on their economies by stimulating RTD, education and RTD training as well as the development of small businesses (ECU 2.8 million; total volume:

⁶ Eligible areas: North Jutland, Viborg, Ringkøbing, South Jutland, the Islands.

ECU 5.7 million). Similarly, the cross-border cooperation programme for the Baltic (Denmark, Poland, Baltic States) contains measures to support the development of small businesses (e.g. 'Baltic House'), training and cooperation in the field of communications and the media (ECU 0.6 million; total volume: ECU 1.3 million - e.g. 'Baltic Media Centre'), while the programme between Denmark and Sweden provides for special measures to promote new technologies in the context of priorities dedicated to developing industry, the media, RTD and tertiary education.

The Konver programme focuses on new technologies as a way of strengthening the competitiveness of the regions by developing human resources and management skills in firms, especially through business advisory services, knowledge development and connection of firms to advanced communications networks.

Finally, the SME programme is involved with technological development under the voucher system ('service ticket') where there is a need to ensure the continuity and competitiveness of firms and the creation of jobs.

Three new Community Initiative programmes were adopted in 1996. The SME programme was adopted in March 1996 and covers areas eligible under Objectives 2 and 5(b). This means that the Monitoring Committee is the same as for the SPDs under these Objectives. This programme is the extension of an existing national programme of vouchers ('service ticket') for business start-ups designed to provide new entrepreneurs with 'à la carte' access to advisory services and training in conjunction with drawing up a business plan. Another programme adopted in April 1996 is the Denmark-Sweden Interreg programme. Denmark is now involved in five Interreg programmes, three with Germany, one with the Baltic region and one with Sweden. The five programmes are running well. Under Interreg II C (ECU 4 million), Denmark has started to prepare two programmes with neighbouring countries, one in the North Sea area and one in the Baltic. Finally, the Leader programme was adopted in June 1996. This is aimed at safeguarding thriving rural communities by stopping the drift away from the land and attracting new residents, raising skills and protecting and improving the environment. To make the programme as effective as possible, the schemes will cover only half the areas eligible under Objective 5(b).

Additional funding allocated from the reserve for the Community Initiatives came to ECU 13.5 million. This money will be used to reinforce the Initiatives Adapt, Employment, Leader, and above all Pesca as well as the new strand C under Interreg II.

Among programmes already running, the Urban programme involving the city of Ålborg (Objective 2, North Jutland), which shares the Monitoring Committee for the SPD under Objective 2, saw work start in 1996 on setting up the Centre for Sustainable Urban Development. The Konver programme, due to run from 1995 to 1997 to assist Karup (Jutland) and Copenhagen, has been implemented on schedule. This programme has not received additional funding from the reserve for Community Initiatives and so will not continue beyond 1997. The Employment and Adapt programmes saw projects coming on stream in the first half of 1996. There are 42 Adapt projects and 30 under the Employment Initiative (8 under Youthstart, 15 under Horizon and 7 under NOW). The sponsors are largely traditional institutions, except for the Horizon projects which are being running mainly by NGOs. The commonest topics are business start-ups by women, teaching information technology skills to the handicapped, the creation of bridges for passing from school to occupational training, support for small businesses and the setting-up of job-sharing schemes, a specifically Danish approach. Few projects under Pesca terminated in 1996, but 27% of the budget has already been allocated to individual projects and at the end of 1996 the Commission decided to commit the whole of the assistance for 1994-99 in a single decision.

Table V-8: Denmark - Community Initiatives - 1996 in the context of programming for 1994-99 (ECU million)

Initiative (number of programmes.)	Total volume	S.F. assistance (1)	Commitments 1996	Commitments 1994-96 (2)	% (2)/(1)	Payments 1996	Payments 1994-96 (3)	% (3)/(1)
Adapt (1)	65,7	29,5	24,2	29,5	100%	6,2	8,9	30%
Employment (1)	20,7	10,6	9,0	10,6	100%	2,4	3,2	30%
Leader (1)	26,7	8,2	6,5	6,5	80%	2,0	2,0	24%
Pesca (1)	48,6	16,4	9,5	12,3	75%	0,8	2,2	13%
SME (1)	5,1	2,6	2,6	2,6	100%	0,8	0,8	30%
Konver (1)	5,3	2,4	0,0	2,4	100%	0,0	1,2	50%
Urban (1)	3,0	1,5	0,2	1,5	100%	0,1	0,5	32%
Total (7)	175,2	71,1	51,9	65,3	92%	12,2	18,6	26%
<i>Interreg/Regen (5)**</i>								
<i>Programmes adopted in 1996</i>								
Leader	26,7	8,2	6,5	6,5	80%	2,0	2,0	24%
SMEs	5,1	2,6	2,6	2,6	100%	0,8	0,8	30%
Total (2)	31,8	10,7	9,1	9,1	85%	2,7	2,7	25%
<i>Interreg (1) ***</i>								

* Excl. reserve

** For programme details see Chapter VII, Table 2.2.

*** For programme details see Chapter I.B.1. Community Initiatives.

3. GERMANY

3.1. Implementation of assistance by Objective in 1996

Support for the development of technological potential in the regions of Germany:

Objective 1 : Technological development is an important element in the strategy for the development and conversion of the new German Länder, with 4.2% of Community funding being spent on research, technological development and innovation. The aim of the R&D and innovation priority is to increase both the number and the quality of staff in R&D establishments through initial and continuing training measures so as to provide support for the development of businesses producing products and using production processes requiring technological know-how. The ERDF contribution to this priority accounts for 7% of total ERDF appropriations for the CSF. These measures are implemented under the OPs for the economic development of each Land⁷ under an R&D and innovation priority. They cover investment in research departments and industrial laboratories, development and design advice, aid for businesses involved in RTD and investments in RTD infrastructure and innovation centres. They also provide support for measures to improve cooperation between businesses in developing products and processes, the modernisation of information and communications technology and the development of technological advice services. In addition to this priority, the CSF also supports RTD in businesses through investments in technology, the promotion of innovation centres and the development of joint training centres for businesses.

- **Example of a project financed in Saxony:** aid has been granted to a technology business "incubator" in the Landkreis Riesa-Großhain. The technology centre is basically involved in renewable energy and laser-treatment of raw materials for which it can provide demonstrations of cutting and welding of metals. The centre is working with the Fraunhofer-Institut (specialising in solar energy systems) in Freiburg to produce a fuel cell. Businesses are also provided with advice and training. The eligible investment amounts to around ECU 250 000, of which ECU 150 000 is being supplied by the ERDF.

Objective 2 (1994-1996): All the SPDs include measures to support technological development, principally RTD (20.7% of Community appropriations), either in the form of a priority devoted exclusively to this objective or under the SPD's other priorities:

- **Lower Saxony:** support is provided under one priority for R&D in businesses and innovation in products and processes by promoting cooperation between businesses and research and training establishments (ECU 3.5 million; total cost: ECU 8.5 million), and, under another priority, for continuing scientific training in applied technology (laser, tourism, quality control in the construction industry; ECU 0.5 million; total cost: ECU 1.1 million), and finally, as part of measures to protect the environment, aid is given for technology designed to reduce, recycle and treat sewage and waste, air-, water- and soil- purification technology, biotechnology and biodegradable materials.

Example of a project funded in Lower Saxony: ERDF aid has been granted for a project to develop a continuous electrostatic filter, headed by the "Fachhochschule" in Braunschweig-Wolfenbüttel. Without this aid, the project could not have gone ahead. This new technology, which enables a high degree of powder recycling, has the potential for widespread use in surface treatment. A patent has already been granted.

- **Saarland :** two specific priorities, one for research and technology providing for the development of a science park and the promotion of the work of research establishments and the application of the results of their work in SMEs (ECU 3.9 million; total cost: ECU 9.3 million) and the other concerning the transfer of technology and know-how and providing support for bodies involved in technology transfer and innovation advice (ECU 3.3 million, total cost: ECU 14.4 million). In addition to these priorities, the SPD provides support for improving research, scientific and technological capacities and improving qualifications to satisfy the requirements of the labour market.
- Although the other SPDs do not contain specific technological development priorities, they do not ignore the issue: in order to improve the environment for SMEs, they promote technological development (Bavaria and Rhineland-Palatinate); innovation by setting up risk-capital funds for the introduction of new technology and providing cash-flow support for SMEs concerned with technology (Bremen), the creation or extension of technology infrastructures, technology parks and other

⁷ Mecklenburg-Western Pomerania: ECU 71.6 million (total cost: ECU 457 million); Brandenburg: ECU 114.4 million (total cost: ECU 259.3 million); Saxony-Anhalt: ECU 73.1 million (total cost: ECU 225.7 million); Saxony: ECU 207.8 million (total cost: ECU 390.1 million); Thuringia: ECU 38.9 million (total cost: ECU 145.1 million); Eastern Berlin: ECU 61.8 million (total cost: ECU 111.3 million).

installations (Bavaria and North Rhine-Westphalia) and the development of service and advice providers, particularly in the field of technology transfer (Bremen, Hesse and North Rhine-Westphalia). In addition, as part of environmental protection measures, they promote innovation, technology transfers and the adjustment of manufacturing procedures to environmental requirements (West Berlin) and the use of environmentally friendly technology and services (Bremen). Finally, some of these SPDs stress the need to improve qualifications in the fields of research, science and technology and advice services on continuous training (Bavaria, Hesse and Schleswig-Holstein).

Examples of projects financed between 1994 and 1996:

Hesse: The ERDF provided support for setting up the "Kassel business incubator" in the former Hindenburg barracks, promoting the creation of new technology-oriented businesses. The centre provides a wide range of advice and is in close contact with regional R&D bodies with the aim of improving technology transfers. Synergy is sought between the business incubator and its environment, the objective being to strengthen existing businesses in the region and to attract more. This project provides an example of the structural regeneration of former military land. It involves a total investment of ECU 6.5 million, of which ECU 2.3 million is provided under the Objective 2 SPD.

North Rhine-Westphalia: EUROMAT GmbH, a research establishment specialising in innovative materials and manufacturing processes, heat-resistant raw materials and surface-treatment technology, receives aid directed essentially towards the development of new technology. EUROMAT makes available its results to businesses which do not have their own research facilities. The work essentially involves the development of new materials for new uses, raw materials with new properties and surface-treatment technology. Support for these technology-transfer measures amounts to more than ECU 4.3 million.

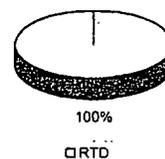
In total, 4,5% of Structural Fund appropriations in Germany are to support technological development (Objectives 1, 2 and 5(b)).

Table V-9: Germany - Funding directly linked to technological development in 1994-99 (ECU million)

	TOTAL		S.F.		Member State			
		%		%	Public	Private	Total	%
Obj. 1	1.600,0	84%	575,1	36%	384,7	640,2	1.024,9	64%
Obj. 2	223,8	12%	99,2	44%	116,9	7,7	124,6	56%
Obj. 5(b)	81,3	4%	23,6	29%	36,0	21,7	57,7	71%
TOTAL	1.905,1	100%	697,9	37%	537,6	669,6	1.207,2	63%

NB: The programming procedures and different approaches adopted by the Member States invite caution in interpreting the figures, in particular spending on information society projects, which are often linked to other areas such as industry and RTD.

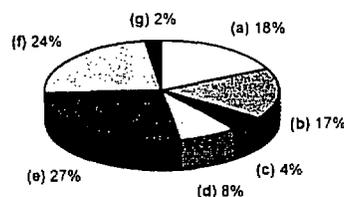
Financing by the Structural Funds



OBJECTIVE 1⁸

Fig. V-12: Programming 1994-99 (ECU million)

Priority			
Productive investments (a)			
Aid to SMEs (b)			
R&D, innovation (c)			
Environment (d)			
Human resources, training (e)			
Agriculture, rural areas, fisheries (f)			
Technical assistance (g)			
By Fund:			
	ERDF	6.860,9	50%
	FSE	4.092,0	30%
	FEOGA	2.644,5	19%
	FIFG	83,5	1%
	Total	13.680,9	100%
I CSF / 18 OPs			
	Average per OP		760,0



⁸ Eligible areas: Eastern Berlin, Brandenburg, Mecklenburg-Western Pomerania, Saxony, Saxony-Anhalt, Thuringia.

Principal achievements in 1996⁹

Assistance under the CSF is granted under seven priorities. ERDF, ESF and EAGGF operations are coordinated in each Land by three OPs (in East Berlin, Structural Fund assistance is covered by a single OP). The CSF is providing ECU 13.640 billion at 1994 prices, which represents ECU 13.920 billion at 1996 prices. Not all the decisions resulting from this indexation were adopted in 1996 but most of the programmes benefiting from ERDF funding were amended during the year. The extra amount after indexation for Thuringia, ECU 38.8 million, was devoted to the 'Infrastructure' priority, with part-financing provided exclusively by the Land. For Berlin, the amount resulting from indexation (ECU 14 million) will be used to strengthen all the development priorities financed by the ERDF. In Mecklenburg-Western Pomerania, the appropriations resulting from indexation, i.e. ECU 16.3 million, were added to the funds available for the ERDF-dominated OP. In Saxony, the ERDF-dominated OP was subject to three amendments, including indexation, permitting ERDF appropriations to be increased by ECU 3.2 million (bringing them to ECU 2.1 billion at 1996 prices). In Saxony-Anhalt, unused 1995 ESF appropriations were transferred to the 1996-99 period and the amount of ECU 66.3 million resulting from indexation has not yet been allocated. This is also the case for Brandenburg (ECU 1.7 million).

Implementation of the CSF priorities is already bringing concrete results. The principal aim of the priority relating to productive investments and additional investments in infrastructure is the creation of branches, subsidiaries and new businesses, the development of industrial and craft sites, local roads and technology centres. By the end of 1996, aid had been granted to more than 4 000 projects under this priority and some 38 000 jobs had been created and around 90 000 maintained. For example, in Thuringia, aid was granted for the creation of 56 craft areas, 28 tourist facilities, 27 waste-water treatment plants, 13 cultural establishments, two road projects and a technology centre. Note should also be taken of the extension of an electronic-coupler production facility in Wismar (Mecklenburg-Western Pomerania). Technical restructuring and an increase in capacity allowed the number of permanent employees to be increased by 170. In Berlin, aid was granted for a major project involving the rationalisation and modernisation of the production facilities of a company specialising in electrical engineering, permitting the creation of 200 jobs.

Table V-10: Implementation of the "Productive investments and infrastructure with direct economic benefits" priority in 1996 :

Länder	Projects assisted	Jobs created	Jobs maintained
Eastern Berlin	81	608	3.449
Brandenburg	338	5.273	12.246
Mecklenburg-Western Pomerania	969	3.488	4.430
Saxony-Anhalt	251	12.129	11.801
Saxony	2.171	12.570	48.234
Thuringia	215	3.868	9.756
Total Priority I	4.025	37.936	89.916

Operations under the SME priority are intended to stimulate investment in and make available services to SMEs. The priority is in two parts, the first concerning productive investments (investments relating to the setting up of SMEs, growth, rationalisation and conversion) and the second principally concerning services to SMEs (creation and operation of infrastructures with direct economic benefits, the provision of shared premises and services in technology centres, creation of

⁹ A total of ECU 119.5 million was paid under the 1991-93 CSF for the new Länder (ECU 42.6 million from the ERDF, ECU 52.2 million from the ESF, ECU 24.5 million from the EAGGF and ECU 0.2 million of fisheries appropriations). The ERDF payments concern only Mecklenburg-Western Pomerania (ECU 10.9 million) and Saxony (ECU 31.6 million) and, of the ECU 1 567 billion of ERDF appropriations available under the 1991-93 CSF, ECU 1 479 billion or 95% has been paid. The final reports on Mecklenburg-Western Pomerania, Saxony and Saxony-Anhalt were presented in 1996. An extension of the payment deadline to 31 December 1996 was granted for Eastern Berlin, Thuringia and Brandenburg. This extension was required because of administrative problems, continuing uncertainty regarding property and investment delays.

vocational training structures, mobilisation of local development potential, guarantees, aid for market access and business management). By the end of 1996, around 10 000 projects had received aid under this priority, creating some 50 000 jobs and maintaining around 84 000 more. For example, in Saxony-Anhalt, the ERDF granted aid of more than ECU 1.3 million to "DTS Systemoberfläche", a company specialising in veneering and mechanical polishing for the wood and furniture industry, which has developed a patented material ("Elesgo film"). Twelve permanent jobs should be created.

Table V-11: Implementation of the "SME" priority in 1996 :

Länder	Projects assisted	Jobs created	Jobs maintained
Eastern Berlin	620	2.349	6.423
Brandenburg	1.038	5.405	10.924
Mecklenburg-Western Pomerania	4.146	13.251	7.288
Saxony-Anhalt	903	7.846	11.979
Saxony	2.627	13.815	30.054
Thuringia	605	6.067	17.610
Total Priority 2 (at 31.12.1996)	9.939	48.733	84.278

By the end of 1996, aid had been granted for 650 projects under the priority relating to research, technological development and innovation, including 268 in Saxony and 251 in Eastern Berlin.

Operations under the priority relating to the protection and improvement of the environment essentially involve investments by industry in environmental protection, investments in businesses supplying environmental products and services at supra-regional level and infrastructure which contributes to environmental protection (rehabilitation of derelict industrial sites, waste-water treatment, business and innovation centres for environmental technology, etc.). The ERDF contribution to this priority represents 12% of the total ERDF appropriations allocated to the CSF. By the end of 1996, 764 projects, including 340 in Saxony, had received aid under the priority.

The "Employment" OP, mainly funded by the ESF, under the priority to combat unemployment and promote human resources, vocational training and further training, is intended to improve initial and further training, retraining and employment. Between 1994 and 1996, more than 800 000 people participated in initial training (34%), continuing training (53%) and employment (13%) measures part-financed by the ESF. Women accounted for 54% of those involved, 43% were young people and 17% were long-term unemployed or people threatened with long-term unemployment. The effects on employment, although difficult to assess, are significant: the apprenticeship training given to 26 285 young people from deprived backgrounds, largely part-financed by the ESF, appears to have reduced youth unemployment by 3% (down to 14.2%). Overall, unemployment stood at 17% at the end of 1996 and could well have been around 28% without the measures mainly part-financed by the ESF. The ERDF is to contribute ECU 584.1 million (or 8.5% of total ERDF appropriations) over the 1994-99 period to the priority relating to the development of human resources. By the end of 1996, ERDF funding had been granted for 187 vocational training infrastructure projects.

The aim of the rural development programmes, mainly funded by the EAGGF under the priority relating to agriculture, rural development and fisheries, is to improve the economic situation of the farming sector and develop rural areas. The economic situation in rural areas in the new Länder remains difficult, with unemployment, particularly amongst women, very high. The creation of permanent jobs is therefore the primary aim of EAGGF assistance. Thousands of jobs have been created or maintained, in both farming itself and the food industry. However, infrastructure is still rudimentary and insufficiently adapted to the needs of business and the population. Furthermore, the development of villages has proven to be an excellent instrument for integrated rural development, based on a multidisciplinary and bottom-up approach which gives local inhabitants a large say in designing and prioritising the investments to be made. The EAGGF is providing ECU 2 608 billion for these measures. The ERDF is contributing ECU 425.3 million (or 6% of total ERDF appropriations) to this priority and, by the end of 1996, ERDF appropriations had enabled assistance to be provided to 615 projects, the majority of which involved the construction of infrastructure in

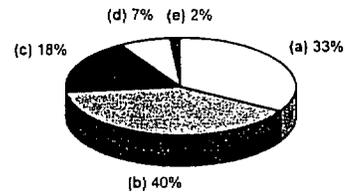
rural areas. Finally, the fisheries OP, under the same priority, (aid from the FIGG of ECU 83.5 million at 1994 prices) is progressing satisfactorily. After reprogramming in 1995 to accommodate an acceleration of investments in several areas, by the end of 1996, funding had been provided for around 200 projects (particularly in the processing industry and for fleet modernisation) for which the total eligible investment was around ECU 55 million.

Finally, by the end of 1996, 396 technical assistance operations funded by the ERDF had been approved. These measures are intended *inter alia* to aid the implementation and monitoring of the OPs.

OBJECTIVE 2¹⁰

Fig. V-13: Programming 1994-99 (ECU million - 1996 prices and situation)

By sector:			
Productive environment (a)			
Human resources (b)			
Development and rehabilitation (c)			
Environmental protection (d)			
Technical assistance (e)			
By Fund:			
	ERDF	481,0	70%
	ESF	222,4	30%
	Total	703,4	100%
9 SPDs			
	Average per SDP		78,2



1996 in the context of programming for 1994-96¹¹

Nine SPDs had been adopted for the various Länder under Objective 2 for the 1994-96 programming period by the end of December 1994. These are mainly programmes to promote employment by stimulating productive investments in the regions concerned, constructing economic infrastructure, supporting SMEs and promoting research and development. The appropriations allocated for all the programmes had been fully committed by the end of 1996. Well-targeted measures managed to overcome the problem of a low level of commitments at the beginning of the programming period. However, for five of the SPDs (Bavaria, Berlin, Hesse, North Rhine-Westphalia and Saarland), appropriations totalling ECU 40.1 million (6.5% of the original total) were carried over to the 1997-99 period¹².

Indexation in line with 1996 prices was carried out for all these programmes and there was a large number of amendments, mainly involving measures and financial transfers. For Berlin, appropriations originally intended for R&TD were transferred to measures to provide private investment aid and aid for development measures in certain areas was strengthened. For Bremen, it was decided to reallocate ERDF appropriations from one operation to another and from one year to another and a detailed

¹⁰ Eligible areas: Lower Saxony, Bavaria, Berlin, Bremen, Hesse, North Rhine-Westphalia, Rhineland-Palatinate, Schleswig-Holstein.

¹¹ Total payments of ECU 23 million were made under the CSF for the 1992-93 period, which included seven OPs for six Länder (ECU 3.3 million from the ERDF and ECU 19.8 million from the ESF). By the end of 1996, the six Länder had received a total of ECU 188.9 million from the Structural Funds. The detailed situation with regard to the OPs is as follows: for Bremen and Emden, the final payment applications were submitted, the final reports approved and payments made in 1996; Saarland, Rhineland-Palatinate, North Rhine-Westphalia and Berlin requested a postponement of the payment deadline to 31 December 1996. The delays were due to unforeseen difficulties during the final phase of implementation of the projects concerned (the withdrawal of a number of private investors in Berlin, difficulties caused by high levels of soil contamination in Rhineland-Palatinate, appeals against projects in Saarland, etc.).

¹² The transfers for each of the programmes are as follows: Bavaria, ECU 2.5 million (17% of the original assistance); Berlin, ECU 5.2 million (3%); Hesse, ECU 5 million (23%); North Rhine-Westphalia, ECU 26.1 million (7%); Saarland, ECU 1.2 million (2%).

allocation of ESF appropriations was made. A number of small-scale measures in the SPD for Hesse were cancelled. This was also the case with the SPD for Lower Saxony, where the productive investments priority was cancelled because of the lack of national part-financing (the 1994 instalment was carried over to 1995 and 1996 and the appropriations reallocated to infrastructure with a direct economic impact). The allocation of appropriations between the various operations in the North Rhine-Westphalia SPD was reviewed and the text of the provisions on technical assistance slightly amended. A number of other amendments were also made: in Rhineland-Palatinate, development operations in various zones were strengthened because a measure to promote tourism could not be completed in the time planned; in Saarland, a new measure to promote the creation of new teleservice businesses was planned; in Schleswig-Holstein, indexation was carried out to strengthen the Kiel-Hörn project.

For those programmes receiving a Community contribution of more than ECU 40 million, 1996 saw the preparation and commencement of the mid-term reviews (specifications, tendering procedure, methods). The review is being carried out by outside experts who should complete their evaluation reports and the calculation of the basic data for the programmes of lesser importance (Hesse, Schleswig-Holstein, Bavaria and Rhineland-Palatinate) in April 1997. Work was also continued to organise monitoring with the establishment of the Monitoring Subcommittees for those SPDs receiving the largest Community contributions, i.e. more than ECU 40 million. This involves the programmes for Berlin, Bremen, Lower Saxony, North Rhine-Westphalia and Saarland. The new Committees began work during the year and contributed to the drafting of the new programming documents for the 1997-99 period.

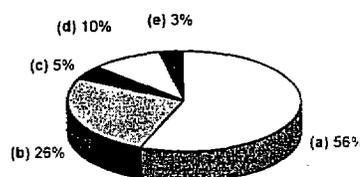
Preparation of the 1997-99 programming period

As part of the preparations for the 1997-99 programming period, the new development plans which will serve as the basis for negotiations between the Commission and the Federal Government and the Länder were submitted to the Commission in May 1996 against a background which remains unchanged from that prevailing during the 1994-96 programming period. The Commission is due to adopt decisions on the new programmes in the spring of 1997.

OBJECTIVES 3 AND 4

Fig. V-14: Objective 3 - Programming 1994-99 (ECU million - 1996 prices)

Priority	ESF
Vocational integration of jobless threatened with long-term unemployment (a)	944,1
Vocational integration of young people seeking work (b)	442,0
Integration of people threatened with exclusion (c)	78,1
Equal opportunities for B77men and women (d)	160,2
Technical assistance and pilot projects (e)	57,7
Total	1.682,1
1 CSF/12 OPs	
	Average per OP
	140,2



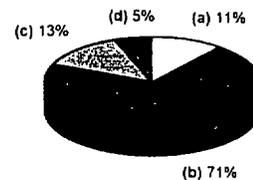
The correct implementation of the CSF and the 12 OPs in 1996 is illustrated by the fact that half the appropriations for the 1994-99 period had been committed by the end of 1996, which is a positive result if account is taken of the fact that the OPs were only adopted at the end of 1994 and most of them did not get up to speed until the second half of 1995. Applications under the *AFG-Plus* Federal OP, which complements the "Employment Support Act" (*Arbeitsförderungsgesetz - AFG*), were much higher than expected. The most successful measure was the provision of training to those ineligible under the *AFG*, principally women, the measure therefore helping to improve equality of opportunity. The heavy demand led to a reduction in the measures planned for handicapped people and discussions were opened between the Commission and the German authorities to find a way of maintaining these measures without damaging the *AFG-Plus* programme. Non-profit-making

temporary-employment agencies have now been set up under the regional OPs. These agencies place the long-term unemployed in businesses on fixed-term contracts with the aim of then getting the businesses to employ them on permanent contracts. During periods when the workers are without a contract, they can undertake training so as to improve their chances of finding permanent work. This approach is a sort of pathway to employment, offering work experience in a company plus training. Training requirements can be assessed during the period of work experience and businesses can recruit workers who fulfil their requirements.

The Monitoring Committee again looked the question of employment policy, particularly the extent to which ESF assistance under Objective 3 reflects Community employment policy (discussions centred in particular on job creation and improving the employability of workers). Finally, the mid-term review was begun with the selection by invitation to tender of twelve assessors for each OP and an assessor responsible for the CSF and coordination of the other twelve assessments. The draft report is expected to be ready by mid-1997.

Fig. V-15: Objective 4 - Programming 1994-99 (ECU million - 1996 prices):

Priority	ESF
Anticipating labour market trends and personal qualification needs (a)	29,1
Training, retraining and advice (b)	187,0
Improvement and development of appropriate training systems (c)	34,7
Technical assistance (d)	14,5
Total	265,3
I SPD	



The SPD adopted in 1994 for the 1994-96 period consists of 11 regional programmes and one Federal programme. Although several Länder overcame the start-up problems encountered in 1995, others, as well as the Federal authorities, required more time to set up the innovative training courses required by the SPD. The use of funding improved over the year. Furthermore, the programme was extended in May 1996 to cover the period 1994-99 with contributions of ECU 265.3 million from the ESF, ECU 87 million from the national budget, ECU 144 million from the Länder and ECU 151.8 million from the private sector. The measures concerned were not changed. The severe restrictions on public finances are making it increasingly difficult to meet the national part-financing laid down in the SPD, but the national authorities and the Commission took steps to increase the flexibility of financing structures in order to remedy the situation. One very positive aspect is that businesses are often deciding to participate in the programme after obtaining good results with the initial projects. Finally, the mid-term review of the SPD could result in reprogramming to ensure the programme's success.

OBJECTIVE 5(a) agriculture

Table V-12: Programming 1994-99 (ECU million - 1996 prices and situation):

Total	Measures		%
1.086,5	Production	868,2	80%
	Marketing	218,3	20%

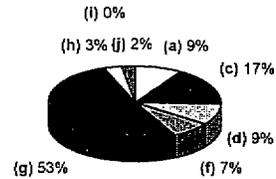
According to the revised forecasts, the Community contribution to measures relating to production structures totals ECU 868.2 million. Two-thirds of that amount are accounted for by compensatory payments in less-favoured areas, which cover 51% of the utilised agricultural area. Around 220 000 farmers received such aid in 1994, slightly down on the previous year. A total of ECU 113 million is earmarked for young farmers. Investment aid represents 15% of the total and was paid to 1 800 farms in 1994, with a large percentage going to Bavaria, Schleswig-Holstein and Lower Saxony. Given the expiry on 1 January 1997 of Article 38 of Regulation (EEC) No 2328/91 laying down special conditions for investment aid in the new Länder, uniform conditions for the old and the new Länder were adopted at the end of 1996 for the German agricultural investment programme (*Agrarinvestitionsförderprogramm* 1997-2000), in order to ensure uniform application throughout the country.

Implementation of the ten SPDs relating to the processing and marketing of products accelerated after initial delays. By the end of 1996, approximately 40% of the Community contribution had been committed for approved projects. Aid is concentrated in the fruit and vegetables, meat, milk and milk products and flowers and plants sectors. Following market developments, particularly in the meat sector, a number of requests for amendments to existing programmes were submitted.

OBJECTIVE 5(a) fisheries

Fig. V-16: Objective 5(a) fisheries - programming 1994-99 (ECU million):

	FIFG
Adjustment and redirection of fishing effort (a)	6,8
Other fishing fleet measures (b)	0,0
Modernisation and renovation of the fleet (c)	12,3
Aquaculture (d)	7,1
Protected marine areas (e)	0,0
Port facilities (f)	5,6
Processing and marketing of products (g)	39,4
Promotion of products (h)	2,5
Socio-economic measures (i)	pm
Other measures (j)	1,8
Total	76,0

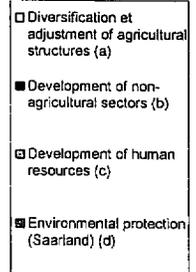
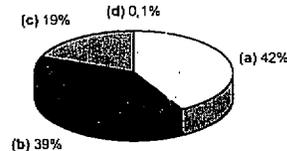


Implementation of the programme is progressing satisfactorily. These are now around 350 projects (relating particularly to the processing industry and fleet modernisation) with eligible investments totalling ECU 75 million. Assessment work was also carried out in 1996 (selection of an assessor, discussion of provisional results). A mid-term revision of the programme will be carried out on the basis of the final report, expected in spring 1997.

OBJECTIVE 5(b)¹³

Fig. V-17: Objective 5(b) - Programming 1994-99:

Population ('000s)		7.823	
Area (km ²)		96.178	
<i>ECU million</i>			
By Fund:			
	ERDF	475,1	39%
	ESF	231,0	19%
	EAGGF	522,9	43%
	Total	1229,0	100%
8 SPDs			
	Average per SPD		153,6



Financing was increased in 1996 because of the increasing awareness in society of the problem of rural development and the positive experience of the 1989-93 period. This permitted the implementation in two years of the programme adopted for the three years 1994-96, despite the budgetary restraints being experienced by the Länder. As already concluded from the *ex post* evaluation of the three programmes implemented during the 1989-93 period, the use of national aid schemes as a source of national part-financing was again very effective in permitting rapid, problem-free implementation in 1996. As regards monitoring of the programmes, in addition to examining the annual progress reports, for two SPDs, the Monitoring Committees amended the national aid schemes in order to adjust the programmes in line with the rhythm of implementation and, for the SPDs as a whole, laid down the guidelines for the mid-term review of the programmes. An initial report on this phase of implementation was drafted by the assessors at the end of 1996 and the final reports are expected in April 1997.

¹³ Eligible areas: Baden-Württemberg, North Rhine-Westphalia, Saarland, Lower Saxony, Bavaria, Hesse, Rhineland-Palatinate, Schleswig-Holstein.

Table V-13: Germany - Assistance by Objective - 1996 in the context of programming for 1994-96/99 (ECU million)

Programmes (year of adoption)	Total cost	SF assistance (1)	Commitments 1996	Commitments 1994-96 (2)	% (2)/(1)	Payments 1996	Payments 1994-96 (3)	% (3)/(1)
Objective 1								
<i>Regional OPs</i>								
OP Western+B33 Berlin (1994)	2.442,9	743,1	118,9	330,3	44%	94,2	201,2	27%
OP Brandenburg (1) (1994)	6.141,4	964,8	99,9	326,2	34%	107,2	263,0	27%
OP Brandenburg (2) (1994)	2.417,8	729,9	115,6	322,9	44%	103,5	265,5	36%
OP Brandenburg (3) (1994)	889,1	471,9	74,9	209,7	44%	71,4	175,8	37%
OP Mecklenburg-Western Pomerania (1) (1994)	5.851,6	801,4	141,4	365,7	46%	152,6	329,6	41%
OP Mecklenburg-Western Pomerania (2) (1994)	1.880,7	676,6	111,5	408,1	60%	106,0	262,4	39%
OP Mecklenburg-Western Pomerania (3) (1994)	814,5	366,0	66,3	170,9	47%	40,6	110,1	30%
OP Saxony (1) (1994)	8.993,3	2.110,6	352,4	942,5	45%	382,9	774,8	37%
OP Saxony (2) (1994)	1.679,4	621,5	177,8	357,6	58%	112,6	254,9	41%
OP Saxony (3) (1994)	909,1	630,4	84,3	230,5	37%	123,0	207,7	33%
OP Saxony-Anhalt (1) (1994)	9.488,8	1.190,8	1,0	339,7	29%	174,2	303,0	25%
OP Saxony-Anhalt (2) (1994)	2.058,9	583,5	93,9	267,8	46%	76,3	200,5	34%
OP Saxony-Anhalt (3) (1994)	974,2	590,6	101,5	262,6	44%	110,2	212,9	36%
OP Thuringia (1) (1994)	5.467,4	1.060,6	159,3	450,6	42%	202,5	321,4	30%
OP Thuringia (2) (1994)	2.432,9	521,0	79,5	229,0	44%	93,7	183,1	35%
OP Thuringia (3) (1994)	778,6	457,9	63,9	194,7	43%	42,8	140,7	31%
<i>Multi-regional OPs</i>								
OP Fisheries (1994)	197,2	83,5	27,5	46,5	56%	15,1	26,7	32%
OP Qualification of workforce (1994)	2.360,5	1.076,7	171,3	478,0	44%	85,6	331,0	31%
Total	55.778,4	13.680,9	2.041,0	5.933,1	43%	2.094,4	4.564,5	33%
Objective 2*								
SPD Lower Saxony (1994)	95,7	43,1	29,6	43,1	100%	7,2	13,9	32%
SPD Bavaria (1) (1994)	30,5	12,3	0,5	14,2	115%	2,4	11,7	95%
SPD Berlin (1994)	401,5	155,4	67,0	116,2	75%	15,8	45,8	29%
SPD Bremen (1994)	177,6	47,6	32,6	47,6	100%	6,7	17,1	36%
SPD Hesse (1994)	48,0	16,6	-4,7	16,6	100%	0,9	11,5	70%
SPD North Rhine-Westphalia	1.262,2	340,4	225,4	340,4	100%	127,1	184,6	54%
SPD Rhineland-Palatinate	49,7	23,8	0,2	23,7	100%	2,6	14,3	60%
SPD Saarland	240,6	48,6	28,1	48,6	100%	18,4	31,4	65%
SPD Schleswig-Holstein (1994)	32,4	15,6	0,2	15,6	100%	1,7	9,4	60%
Total	2.338,2	703,4	379,1	665,9	95%	182,7	339,7	48%
Objective 3								
<i>Regional OPs</i>								
OP Baden-Württemberg	115,8	52,4	8,6	25,0	48%	8,1	18,7	36%
OP Lower Saxony (1994)	276,8	121,2	37,2	55,8	46%	36,9	46,2	38%
OP Bavaria (1994)	125,3	56,5	16,3	25,0	44%	8,2	15,1	27%
OP Berlin (1994)	113,0	50,8	8,3	24,2	48%	6,7	19,4	38%
OP Bremen (1994)	93,5	39,5	6,5	18,8	48%	4,2	14,0	36%
OP Hamburg (1994)	86,1	39,1	11,5	17,5	45%	9,4	14,2	36%
OP Hesse (1994)	135,4	49,6	8,1	23,6	48%	8,6	18,6	38%
OP North Rhine-Westphalia (1994)	674,8	280,6	55,8	98,8	35%	50,6	85,0	30%
OP Rhineland-Palatinate (1994)	65,8	29,5	4,6	14,8	50%	3,8	10,4	35%
OP Saarland (1994)	90,9	40,9	6,1	19,1	47%	7,3	17,7	43%
OP Schleswig-Holstein (1994)	912,8	34,4	11,3	23,5	68%	9,6	19,3	56%
<i>Multi-regional OPs</i>								
Federal OP	2.589,7	887,6	338,2	474,3	53%	134,2	243,1	27%
Total	5.279,8	1.682,1	512,6	820,4	49%	287,5	521,8	31%
Objective 4								
SPD Germany	648,1	265,3	26,6	56,2	21%	8,7	23,5	9%
Objective 5(n) agriculture								
SPD Lower Saxony R. 866 and 867/90 (1995)	99,6	29,9	5,7	10,4	35%	1,4	3,8	13%
SPD Bavaria R. 866 and 867/90 (1995)	342,2	85,5	16,3	29,8	35%	12,2	19,0	22%
SPD Bremen R. 866 and 867/90 (1995)	4,5	0,7	0,1	0,2	35%	0,1	0,2	25%
SPD Hamburg R. 866 and 867/90 (1995)	24,1	4,3	0,0	0,7	16%	0,0	0,3	8%
SPD Hesse R. 866 and 867/90 (1995)	84,0	21,0	6,3	9,6	46%	4,0	5,6	27%
SPD Baden-Württemberg R. 866 and 867/90 (1994)	127,1	21,8	5,1	8,6	40%	4,9	6,7	31%
SPD North Rhine-Westphalia R. 866 and 867/91 (1994)	132,5	30,1	10,0	14,8	49%	7,7	11,6	38%
SPD Rhineland-Palatinate R. 866 and 867/90 (1994)	76,6	18,8	3,6	6,6	35%	2,8	5,3	28%

* After deduction of transfers to 1997-99.

- (1) Economic development
(2) Rural development
(3) Labour market

Programmes (year of adoption)	Total cost	SF assistance (1)	Commitments 1996	Commitments 1994-96 (2)	% (2)/(1)	Payments 1996	Payments 1994-96 (3)	% (3)/(1)
SPD Saarland R. 866 and 867/90 (1995)	17,8	3,1	1,5	2,0	65%	1,2	1,5	46%
SPD Schleswig-Holstein R. 866 and 867/90 (1995)	10,2	3,1	0,0	0,5	16%	0,0	0,2	8%
Forecast - Germany R. 2328/91 (1994)	3.538,3	868,2	143,3	431,3	50%	143,0	333,1	38%
Total	4.456,8	1.086,5	191,8	514,6	47%	177,3	387,2	36%
Objective 5(a) fisheries								
SPD Germany (1994)	376,9	76,0	12,8	37,6	50%	3,9	20,0	26%
Objective 5(b)								
SPD Baden-Wurtemberg (1995)	450,8	74,9	14,3	23,0	31%	6,8	11,2	15%
SPD North Rhine-Westphalia (1995)	117,9	46,8	6,2	11,7	25%	5,0	7,8	17%
SPD Saarland (1995)	108,0	24,1	1,2	4,0	17%	0,5	2,3	9%
SPD Lower Saxony (1994)	687,1	245,1	33,0	77,4	32%	36,8	62,5	25%
SPD Bavaria (1994)	2.933,4	560,2	79,7	215,1	38%	118,3	185,8	33%
SPD Hesse (1994)	232,3	80,8	10,9	34,5	43%	10,8	23,6	29%
SPD Rhineland-Palatinate (1994)	426,8	111,3	22,4	42,6	38%	15,0	27,5	25%
SPD Schleswig-Holstein (1994)	229,6	85,9	20,2	41,1	48%	19,3	26,2	31%
Total	5.185,9	1.229,0	187,7	449,5	37%	212,6	346,8	28%
TOTAL	74.064,1	18.723,2	3.351,6	8.477,2	45%	2.967,2	6.203,4	33%

3.2. Implementation of the Community initiatives in 1996

Note:

Germany is participating in all the Community Initiatives with the exception of Regis. Most of the Community Initiative programmes (CIPs) were approved by the Commission in 1995. At the end of that year, a total of 19 programmes were still to be approved for Leader, Urban, Rechar, Resider, Retex, SMEs and Konver plus one Interreg CIP. These programmes were approved in 1996 (2 Leader, 6 SMEs, 1 Rechar, 3 Konver, 1 Resider, 1 Retex, 2 Urban, and 1 Interreg in cooperation with Austria), bringing the number of CIPs being implemented in Germany to 83 and the number of Interreg CIPs to 18.

Support for the development of technological potential in Germany:

Most of the programmes under the SMEs Initiative give priority to the technological development of SMEs. In North Rhine-Westphalia, ECU 2.1 million (total cost: ECU 13 million) is earmarked for promoting technology and innovation, in Bavaria, ECU 3.7 million (total cost ECU 10.6 million) for promoting quality and innovation in SMEs and, in Schleswig-Holstein, ECU 0.7 million (total cost ECU 1.4 million) for innovative businesses. In the new Länder, the SMEs CIPs are also making a large contribution to job creation, with the Saxony-Anhalt programme providing ECU 4.9 million (total cost ECU 11 million) for R&D in distance working, the creation of networks and the utilisation of patents, while the Saxony CIP provides ECU 16.6 million (total cost ECU 47.2 million) to promote the introduction of new technology.

As regards the Initiatives relating to industrial conversion, the Konver programmes aim to give priority to technological development as a means of promoting economic diversification. Most of these programmes involve conversion from military to civilian technology (examples: Bavaria, Saarland, recycling of cars and production of tanker lorries; Schleswig-Holstein, Bremen, institute of production engineering), support for innovation and technology transfer (Saxony-Anhalt, Bremen and Brandenburg) and cooperation between scientific workers at European level (Bremen). From the point of view of financing, ECU 2.8 million (total cost ECU 4.3 million) and ECU 1.4 million (total cost ECU 2.9 million) are provided for implementation of the measures in the Saxony-Anhalt and Bremen programmes respectively. The Resider programme in Brandenburg is supporting education and training measures in the fields of innovative environmental and infrastructure technology. The Retex CIPs also give priority to technological development (in Saxony, ECU 12.6 million out of a total of ECU 33.5 million is being granted for supporting R&D in businesses and technology centres and, in Thuringia, ECU 3.1 million out of a total of ECU 8.2 million is being provided for the transfer and introduction of new technology through improving know-how in businesses and developing cooperation).

Germany and Denmark are cooperating under Interreg to solve the problems caused by poor communications in three regions (Planungsraum V and Sonderjyllands Amt, Ostholstein, Lübeck and Storstroms Amt, and Kern and Fyns Amt) and the consequences for the economies of those regions.¹⁴ The CIPs covering Germany and Luxembourg (Euroregio), France (Saarland, Lorraine, Palatinate) and Poland

¹⁴ See Chapter V.2. Denmark.

(Mecklenburg-Western Pomerania) give priority to RTD and technology transfers. That covering France and Switzerland (Upper Rhine) is providing ECU 2.5 million (total cost ECU 4.9 million) to stimulate R&D and develop telecommunications.

All the CIPs have now been approved by the Commission and are now in the initial stage. In 1996, 16 new CIPs were approved, including five in Brandenburg. The largest group of approved programmes (a total of six) come under the SMEs Initiative and involve a total of ECU 26.1 million from the Structural Funds. Five of these programmes concern the old Länder, the sixth being in one of the new Länder. The Brandenburg CIP concentrates on technical measures and measures relating to business management in addition to traditional investment support. In Lower Saxony, the CIP gives priority to quality guarantees and the transfer of intangibles. Operations in Schleswig-Holstein relate to quality management and the search for markets for innovative products. Under the slogan "Mining region to modern industrial region", the new Rechar programme in Brandenburg provides support for operations to create and maintain jobs while improving the environment and economic structures. In addition, two Urban programmes, for Saarbrücken and Hesse, have been approved, the latter aiming to renovate a district of 1.1 km² with a population of around 5 000 to increase its attractiveness and turn it into a meeting place. It is planned *inter alia* to open a youth and leisure centre in a former coffee-roasting factory and to lay out 10 000 m² of green areas.

A number of industrial conversion programmes have also been approved, including three Konver programmes, for Baden-Württemberg, Saxony and Brandenburg. The programme for Brandenburg aims, in particular, to put to economic use and exploit the economic potential of buildings currently undergoing conversion in the region. The main objectives of the programme in Saxony are the renovation of old buildings and land formerly used by troops of the CIS and the promotion of their rational use by the municipalities concerned (installation or creation of businesses). The Resider programme in Brandenburg involves operations relating to infrastructures, environmental resources and human resources. Operations such as the renovation of old factory buildings with the aim of putting them to economic use and cooperation between businesses and research centres should lead to the creation of permanent jobs. The Retex CIP in Brandenburg also aims to increase economic diversification by encouraging *inter alia* cooperation between businesses in marketing and purchasing.

The Commission approved the final Leader programme, for Schleswig-Holstein. The bottom-up approach adopted for this Initiative has been found to be most suitable for German rural areas, in both the old and the new Länder. The local groups have drafted a large number of promising projects and, in the old Länder, 60 local action groups (LAGs) and 15 other collective bodies have been set up. The conference on Leader II held in Germany allowed a fruitful exchange of views between local groups and the various official bodies concerned. Progress on implementation varies from one Land to another but, overall, progress is in line with forecasts.

The complexity of administrative procedures caused start-up difficulties with the Pesca programme. Given the needs of the areas dependent on fishing and the high number of applications received, progress can reasonably be expected in the near future. The programme was twice amended in 1996: a single commitment was agreed and appropriations were concentrated by means of a transfer from the ESF to the ERDF and the FIGG.

As regards the Initiatives relating to human resources, the implementation of which has been to a large extent regionalised, with the Länder responsible for 85% of the available funding (15% is intended for funding supra-regional projects by the Federal Government), projects were selected following the first calls for submissions. Under the Employment Initiative, 242 projects were selected, including 24 at Federal level (73 for Now, 120 for Horizon and 49 for Youthstart). The main focus of the projects under the three strands of the Initiative is training. Emphasis is also placed on developing local partnerships and cooperation with businesses to provide work experience. One of the major themes of the Now projects is the creation of businesses by women. Under Youthstart, a number of projects aim to prepare young people for vocational training. Horizon places the stress on

the whole series of stages leading to employment. A total of 220 projects were selected under the Adapt Initiative, including 17 at Federal level. As under the Employment Initiative, emphasis is placed on training activities. However, a number of projects concentrate on analysing the problems caused to businesses, certain professions and certain regions by economic developments. The range of activities is very wide, including, for example, management skills in SMEs, strategies for the development of businesses by the conquest of new markets or the development of new products, job creation, particularly through the introduction of new technology and new ways of organising work and the creation of a network of those involved in the regional labour market in order to stimulate employment.

A number of programmes were adjusted. In certain cases this involved reprogramming (for example, new financial allocation between priorities, redefinition of eligible measures) but in most cases the reason was to allocate amounts resulting from indexation¹⁵. In total, the amount resulting from indexation at 1996 prices is almost ECU 25 million for the Initiatives concerned, i.e. Interreg, Konver, Resider, SMEs, Rechar, Urban and Retex. In addition, ECU 317.7 million was allocated to Germany as a reserve. These additional appropriations will be allocated to Konver (more than one third), Interreg and Employment and will permit the launching of new Urban programmes (Zwickau and Kiel) and an increase in funding for the Interreg II C programmes¹⁶.

Table V-14: Germany - Community Initiatives - 1996 in the context of programming for 1994-99 (ECU million)

Initiative (number of CIPs)	Total cost	SF* assistance (1)	Commitmts 1996	Commitmts 1994-96 (2)	% (2)/(1)	Payments 1996	Payments 1994-96 (3)	% (3)/(1)
Adapt (1)	480,4	228,8	33,8	76,7	34%	17,3	38,8	17%
Employment (1)	298,4	156,8	26,8	50,0	32%	29,5	41,0	26%
Leader (15)	401,0	177,4	15,9	140,5	79%	14,3	53,1	30%
Pesca (1)	62,0	23,0	19,4	23,2	101%	0,0	1,9	8%
SMEs (15)	402,3	184,2	41,7	142,9	78%	26,3	57,1	31%
Rechar (7)	450,1	158,6	62,6	118,5	75%	23,2	50,0	32%
Konver (16)	548,4	233,9	89,0	219,6	94%	70,8	109,5	47%
Resider (9)	606,4	192,8	36,6	99,1	51%	20,8	52,0	27%
Retex (8)	290,4	70,3	9,5	32,3	46%	8,6	16,7	24%
Urban (10)	298,3	97,3	12,0	91,0	93%	11,3	34,5	35%
Total (83)	3.837,8	1.523,2	347,2	993,7	65%	221,9	454,7	30%
<i>Interreg/Regen (18)**</i>								
<i>CIPs adopted in 1996:</i>								
Leader Schleswig-Holstein	16,6	6,6	6,6	6,6	100%	2,0	2,0	30%
Leader technical assistance (creation of the national network)	2,0	1,0	1,0	1,0	100%	0,4	0,4	40%
SMEs Rhineland-Palatinate	4,6	2,3	2,3	2,3	100%	1,2	1,2	50%
SMEs Brandenburg	20,9	14,9	14,9	14,9	100%	4,5	4,5	30%
SMEs Lower Saxony	9,5	4,7	4,7	4,7	100%	1,4	1,4	30%
SMEs Saarland	3,1	1,5	1,5	1,5	100%	0,8	0,8	50%
SMEs Baden-Württemberg	1,8	0,9	0,9	0,9	100%	0,4	0,4	50%
SMEs Schleswig-Holstein	3,6	1,8	1,8	1,8	100%	0,9	0,9	50%
Rechar Brandenburg	49,3	30,3	30,3	30,3	100%	15,1	15,1	50%
Konver Brandenburg	53,9	37,1	37,1	37,1	100%	18,6	18,6	50%
Konver Saxony	40,9	25,1	25,1	25,1	100%	12,5	12,5	50%
Konver Baden-Württemberg	51,7	12,7	12,7	12,7	100%	6,3	6,3	50%
Resider Brandenburg	42,4	26,2	26,2	26,2	100%	13,1	13,1	50%
Retex Brandenburg	6,0	3,3	3,3	3,3	100%	1,6	1,6	50%
Urban Saarbrücken	22,6	8,0	5,6	5,6	70%	1,7	1,7	21%
Urban Halle (Saxony-Anhalt)	5,2	2,7	2,7	2,7	100%	1,4	1,4	50%
Total (16)	334,0	179,2	176,8	176,8	99%	81,9	81,9	46%
<i>Interreg (1)***</i>								

* Excluding reserve

** For programme details see Chapter VII, Table 2.2.

*** For programme details see Chapter I.B.1. Community Initiatives

¹⁵ SMEs Mecklenburg-Western Pomerania, Konver Mecklenburg-Western Pomerania and Hesse, Retex Baden-Württemberg, Resider Lower Saxony, Urban Rostock, Interreg Germany (Saxony)-Poland-Czech Republic.

¹⁶ See also Chapter I.B.1. Community Initiatives.

4. GREECE

Support for the development of technological potential in Greece:

Support for technological development is a key factor in the development strategy of the Greek CSF (accounting for 4.8% of Community appropriations). Telecommunications and data transmission applications, which open up access for the information society in Greece, along with RTD, form part of all CSF priorities, i.e. integrating the national territory through the development of major infrastructure; improving living conditions; developing the economic base; developing human resources and fostering employment; and reducing regional disparities and improving communications in island areas through 13 regional programmes.

In the first instance, improving and modernising **telecommunications** (under the CSF, ECU 250.7 million; total cost: ECU 452.2 million) is planned as a means of reducing the remoteness of certain areas. A multiregional OP for telecommunications (ECU 203.7 million; total cost: ECU 383.8 million) follows on from the previous programming period (CRASH programme, 1992-93). Despite encouraging results, the quality of the network was still poor at the end of 1993 (the rate of line breakdowns was the highest in the Community, waiting time for new lines was exceptionally long), and the network was the least digitised in the Union, reflecting the lowest level of per capita investment in the European Union. The Telecommunications OP not only envisages improving infrastructure (raising the level of digitisation of the network to 90% and speeding up the introduction of advanced technologies - RNIS, ATM - and pilot services), but encouraging enterprises to use the new technologies through training schemes, modern management methods and stimulating the creation of new services by the market. In addition to this multiregional OP, improving basic communications and infrastructure networks generally is an aim of most regional OPs (the Peloponnese, mainland Greece, Ionian Islands, etc.) and especially of those whose main strategy is to develop tourism (Northern Aegean, Southern Aegean, etc.).

While there is no OP specifically aimed at developing **data transmission applications**, a number of multiregional OPs provide support for them in the context of improving living conditions (health and insurance) and developing human resources (education and public administration). For example, one of the main measures under the Health OP is to develop an IT system for health authorities and modernise scientific infrastructure and equipment (distance medicine). The Education OP too allocates ECU 40.5 million (total cost: ECU 54 million) to linking universities, technical colleges and the Education Ministry network; the OP for the modernisation of the public administration, with a budget of ECU 117.5 million (total cost: ECU 235 million), seeks to improve the management of human resources and the effectiveness of officials in the taxation, customs, finance and budget ministries, through the introduction of new technologies (data transmission networks, major information systems, etc.) and management techniques.

RTD, however, receives the bulk of the financial support. The CSF strategy is to enhance Greece's technical and economic capability, capitalising on the foundations laid down earlier by the first OP in relation to RTD and by the STRIDE Initiative and the Community research programmes. The RTD sub-priority is the subject of a multiregional OP with an allocation of ECU 316.2 million (total cost: ECU 579.1 million). Of all the areas of assistance covered by the programme, technology transfer and innovation, (stepping up technology transfer through the purchase of licences, small industrial research projects, developing existing technology parks, improving information networks) is the sector receiving the most support. Funding is allocated in descending order to: support for RTD in highly profitable productive sectors (biotechnology, new materials, etc.) requiring close cooperation between production units and scientists and technological operators; rethinking and expanding research infrastructure; refreshing human potential by updating researchers' skills, training new researchers in advanced technologies and providing training for technicians and administrators in RTD and innovation. Part of the RTD programme, with an allocation of ECU 7 million, is devoted also to developing the universities' and research centres' network and disseminating research results (data bases, multimedia bases, etc.). Support for RTD is planned also at regional level:

- Central Macedonia (one of the few regions of Greece enjoying a comparative advantage in view of the presence of educational and research establishments) : developing post-university study programmes, improving the infrastructure of these establishments (building new accommodation and laboratories), and developing links between research programmes and the productive sector (aid for small businesses to manufacture innovative products, patent applications and the transfer of new technology in cooperation with the universities and technical institutes);
- similar arrangements are made for RTD and innovation in Crete (another region with high RTD potential): ECU 34.2 million (total cost: ECU 56.5 million);
- western Greece: developing the infrastructure of the university of Patras and the existing technology institutes, expanding their role in promoting technological research in Greece.

For the development of the economic base, lastly, and particularly for modernising industry and services, the

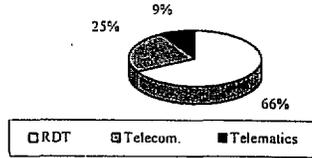
Industry and services OP, with funds of ECU 720 million (total cost: ECU 2.8 billion), provides material and qualitative aid for investment projects in enterprises with access to advanced technologies. Similarly, encouragement is given to fisheries research to develop the fishing industry, aquaculture and the processing of fishery products.

Table V-15: Greece - Funding directly linked to technological development in 1994-99 (ECU million)

	TOTAL		SF		Member State			
		%		%	Public	Private	Total	%
Objective 1	1 207,6	100%	661,4	55%	352,0	194,2	546,2	45%

NB: The programming procedures and different approaches taken by the Member States invite caution in interpreting these figures, in particular spending on information society projects, which are often linked to other fields such as industry and RTD.

Funding of the Structural Funds

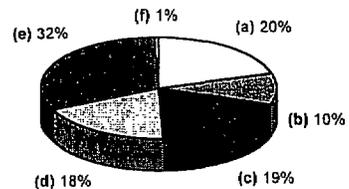


4.1. Implementation of assistance by Objective in 1996

OBJECTIVE 1

Fig. V-18: Programming 1994-99 (ECU million - 1996 prices):

Priorities:		
Major infrastructure (a)		2.895,6
Improvements in living standards (b)		1.456,8
Economic competitiveness (c)		2.740,4
Human resources and employment (d)		2.633,9
Reduction of regional disparities (e)		4.541,2
Technical assistance (f)		71,1
Breakdown by Fund:		
	ERDF	9.643,7 68%
	ESF	2.638,1 18%
	EAGGF	1.853,0 13%
	FIFG	131,1 1%
	Total	14.265,9 100%
1 CSF / 32 OPs		
	Average per OP	445,8



Main features of 1996

Significant progress was made in 1996 on the implementation mechanisms approved with the Greek authorities. The ELKE agency ("one-stop-shop") for productive investments, and MOU (*management organisation unit*) were set up to improve the managerial capabilities of the regions and ministries. The use of project data sheets as a programming tool was extended to all the CSF programmes and the establishment of special agencies for implementing major projects continued (EGNATIA S.A. for the east-west trunk road, ERGOSE for rail projects, KTIMATOLOGIO S.A. for the land registry). All these agencies are expected to be fully operational in 1997, making it possible for major projects to be implemented effectively and thus improve financial implementation on the ground. In addition, the Greek authorities have decided to finance major transport projects (especially road transport) using the system of concessions. This should help attract private capital and make it possible for new sections of road to be built where the public funds available (from national and Community sources) have been insufficient to date to guarantee their completion.

A new programme was adopted in 1996, the Technical assistance OP, comprising essentially the MOU (*management organisation unit*) measures, on which preparations began in 1996, along with an information and public awareness plan under the CSF, and finally technical assistance measures for the modernisation of the agencies and public enterprises.

Turning to programmes already implemented, the national Railways and Telecommunications OPs, and the regional OPs for Western Macedonia and Western Greece, were given additional funding through indexation of the ERDF appropriations and, together with the Technical Assistance and Urban Development OPs, underwent financial reprogramming. Adjustments to the financing plans for these programmes were made to bring them into line with local conditions. A more thorough (mid-term) review of all programmes based on their implementation and the findings of the available evaluations is to start in autumn 1997.

Implementation of the national Agriculture OP is very satisfactory, as a result mainly of the Objective 5(a) measures, particularly those assisting mountain and less-favoured areas and forestry measures. A large number of projects for the processing and marketing of agricultural products were approved too. To meet new priorities in the OP, part of the indexing was allocated to it. The 1997 instalment was already committed in 1996 and the first advance paid. A number of low-cost innovative measures under the OP are having greater difficulty in getting started, for example the introduction of a geographical system for the combined operation of data-processing systems (GIS) for uniform and integrated data management. Progress in implementing the rural development component of the regional OPs, despite an improvement in 1996, has again been uneven between OPs, and the original delays have been only partly made up. Some OPs have been proceeding very satisfactorily (Thessaly, Southern Aegean, Crete, Eastern Macedonia and Thrace), unlike others which have failed to make up all the previous delays (Epirus, mainland Greece, Northern Aegean). The remaining OPs fall between the two.

The Fisheries and Aquaculture OP has given rise to reprogramming, the inclusion of the 1995 deflator (ECU 1.8 million), the adoption of a study on fishery products processing/marketing sectors, the adoption of a specific measure for the measurement of several fishing vessels, and the introduction of a programme manager. Progress at the end of 1996 on the fleet sub-programme is satisfactory, while the other two sub-programmes covering the processing/marketing of fishery products and aquaculture respectively are lagging well behind. Commitments indicate, however, that the situation will improve in 1997 in view of the time needed to carry out the measures.

Generally speaking, 1996 has been a turning point in the successful implementation of the CSF in Greece. Improvements in the main macro-economic indicators have resulted in a resumption of private investment. In particular, private investment under the Industry and services OP is substantially up on 1995, and the implementation of major projects through the system of concessions permitting private capital holdings is also on the right track. This, combined with significant improvements in the implementation arrangements, is creating satisfactory conditions for the success of the CSF in Greece both in terms of local take-up and of impact on the macro-economic indicators and in generating and maintaining sustainable jobs. The Greek authorities have provided public investment funds for 1997 which are substantially up on 1996 at a difficult time of declining public deficits. This should ensure national part-financing for CSF operations, and a high level of uptake in 1997 and the making up of some of the delays registered in the period 1994-96.

1996 in the context of programming for 1994-99

As regards the financial implementation of its CSF, Greece reached the average for the Objective 1 countries at the end of 1996. Taking into account ERDF commitment applications submitted by the Greek authorities in December 1996 which were not implemented that year owing to lack of appropriations, the situation regarding the Structural Funds as a whole is as follows: appropriations committed at the end of 1996 represent 46% of those programmed, and appropriations paid represent 32% of total aid (or 69% of appropriations committed). Implementation in relation to the ERDF and the EAGGF is further advanced even than under the CSF programming. EAGGF appropriations for the national agricultural programme committed up to the end of 1996 represent 60% of total aid for the period 1994-99, and those paid represent 49%. Turning to rural development, in all for the 13

OPs, EAGGF appropriations committed to the end of 1996 represent 44% of the aid and those paid account for 29%.

Progress on the ground, moreover, is satisfactory with 71% of programmed expenditure implemented at the end of 1996 for all Funds (73% for 1996 only). For the reasons set out above, this satisfactory rate of implementation should gather pace in 1997.

Table V-16: Greece - Assistance by Objective - 1996 in the context of programming for 1994-99 (ECU million)

Programmes (year of adoption)	Total cost	SF assistance (1)	Commitments 1996	Commitments 1994-96 (2)	% (2)/(1)	Payments 1996	Payments 1994-96 (3)	% (3)/(1)
Objective 1								
Regional OPs								
OP Attica (1994)	938,5	685,7	3,4	302,1	44%	121,2	279,2	41%
OP Crete (1994)	435,3	312,3	9,5	140,5	45%	46,4	119,5	38%
OP Northern Aegean (1994)	327,9	210,2	0,0	89,8	43%	29,0	77,5	37%
OP Southern Aegean (1994)	380,0	224,1	33,1	99,6	44%	32,6	76,1	34%
OP Epirus (1994)	346,9	236,5	31,9	125,1	53%	62,6	104,4	44%
OP Continental Greece (1994)	623,0	371,8	46,8	156,7	42%	36,8	121,5	33%
OP Western Greece (1994)	513,9	310,7	44,4	133,9	43%	29,4	97,3	31%
OP Ionian Islands (1994)	228,2	170,7	24,9	75,3	44%	17,0	56,2	33%
OP Central Macedonia (1994)	816,9	588,5	161,7	336,4	57%	86,2	220,4	37%
OP Western Macedonia (1994)	332,0	244,0	32,1	96,5	40%	25,0	75,7	31%
OP Macedonia-Thrace (1994)	689,0	494,3	73,0	219,8	44%	55,5	166,9	34%
OP Peloponnese (1994)	440,2	286,0	6,8	91,8	32%	40,2	79,3	28%
OP Thessaly (1994)	560,9	375,8	71,2	182,8	49%	44,2	131,9	35%
Multiregional OPs								
OP Technical assistance (1996)	84,8	67,3	13,5	13,5	20%	6,7	6,7	10%
OP Culture-tourism (1995)	795,6	229,1	54,5	74,0	32%	33,0	42,7	19%
OP Postal services (1995)	117,1	78,0	0,0	10,8	14%	4,9	5,4	7%
OP Telecommunications (1995)	383,8	203,7	43,4	89,3	44%	62,2	63,9	31%
OP Agriculture (1994)	2.826,7	1.264,4	216,8	744,8	59%	200,6	602,8	48%
OP Railways (1994)	548,0	329,1	85,4	223,5	68%	10,4	120,9	37%
OP Urban development (underground rail)	1.566,0	783,0	62,6	473,6	60%	139,2	352,1	45%
OP Education and basic training (1994)	1.847,6	1.385,7	0,0	395,8	29%	0,0	252,2	18%
OP Energy (1994)	946,3	352,1	59,8	212,5	60%	112,1	189,3	54%
OP Environment (1994)	515,0	376,7	62,2	157,5	42%	28,1	77,2	20%
OP Social exclusion (1994)	328,0	246,0	0,0	68,8	28%	0,0	40,2	16%
OP Public service (1994)	305,4	168,6	0,0	48,2	29%	0,2	35,3	21%
OP Continuing training (1994)	1.283,0	756,0	104,7	313,5	41%	120,4	251,9	33%
OP Natural gas (1994)	825,4	354,6	85,3	201,7	57%	0,0	94,9	27%
OP Industry and services (1994)	2.808,9	720,0	0,0	182,2	25%	51,6	143,9	20%
OP Fisheries, Aquaculture (1994)	311,7	150,0	0,0	42,8	29%	11,2	26,7	18%
OP Research and technology (1994)	579,1	316,2	47,2	127,2	40%	42,5	91,0	29%
OP Roads - Ports - Airports (1994)	2.542,4	1.327,4	184,5	640,4	48%	164,5	364,7	27%
OP Health and prevention (1994)	339,0	226,4	31,5	57,3	25%	22,2	35,1	16%
TOTAL	25.586,4	13.844,9	1.590,0	6.127,6	44%	1.646,1	4.403,1	32%

4.2. Implementation of the Community Initiatives in 1996

Note:

Greece participates in all the Initiatives other than Regis, and all the CIPs (one per Initiative) were adopted in 1994 and 1995. This means 10 programmes implemented at national level therefore, to which should be added 3 Interreg CIPs (two Regen and one for cross-border cooperation).

Support for the development of technological potential in Greece:

The funding from the Greek CIPs to technological development is much less than under the Objective 1 programmes. The only Initiatives having a direct bearing in this area are SMEs and Interreg. SMEs has earmarked ECU 2.7 million (total cost: ECU 6.7 million) for the development of data transmission applications to improve the international competitiveness of Greek small businesses. The Interreg external borders CIP has set aside ECU 8 million (total cost: ECU 16.5 million) to encourage cross-border cooperation between Greece, Albania and Bulgaria on basic telecommunications infrastructure.

Under the Adapt programme a data network and data bases are to be developed covering jobs, and the Employment Initiative proposes the use of distance training, telecommuting and multimedia centres by young people and other disadvantaged groups. Among the industrial restructuring initiatives, Konver supports the development of an electronic network to regenerate small businesses dependent on the defence sector.

Preparations for the implementation of the SMEs, Resider, Rechar and Urban CIPs took place in 1996 while Retex and Interreg-Regen Gas are proceeding at a normal pace. The Regen programme for a cable between Greece and Italy has run into problems involving social acceptance by the Italian local authorities on environmental grounds. Implementation of the Interreg-External frontiers programme was well under way but has come to a standstill on account of the political and social situation in neighbouring countries (Bulgaria and especially Albania). The Interreg Greece-Italy Initiative is to be approved in 1997, as should Interreg II C (drought, flooding and cooperation on regional planning). The SMEs and Regen Gas CIPs have undergone financial reprogramming and benefited from indexation, and the agricultural component has been incorporated in the Interreg-External frontiers CIP. In the case of Leader II, 1996 was the year in which final evaluation was made of the revised financing plans of the various local groups and their agreements with the Ministry of Agriculture were concluded. Priority was given to local groups which presented an integrated programme. The measures will in fact start to run in 1997. For Pesca, an interim management body was set up but, despite the efforts made, it has not yet been possible to launch the programme. Projects approved and now running under the Employment Initiative, on the other hand, currently total 107 (29 Now, 44 Horizon, and 34 Youthstart projects). Now supports the setting up of advisory and guidance services, including services for women managers. Youthstart promotes the development of training and guidance in growth sectors such as tourism, the environment and culture. Horizon-Disabled is mainly concerned with trials to provide sheltered employment, little developed up to now in Greece, and to assist the disabled in the workplace. In view of the challenges facing Greece due to the arrival of refugees and immigrants from the former USSR, a leading place in Horizon has been given to these projects, which account for 45% of the total budget. The number of projects approved under Adapt is 115. The dominant theme is the introduction of new technologies and innovative measures for improving business productivity and competitiveness. The project promoters both for Employment and Adapt are mainly public, but the private sector contributes 10% to the total funding of the measures.

It should be noted also that the monitoring of the CIPs has been streamlined. Some Monitoring Committees are responsible for several programmes of common concern (for example, SMEs and Resider). Similarly, the SMEs Initiative has become a forum for discussing all SME measures contained in the CSF and the Community Initiatives. The distribution, lastly, of the Community Initiatives reserve means that a further ECU 72.5 million can be allocated to all the Greek programmes except SMEs, chiefly for the new Interreg II C, Leader and Konver¹⁷.

¹⁷ See also Chapter I.B.1. Community Initiatives.

It is too early yet to make an assessment of the outlook for the CIPs, most of which are still in the start-up phase. Interreg-Regen Gas is undoubtedly well under way, in conjunction with the Natural gas OP. Interreg-External frontiers too is expected to move ahead when social and political conditions in neighbouring countries return to normal.

Table V-17: Greece - Community Initiatives - 1996 in the context of programming for 1994-99 (ECU million)

Initiative (No of CIPs)	Total cost	S.F.* Assistance (1)	Commitments 1996	Commitments 1994-96 (2)	% (2)/(1)	Payments 1996	Payments 1994-96 (3)	% (3)/(1)
Adapt (1)	44,6	30,1	20,3	27,4	91%	4,8	8,4	28%
EMPLOI (1)	86,9	64,4	4,6	12,6	20%	2,3	6,4	10%
Leader (1)	263,6	148,0	0,0	22,6	15%	0,0	11,3	8%
Pesca (1)	54,6	27,1	22,3	26,8	99%	0,3	2,6	9%
SMEs (1)	156,9	83,3	18,3	28,8	35%	9,2	14,4	17%
Rechar (1)	2,0	1,5	0,2	1,5	100%	0,1	0,8	50%
Konver (1)	20,3	12,9	0,0	11,5	89%	0,0	5,7	44%
Resider (1)	8,9	4,7	0,6	4,7	100%	0,3	2,3	50%
Retex (1)	145,3	87,5	50,2	62,0	71%	25,9	35,0	40%
Urban (1)	67,2	45,2	1,1	5,6	12%	0,6	2,3	5%
Total (10)	850,3	504,8	117,5	203,4	40%	43,4	89,1	18%
<i>Interreg/Regen (3)**</i>								

* Excluding reserve

** See programme details Chapter VII. Table 2.2.

5. SPAIN

5.1. Implementation of assistance by Objective in 1996

Support for the development of technological potential in the regions of Spain

Objective 1: Support for technological development is included in several CSF priorities. Altogether, it represents 5% of Community appropriations for the CSF. As regards RTD, 1.5% of CSF appropriations, primarily under the 'Improvement of the System of Production' priority is allocated to the major economic sectors and to businesses, whose level of investment in RTD in 1994 was only half the Community average. This priority is being implemented at different levels and in different directions :

- stepping up of public and private RTD activities, encouragement of business participation in RTD and innovation projects, financing of training grants for the private sector in centres of excellence, under the multiregional sub-CSF and some regional OPs (Andalusia, Valencia, Extremadura, Galicia and Murcia) which support private investment in RTD and business cooperation with universities and research centres;
- measures for industry and crafts: under the multiregional sub-CSF, implemented by means of the 'Regional aid for production activities OP (ECU 387 million; total cost: ECU 3 126 million): technological upgrading of businesses, distribution of new technologies, participation of businesses in international industrial technology cooperation projects; in some regional OPs (Andalusia, Castile-La Mancha, Castile-León, Valencia, Asturias and Murcia: support for innovation in production technologies and technology transfer) and in some global grants (Murcia, Andalusia).

RTD is also playing a major role in the modernisation of the agricultural and fisheries sectors, whose low productivity is often linked to a low level of technology. In Andalusia, Castile-La Mancha, Valencia, Murcia, Asturias and Galicia, one of the priorities is to spread the use of the most appropriate methods to improve, diversify and realign agricultural production whilst adjusting it to the CAP. In the fisheries sector, the main measure under the OP for Murcia is oceanographic research to develop aquaculture.

For the development of human resources, the multiregional sub-CSF is designed to train research workers in businesses, research centres and universities, and consolidate the role of the Technology Transfer Offices in the universities. These are measures frequently implemented by means of global grants in Andalusia, Salamanca, Castile-León and Murcia, supplemented by most regional OPs, which provide support for :

- RTD training measures in businesses (Andalusia and Valencia) and the development of multimedia educational material to spread new technologies and management methods (Andalusia),
- research projects promoting the diversification of economic activities (Canary Islands), and the strengthening of ties between public research and the production sectors (Cantabria, Castile-La Mancha and Extremadura),
- the development of RTD infrastructures and facilities (Cantabria, Valencia, Galicia and Murcia),
- basic research, applied research and competitive and pre-competitive research (Valencia and Galicia), and university research (Murcia and Extremadura);
- the distribution of information technology (Extremadura).

Outside RTD, the allocation of 2.5% of the total CSF budget to **telecommunications** is particularly noteworthy in view of its important role in spatial structuring. This is a continuation of the efforts of the preceding programming period to iron out regional imbalances in the development of networks and public services. All the regional OPs provide for access to the infrastructure for the population as a whole and its modernisation, and greater the use of the network by introducing new advanced services (ISDN: from 37% to 65% in 1999).

Objective 2 (1994-96): the CSF defines a strategy focusing on **RTD** and innovation, and the seven OPs contain a priority to promote RTD and information technologies (in total ECU 111.3 million; total cost: ECU 176.8 million). The ERDF appropriations under these OPs are targeted at the financing of infrastructure (construction and enlargement of premises, acquisition of scientific equipment, laboratory facilities) and research programmes, and at involving research centres in technological development for SMEs. ESF assistance is directed mainly at training for research workers and research centre administrators, the recruitment of research workers and post-graduate study grants for research, science, technology and innovation. Examples of the most significant regional OPs are :

- Aragon : development of the faculty of sciences at the University of Zaragoza, the Combustion Technology Research Laboratory of the Aragon Technological Institute, and university education (ECU 9.4 million; total cost: ECU 17.6 million);
- Catalonia: construction and equipment of faculties, advanced technology institutes and research centres for food, and the establishment of a Mediterranean maritime study centre (ECU 20.5 million; total cost: ECU 42 million);
- Madrid: development and equipment of the Alcalá de Henares and Carlos III University Research

Centres, training for research workers, university study grants (ECU 26.6 million; total cost: ECU 53.5 million);

- Navarre: equipment of the regional public university and the Navarre Technology Centre, university study grants for research workers, and support for advanced training (ECU 4.5 million; total cost: ECU 9.3 million);
- Basque Country: equipment of specialised technology centres and university departments, part-financing of research programmes in those centres, and training for research workers (ECU 31 million; total cost: ECU 67.2 million).

This assistance is supplemented by aid measures for the creation and development of technology parks and aid for the technological development of businesses, under the CSF priority encouraging business competitiveness. Examples are the equipment of the Training Centre for Advanced Technologies in Zaragoza (Aragon), the construction of a technology centre for businesses (Balearic Islands), the extension of the Alcalá de Henares (Madrid) technology park, the development of the Zamudio Technology Park (Basque Country) and the extension of a research laboratory for car engines (Catalonia). The OPs for Catalonia, Rioja and the Basque Country also encourage business research activities.

The regional OPs focus less on telecommunications and data transmission applications. However, their development, especially that of telecommunications, does receive support, in a sub-priority of the CSF in the 'Communications development' priority strategy.

Objective 3: The ESF provides assistance for the implementation of measures on technological training and skill improvement in the most promising sectors and as part of transfer development and application of research, biotechnology and information technology methods.

The project for the Centre for Fashion Design in Madrid (FUNDISMA) covers industrial, commercial, marketing, technological and training aspects of the textiles and clothing sector. It provides for training measures for the vocational integration of young persons, which include technological training in new design and production methods, the theoretical part being followed by practical work experience.

Objective 5(b): The priorities in the SPDs on revitalisation and diversification of the economy provide for support for mechanisation and the development of new technologies. For example, the SPD for Aragon supports the introduction of new technologies in the production processes of most farming businesses in the Bandenas area, and the SPD for the Basque Country stimulates research linked to the development of high-quality regional products. These measures are backed up by support for scientific and technical training and research centres.

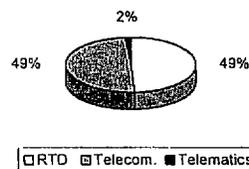
In total, Community financing for technological development in Spain represents 5.1% of Structural Fund appropriations (Objectives 1, 2 and 5(b)).

Table V-18: Spain - Financing directly linked to technological development in 1994-99 (ECU million)

	TOTAL		SF		Member State			
		%		%	Public	Private	Total	%
Objective 1	2.404,2	91%	1.282,3	53%	1.121,9	0,0	1.121,9	47%
Objective 2	234,3	9%	111,3	48%	121,9	1,1	123,0	52%
Obj. 5(b)	13,9	1%	0,8	6%	13,1	0,0	13,1	94%
TOTAL	2.652,4	100%	1.394,4	53%	1.256,9	1,1	1.258,0	47%

NB: In view of the programming procedures and different approaches taken by the Member States, caution is required in interpreting these figures, in particular: spending on information society projects, which are often linked to other fields such as industry and RTD.

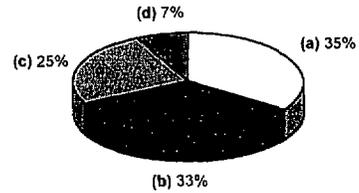
Financing by the Structural Funds



OBJECTIVE 1¹⁸

Fig. V-19: Programming 1994-99 (ECU million):

Priorities:			
Adjustments to the system of production (a)			
Human resources (b)			
Access to isolated areas (c)			
Basic infrastructure (d)			
By Fund:			
	ERDF	14.998,4	59%
	ESF	6.118,7	24%
	EAGGF	3.309,6	13%
	FIFG	1.008,7	4%
	Total	25.435,4	100%
1 CSF / 64 OPs			
	Average per OP		397,4

**Main features of 1996**

Eleven new assistance measures were adopted in 1996, representing a total amount of ECU 703.2 million, i.e. less than 3% of the total Community contribution to the CSF. They included three major ERDF projects, two ERDF global grants, two ERDF and EAGGF OPs and four single-fund OPs (two ERDF and two ESF). The three major projects cover energy infrastructure. The first, the Gibraltar-Cordoba gas pipeline, is one of ten priority energy projects adopted at the Essen summit in December 1994 and is part of the development of trans-European energy networks. The second, the Valencia-Cartagena gas pipeline (first stage Paterna - Callosa del Segura), will play a strategic role for the entire natural gas transport system, because it will enable it to be linked to the future regasification installation in Cartagena, thus improving the security of supply for the entire transport network. The third major project, the conversion of the methane tanker unloading installations in Huelva, will increase the storage capacity for liquid natural gas at the Huelva installation, thus diversifying supply and improving the safety and flexibility of the natural gas transport system in the Iberian peninsular as a whole. The project will also contribute to energy diversification and improvement of the environment.

The global grant for IDAE (*Instituto para la Diversificación y el Ahorro Energético* - Institute for energy diversification and saving) is an ERDF assistance measure. It is designed to improve energy efficiency and promote renewable energy sources. The grant to Castile-La Mancha is designed to introduce financing products better suited to the situation of businesses in the region. Two of the new OPs adopted involve the ERDF. The OP PITMA II (*Programa Industrial y Tecnológico Medioambiental* - Industrial and technological programme for the environment) is designed firstly to develop the supply of technologies, plant, "green" products and environmental services for industry, and secondly to reduce or eliminate the pollution caused by industry and industrial products. The OP Technical Assistance is intended to help administrative institutions obtain the best results possible in the programming, management, administration and evaluation of the forms of assistance under the CSF. Two OPs are financed mainly by the EAGGF. They are the 'Economic development and diversification in rural areas OP and the technical assistance programme for statistical updating.

As regards implementation of the CSF as a whole in 1996, the CSF Monitoring Committee, meeting in December, decided to add a new sub-priority "Information Society", designed to encourage the use of new computing technology by public service authorities, in job creation and technological innovation, and provide equal access to information. The Commission has also ordered an analysis with a view to simplifying and rationalising aid programmes by means of an inspection and monitoring system, to prevent any cumulation of aid. As regards assessment, the reports on part one

¹⁸ Eligible areas: Andalusia, Asturias, Canary Islands, Cantabria, Castile-León, Castile-La Mancha, Extremadura, Galicia, Murcia, Valencia, Ceuta and Melilla.

have already been drawn up and submitted in the various Monitoring Committees. The report on the CSF is to be drawn up in the second half of 1997.

1996 in the context of programming for 1994-99

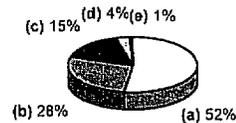
95% of the amount originally provided for in the CSF was programmed (ECU 769.4 million under the ERDF is still to be programmed). The most dynamic Autonomous Communities in terms of the level of implementation are Valencia, Ceuta, the Canary Islands, Cantabria and Galicia. In terms of priorities, most progress was made with 'Integration and spatial structuring', followed by 'Development of the economic fabric' and 'Infrastructures to support economic activities'. In terms of institutions, the highest rate of implementation was recorded by the central authorities, followed by the regional authorities, public enterprises and local authorities.

Implementation of the fisheries programme progressed at a rate of 100% of the 1994 instalment, 80% of that for 1995 and 25% of that for 1996, thus making it possible to pay the Member State the second advance for 1996 (i.e. 34% of the total programmed for the period 1994-99). Nevertheless, the annual timetable was reprogrammed in November, to transfer ECU 56 million of the 1995 instalment to the 1996 instalment and take account of indexation for 1994/95 in the 1996 instalment.

OBJECTIVE 2¹⁹

Fig. V-20: Programming 1994-96 (ECU million - 1996 prices and situation):

By sector :			
Productive environment (a)			
Human resources (b)			
Land improvement and restoration (c)			
Environmental protection (d)			
Technical assistance (e)			
By Fund :			
	ERDF	787,6	79%
	ESF	208,6	21%
	Total	996,2	100%
1 CSF / 8 OPs			
	Average per OP		124,5



1996 in the context of programming for 1994-99

In 1996 the eight OPs under the CSF for 1994-96 progressed as planned. Commitments were completed and the unused balance transferred to the period 1997-99 so that the appropriations for each OP had actually been committed on the ground by the end of December 1996, representing Community financing of ECU 990 million, i.e. 88% of the contribution originally laid down in the CSF. This Structural Fund financing was made up of ECU 781.4 million from the ERDF (i.e. 90% of the allocation originally provided for), ECU 368.3 million of which was actually paid out in the Member State in 1994-1995, and a total of ECU 208.6 million financed by the ESF (i.e. 80% of the allocation originally provided for), ECU 98.6 million of which was actually paid out in 1994 and 1995. Completion meant that an unused amount of ECU 139.3 million could be transferred to the 1997-99 programming period (12% of the original CSF assistance), plus ECU 16.1 million²⁰ from indexation of the CSF for 1995 and 1996. These transfers relate to the seven regional OPs under the CSF, and range from 6% of the original assistance under the OP (Basque Country) to 38% (Aragon).

¹⁹ Eligible areas: Aragon, Balearic Islands, Catalonia, Rioja, Madrid, Navarre, Basque Country.

²⁰ This amount was distributed among five OPs: Catalonia (ECU 6 million), Basque Country (ECU 5 million), Madrid (ECU 3 million), Aragon (ECU 1.1 million) and Navarre (ECU 1 million).

Table V-19: Objective 2 - Spain- Implementation of the CSF by priority in 1994-96 (ECU million)

Priority	ERDF		ESF		TOTAL	
1. Employment and competitiveness of businesses	240,3	31%	100,9	48%	341,2	34%
2. Protection of the environment	22,1	3%	0,0	0%	22,1	2%
3. Research, technology and innovation	77,7	10%	47,5	23%	125,2	13%
4. Transport linked to economic activities	269,9	35%	0,0	0%	269,9	27%
5. Local and urban development	167,6	21%	55,4	27%	223,0	23%
6. Technical assistance	3,9	0%	4,8	2%	8,6	1%
TOTAL	781,4	100%	208,6	100%	990,0	100%

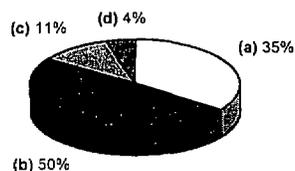
Preparation of the 1997-99 programming period

In August 1996 the Spanish authorities submitted their Conversion Plan 1997-99, and eight draft OPs (one ERDF/ESF assistance measure for each of the seven recipient Autonomous Communities, and one multiregional ESF assistance measure for all regions). Despite the Commission's recommendations, the central Spanish authorities chose to use, as in 1994-96, the three-stage procedure (Conversion Plan, CSF and OP). As with the CSF for 1994-96, the Plan has six priorities and is based on one single part-financing rate of 50% for all measures²¹. The proposed distribution of Community assistance is ECU 1 023 million from the ERDF and ECU 295.2 million from the ESF. Preparatory meetings between the central authorities and the Commission were held in October and December 1996. Following approval of the CSF, the proposed OPs will have to be adjusted considerably in line with the CSF priorities and to take account of the transfer of appropriations from the period 1994-96.

OBJECTIVES 3 AND 4

Fig. V-21: OBJECTIVE 3 - Programming 1994-99 (ECU million - 1995 prices):

Priorities	ESF
Vocational integration of the long-term unemployed (a)	519,9
Vocational integration of young people seeking employment (b)	743,7
Integration of people threatened with exclusion (c)	165,7
Equal opportunities for men and women (d)	65,2
Total	1.494,5
I CSF/II OPs	
Average per OP	135,9



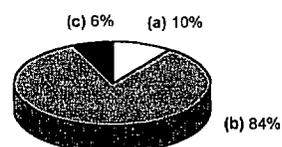
1996 was the second year of implementation of the CSF for Objective 3, which was adopted for the period 1994-99 with a strategy targeted at facilitating access to the labour market by strengthening the active job-seeking process, improving the functioning of the labour market and stimulating job creation, and upgrading vocational skills by reforming the vocational training system. The CSF promotes the concentration of resources on facilitating access to and improving the quality of training, and greater use of integrated formulas (sandwich courses, training and placement services). Four of the eleven OPs (71% of the total amount) are managed by national bodies, the other seven (29% of the total amount) by the Autonomous Communities. The average implementation rate for the programmes is satisfactory, with 100% of available appropriations for 1996, i.e. ECU 244.1 million, being committed and 75% paid out in the form of advances. As regards monitoring, the partnership and the strategic role of the Monitoring Committee have been reinforced. The Committee ensures that

²¹ The regional breakdown of the new appropriations allocated by Spain for this period (ECU 1 318 million) is as follows: Aragon, ECU 82.9 million; Balearic Islands, ECU 13.1 million; Catalonia, ECU 636.5 million; Madrid, ECU 178.2 million; Navarre, ECU 25 million; Rioja, ECU 14.7 million; Basque Country, ECU 367.6 million.

the approach defined in the programming documents is followed and has approved adjustments to programming in line with the objectives, priorities and changes in actual requirements on the job market. In addition, a technical assessment group was set up to assist the Monitoring Committee in the interim assessment work to be carried out in 1997 (technical assistance appropriations will be used for this).

Fig. V-22: OBJECTIVE 4 - Programming 1994-99 (ECU million - 1994 prices):

Priorities	ESF
Pre-emptive measures, guidance and advice (a)	36,9
Continuing training of workers (b)	308,4
Technical assistance (c)	23,3
Total	368,6
I SPD	



The level of implementation of the Objective 4 SPD was not as high as planned, but there was a clear improvement, with 53% of the available amount for 1995 being implemented (this amount includes the 1995 instalment as provided for in the original plan plus the amounts not implemented in 1994). However, financial reprogramming was necessary in December 1996 to transfer the unused amounts of the 1995 instalment to 1996, 1997, 1998 and 1999. As regards quality, it was the Commission's concern not to lose sight of the priorities in the SPD, with the focus on training in SMEs, giving priority to the least skilled workers and promoting equal opportunities. The emphasis was also on horizontal training in the framework of Objective 4, i.e. concentration of measures on skills common to more than one sector and linking training to anticipated demand.

OBJECTIVE 5(a) agriculture

Table V-20: Programming 1994-99 (ECU million - 1996 prices and status):

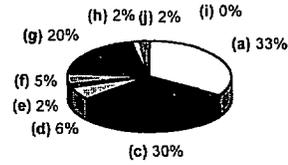
Total	Measures		%
276,0	Production	157,0	57%
	Marketing	119,0	43%

The implementation forecasts for the improvement of production structures were reduced to ECU 157 million for the period 1994-99 (not including support for the fruit and vegetable sector), as against the ECU 207 million originally provided for in 1994. This was because in 1996 Spain decided to transfer part of the appropriations originally allocated to these measures to aid measures for processing and marketing fruit and vegetables. A decision on the SPD for this is to be taken in 1997. Most of this revised aid is investment aid (ECU 46 million), followed by aid for less-favoured regions (ECU 43 million) and aid for young farmers (ECU 35 million). In the years following preparation of the SPD on processing and marketing of products in 1994, application of the measure has been standardised. In those regions not covered by Objective 1²², the Community awarded a total of ECU 68 million (ECU 32 million in 1995 and ECU 36 million in 1996) for 496 investments with total eligible costs of ECU 313 million (ECU 146 million in 1995 and ECU 167 million in 1996). More than 50% of investments in the Objective 1 regions and in those outside Objective 1 were in the fruit and vegetable and meat sectors.

²² EAGGF aid was ECU 351 million (ECU 120 million in 1995 and ECU 131 million in 1996). The total eligible cost of the 1 235 investments receiving aid was ECU 821 million (ECU 394 million in 1995 and 427 million in 1996).

OBJECTIVE 5(a) fisheriesFig. V-23: **OBJECTIVE 5(a) fisheries - Programming 1994-99 (ECU million):**

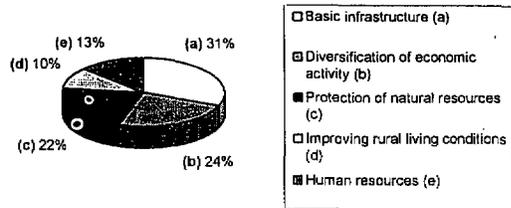
	FIFG
Adjustment and redirection of fishing effort (a)	40,6
Other fishing fleet measures (b)	0,0
Renovation and modernisation of the fishing fleet (c)	35,9
Aquaculture (d)	7,2
Protected marine areas (e)	1,8
Port facilities (f)	6,0
Processing and marketing of products (g)	23,9
Promotion of products (h)	1,8
Socio-economic measures (i)	pm
Other measures (j)	2,4
Total	121,9



Implementation of the SPD advanced at a rate of 100% of the 1994 instalment, 80% of that for 1995 and 25% of that for 1996, enabling the second advance for 1996 to be paid to Spain. However, reprogramming was necessary to transfer ECU 8 million of the 1995 instalment to 1996, and to take account of indexation for 1994/95 in the 1995 and 1996 annual instalments.

OBJECTIVE 5(b)²³Fig. V-24: **OBJECTIVE 5(b) - Programming 1994-99 (1994 prices):**

Population ('000s)		1.731
Area (km ²)		85.223
ECU million		
By Fund:		
EAGGF	414,6	62%
ERDF	160,8	24%
ESF	88,6	13%
Total	664,0	100%
7 SPDs		
Average per SPD		94,9



The Objective 5(b) SPDs progressed satisfactorily in 1996 as regards both financial and physical implementation. The result of this good progress was that 50% of the financial allocation was committed by the end of 1996 and 36% paid out. The situation for the EAGGF (4 regions brought forward commitment of the 1997 instalment) was very satisfactory, but there were problems with the ESF, for which, by the end of 1996, two regions had committed barely 25% of the appropriations provided for the period. The assistance under four of the seven SPDs (Balearic Islands, Rioja, Navarre and the Basque Country) was indexed, which represents an additional total of ECU 2.9 million for these programmes.

The work of the Monitoring Committees focused on approval of the technical assistance programmes for each region, comprising three strands (information on the measures provided for in the SPD, technical assistance for implementation and assessment), on assignment of the amount resulting from indexation for 1995-96, allocated to the financing of these technical assistance programmes (on average these appropriations account for 0.2% of the public expenditure provided for in the programmes), and finally on the stepping up of some of the most advanced measures. However, most effort went into assessment work, concentrating on feasibility studies in the seven regions to improve prior appraisal and prepare on-going assessment, approval of the list of specifications and selection of assessors for on-going assessment (four regions had assessment carried out by universities and three others by private companies), and the organisation within the framework of the national Monitoring Committee of a seminar on the assessment of rural development programmes, in which the assessors for the seven regions took part.

²³ Eligible areas: Aragon, Balearic Islands, Catalonia, Rioja, Madrid, Navarre and the Basque Country.

Table V-21: Spain - Assistance by Objective - 1996 in the context of programming for 1994-96/99 (ECU million)

Programmes (year of adoption)	Total cost	SF assistance (1)	Commitments 1996	Commitments 1994-96 (2)	% (2)/(1)	Payments 1996	Payments 1994-96 (3)	% (3)/(1)
Objective 1								
<i>Regional OPs</i>								
GG Castile-La Mancha (1) (1996)	41,4	6,5	1,6	1,6	25%	0,8	0,8	12%
OP Ceuta-Melilla (2) (1996)	16,3	13,1	13,1	13,1	100%	3,9	3,9	30%
OP Trade and tourism (2) (1996)	27,5	20,6	20,6	20,6	100%	10,3	10,3	50%
MP Gas pipeline Gibraltar-Cordoba (1) (1996)	298,5	99,0	89,8	89,8	91%	71,8	71,8	73%
MP Natural gas installations Huelva (1) (1996)	27,4	7,3	7,3	7,3	100%	5,8	5,8	80%
GG Andalusia (1995)	1.894,5	223,9	34,7	102,7	46%	54,3	54,3	24%
OP Andalusia (3) (1995)	575,3	342,0	29,8	133,5	39%	58,5	110,3	32%
OP Cantabria (2) (1995)	12,0	9,0	0,0	1,4	15%	0,0	0,7	8%
GG Salamanca (1995)	39,1	12,9	0,0	6,3	49%	1,9	5,0	39%
GG Sodical (Castile-León) (1995)	43,1	6,5	0,0	3,6	55%	0,0	1,8	28%
OP Andalusia (1) (1994)	5.559,0	2.938,9	613,7	1.647,6	56%	159,4	986,5	34%
OP Andalusia (2) (1994)	440,4	330,3	62,6	136,6	41%	56,6	105,4	32%
OP Asturias (1) (1994)	1.410,8	809,2	213,1	516,0	64%	122,5	282,3	35%
OP Asturias (2) (1994)	41,6	31,2	5,3	15,8	51%	5,0	13,3	43%
OP Asturias (3) (1994)	116,5	81,1	16,2	41,3	51%	17,3	37,4	46%
OP Canary Islands (1) (1994)	1.179,4	694,7	137,2	503,6	73%	66,4	342,3	49%
OP Canary Islands (2) (1994)	218,2	185,4	0,0	54,8	30%	0,0	27,4	15%
OP Canary Islands (3) (1994)	154,4	80,7	9,7	39,5	49%	12,2	36,1	45%
OP Castile-La Mancha (1) (1994)	1.779,5	936,6	203,9	514,0	55%	102,0	374,5	40%
OP Castile-La Mancha (2) (1994)	47,5	35,6	6,3	18,0	51%	5,8	14,3	40%
OP Castile-La Mancha (3) (1994)	628,5	288,4	37,9	123,2	43%	41,3	95,5	33%
OP Castile-León (1) (1994)	2.752,3	1.612,6	381,3	784,4	49%	225,7	548,1	34%
OP Castile-León (2) (1994)	172,6	129,4	44,5	64,2	50%	33,1	43,0	33%
OP Castile-León (3) (1994)	746,3	381,1	66,3	171,6	45%	62,8	147,1	39%
OP Ceuta (1) (1994)	70,9	47,4	7,1	35,4	75%	8,6	31,2	66%
OP Doñana Phase 2 (4) (1994)	225,5	146,6	0,2	58,1	40%	17,5	46,4	32%
OP Extremadura (1) (1994)	1.577,5	1.011,9	155,8	372,0	37%	97,2	270,1	27%
OP Extremadura (2) (1994)	209,9	167,9	45,7	67,1	40%	33,2	43,8	26%
OP Extremadura (3) (1994)	299,8	169,8	24,8	72,2	43%	32,2	60,9	36%
OP Galicia (1) (1994)	2.493,4	1.544,5	296,1	1.102,7	71%	318,4	776,9	50%
OP Galicia (2) (1994)	242,0	181,5	29,5	78,2	43%	23,6	61,0	34%
OP Galicia (3) (1994)	464,1	303,5	59,5	142,1	47%	65,4	131,5	43%
OP Melilla (1994)	82,4	42,1	12,2	28,1	67%	4,4	13,4	32%
GG Murcia (1) (1994)	518,0	79,2	13,3	25,6	32%	16,8	22,9	29%
OP Murcia (1) (1994)	767,3	487,3	0,0	228,7	47%	67,8	196,6	40%
OP Murcia (2) (1994)	59,4	44,6	12,3	17,9	40%	9,9	11,9	27%
OP Murcia (3) (1994)	127,3	55,6	8,1	25,5	46%	12,2	23,3	42%
OP Multiregional Cantabria (1) (1994)	536,6	343,0	113,0	247,7	72%	66,9	121,4	35%
OP Multiregional Cantabria (3) (1994)	110,8	54,3	11,7	17,0	31%	6,0	10,2	19%
OP Regional Cantabria (1) (1994)	158,6	105,0	0,4	15,0	14%	0,2	7,5	7%
OP Valencia (1) (1994)	3.691,7	1.207,9	210,1	936,4	78%	174,1	623,7	52%
OP Valencia (2) (1994)	418,4	313,8	54,0	181,3	58%	51,8	147,0	47%
OP Valencia (3) (1994)	274,2	103,5	22,5	54,9	53%	25,5	51,4	50%
<i>Multiregional OPs</i>								
OP Updating of statistics (1996)	79,4	59,6	20,1	20,1	34%	10,0	10,0	17%
OP Technical assistance (1) (1996)	26,7	20,0	8,0	8,0	40%	4,0	4,0	20%
OP Rural development (1996)	538,2	275,4	41,4	41,4	15%	20,7	20,7	8%
MP Gas pipeline Valencia-Cartagena (1) (1996)	60,7	23,8	23,8	23,8	100%	19,0	19,0	80%
GG IDAE (1) (1996)	964,6	118,3	23,7	23,7	20%	0,0	0,0	0%
OP PITMA II (1-5) (1996)	623,7	59,7	7,7	7,7	13%	0,0	0,0	0%
OP Technical assistance (3) (1995)	18,4	13,8	0,0	2,0	14%	0,0	1,0	7%
GG Chamber of commerce (1995)	37,0	19,2	0,0	1,1	6%	0,6	0,6	3%
OP Regional aid (1994)	3.125,9	387,0	55,6	220,1	57%	44,5	191,9	50%
GG Competitiveness of SMEs (1994)	344,9	241,5	36,0	102,7	43%	24,1	77,5	32%

(1) Single-fund OP - ERDF

(2) Single-fund OP - ESF

(3) Single-fund OP - EAGGF

(4) Including appropriations under innovative measures (budget heading B2-1820)

(5) Industrial and technological programme for the environment

Programmes (year of adoption)	Total cost	SF assistance	Commitments	Commitments	%	Payments	Payments	%
		(1)	1996	1994-1996	(2)/(1)	1996	1994-1996	(3)/(1)
				(2)			(3)	
OP Local environment (1994)	828,6	580,6	0,0	96,8	17%	0,0	48,4	8%
OP FORCEM (1994)	447,6	262,5	41,3	138,8	53%	20,6	69,4	26%
OP Agri-food industry (1994)	3.028,6	1.220,0	215,3	658,8	54%	205,7	525,6	43%
OP INEM (6) (1994)	3.433,7	2.575,3	564,2	1.340,4	52%	682,4	1.252,9	49%
OP Scientific infrastructure (1994)	479,4	342,2	60,5	196,1	57%	55,8	108,5	32%
OP Local (1994)	812,5	580,6	0,0	193,5	33%	48,4	125,8	22%
OP Ministry of Education (1994)	1.953,6	1.465,2	246,6	565,6	39%	281,9	527,6	36%
OP Ministries (1994)	72,2	54,2	14,3	19,9	37%	10,5	13,3	25%
OP Autonomous bodies (1994)	416,6	299,2	0,0	92,7	31%	1,6	51,8	17%
OP Fisheries (1994)	1.685,6	1.008,7	158,3	462,8	46%	229,5	338,7	34%
GG Industrial technology (1994)	472,6	143,2	26,3	52,8	37%	25,1	47,5	33%
Technical assistance	0,5	0,5	0,3	0,3	66%	0,0	0,0	4%
Total	50.001,0	25.435,9	4.614,8	12.987,3	51%	3.833,6	9.403,6	37%
Objective 2*								
<i>Regional OPs</i>								
OP Aragon (1995)	148,7	40,5	39,0	52,8	131%	16,8	23,7	59%
OP Balearic Islands (1995)	57,6	8,7	-0,2	10,2	117%	2,6	7,8	90%
OP Catalonia (1995)	4.665,3	448,2	159,2	448,2	100%	55,3	275,7	62%
OP Rioja (1995)	64,9	8,5	-0,5	11,4	134%	3,2	9,1	107%
OP Madrid (1995)	327,1	128,3	49,1	128,3	100%	38,3	67,8	53%
OP Navarre (1995)	102,6	21,4	0,0	22,8	107%	0,0	16,7	78%
OP Basque Country (1995)	1.889,0	311,6	130,6	323,0	104%	30,3	178,7	57%
<i>Multiregional OPs</i>								
OP Multiregional (2) (1995)	64,7	29,1	0,0	39,7	137%	12,8	27,7	95%
Total	7.319,9	996,2	377,2	1.036,4	104%	159,3	607,2	61%
Objective 3								
<i>Regional OPs</i>								
OP Aragon (1994)	45,1	20,3	0,3	20,3	100%	2,8	5,4	27%
OP Balearic Islands (1994)	28,8	12,9	0,0	12,9	100%	2,0	3,0	23%
OP Catalonia (1994)	210,3	94,6	15,8	46,9	50%	8,9	31,9	34%
OP Rioja (1994)	9,6	4,3	0,0	4,3	100%	0,2	0,9	20%
OP Madrid (1994)	250,2	112,6	6,9	43,7	39%	9,6	32,2	29%
OP Navarre (1994)	94,6	42,6	10,3	23,8	56%	9,8	19,9	47%
OP Basque Country (1994)	279,2	125,7	21,0	62,3	50%	20,3	46,1	37%
<i>Multiregional OPs</i>								
OP Various bodies (1994)	75,6	34,0	0,1	34,0	100%	2,3	4,8	14%
OP INEM (6) (1994)	1.364,4	614,0	110,7	277,8	45%	143,6	255,7	42%
OP Multiregional (1994)	730,6	328,8	44,1	102,4	31%	53,0	93,6	28%
OP Universities (1994)	201,2	90,5	30,6	38,0	42%	19,6	23,3	26%
Total	3.289,6	1.480,3	239,9	666,5	45%	272,1	516,7	35%
Objective 4								
SPD Spain (1994)	1.045,0	368,6	49,5	167,6	45%	10,0	75,9	21%
Technical assistance	0,2	0,2	0,0	0,2	99%	0,0	0,2	99%
Total	1.045,1	368,8	49,5	167,8	46%	10,0	76,0	21%
Objective 5(a) agriculture								
Forecasts for Spain R. 2328/91 (1994)	396,7	157,0	0,0	51,7	33%	8,7	44,0	28%
SPD Spain R. 866 and 867/90 (1994)	396,7	119,0	25,0	50,7	43%	20,0	40,5	34%
Total	793,4	276,0	25,0	102,4	37%	28,7	84,5	31%
Objective 5(a) fisheries								
SPD Spain (1994)	326,4	121,9	19,9	59,7	49%	32,7	42,7	35%
Objective 5(b)								
SPD Balearic Islands (1995)	147,3	46,5	10,1	18,3	39%	6,7	13,4	29%
SPD Aragon (1994)	763,6	298,6	80,5	159,4	53%	53,3	110,1	37%
SPD Catalonia (1994)	366,7	148,0	27,8	62,4	42%	21,3	45,9	31%
SPD Rioja (1994)	184,7	39,7	13,5	19,7	50%	11,0	14,9	38%
SPD Madrid (1994)	112,9	49,3	7,9	19,2	39%	6,1	13,9	28%
SPD Navarre (1994)	162,8	57,8	24,9	41,4	72%	21,3	35,4	61%
SPD Basque Country (1994)	82,1	27,1	7,6	14,0	52%	4,7	9,2	34%
Total	1.820,1	666,9	172,3	334,4	50%	124,4	242,8	36%
TOTAL	64.595,4	29.346,0	5.498,7	15.354,5	52%	4.460,9	10.973,6	37%

* Amounts after deduction of transfers to 1997-99

(1) Single-fund OP - ERDF

(2) Single-fund OP - ESF

(3) Single-fund OP - EAGGF

(4) Including appropriations under innovative measures (budget heading B2-1820)

(5) Industrial and technological programme for the environment

(6) National institute for employment

5.2. Implementation of the Community Initiatives in 1996

Note:

Spain is involved in all Community Initiatives. Each Initiative is implemented by a single national programme, with the exception of Leader (17 global grants in each Autonomous Community, ten of which in the Objective 1 regions). 23 of these CIPs and two Interreg CIPs were adopted in 1994 and 1995. Five of the six programmes still to be decided (Interreg Spain-France, Interreg Spain-Morocco, Rechar, Resider and the SMEs Initiative) were adopted in 1996 (leaving the Konver programme outstanding).

Support for the development of technological potential in Spain :

The SMEs programme gives greatest priority to technological development. In order to raise the competitive level of SMEs, the CIP supports training in information technology and its more widespread use (ECU 13.5 million; total cost: ECU 36.9 million), and RTD (ECU 56.9 million; total cost: ECU 134.4 million). There are also measures to improve data transmission links between companies to facilitate contact with their clients, suppliers and administration departments. All these priorities are implemented by means of the ARTE programme, which encourages the use of advanced communications by SMEs through various measures: support for new initiatives by financing studies, analysis and technical assessment for individual SMEs or groups of businesses, encouraging the use of advanced communications services by developing business information, the development of innovative solutions based on data transmission applications, and the improvement of technological services centres for businesses.

Most of the budget for the Interreg programmes with France, Portugal and Morocco is given over to technological development for the installation of fibre optics and the setting up of advanced telecommunications services (ECU 10.4 million; total cost: ECU 24.8 million).

As regards the Adapt Initiative, the CIP encourages cooperation between research and training centres and the public and private sectors, whereas the Employment programme focuses on data transmission applications (ECU 9.8 million; total cost: ECU 15.1 million) as a means of reducing barriers affecting the handicapped, and, under the NOW programme, on the use of computerised data bases.

Finally, the Regis programme finances the setting up of an advanced communications centre to stimulate the locally-generated development of the Canary Islands based on technology transfers between the university and the private sector, and projects on the introduction of advanced infrastructure services in most sectors of the economy. Support for RTD in the form of the development of the Canary Islands Astrophysics Institute receives 2% of the budget.

By the end of 1996, all CIPs had been adopted except Konver. The CIPs adopted in 1996 include the SMEs CIP, to which ECU 251.1 million has been allocated, and the Resider CIP, which covers several regions - Asturias, Cantabria, Valencia, Galicia, Navarre and the Basque Country - which are eligible under Objectives 1 and 2. The Rechar CIP was also approved in 1996 for several coal-mining areas in Andalusia, Aragon, Asturias, Catalonia, Castile-León and Galicia, all located in area eligible under Objectives 1, 2 or 5(b). The Interreg programme for Spain-Morocco, which has been allocated ECU 101.4 million of assistance from the ERDF and ECU 1.1 million from the ESF, was also approved. In addition, Spain receives an additional ECU 312.96 million by way of the Community Initiative reserve. This amount will reinforce the Initiatives Adapt, Employment, Leader, Pesca, Retex, Urban and above all the new strand Interreg II C²⁴.

Implementation of the Regis programme and the Leader programmes, both among the programmes adopted in previous years, began satisfactorily. For the latter, which were approved in July 1995, 1996 focused on the establishment of innovation programmes by 15 groups on skill acquisition and implementation by 20 innovation groups. Under the Employment Initiative, almost 500 projects were selected following the first invitation to tender (174 projects for Now, 230 Horizon projects and 94 Youthstart projects). The three strands focus on training and the promotion of new services, in particular in rural areas. The main themes of the Now projects are the development of employment programmes and the promotion of traditional activities in rural areas. Under Youthstart, there are a large number of projects for implementing vocational integration programmes. Horizon focuses on eliminating obstacles to access to work, and on the promotion of advice facilities and the use of new technologies. Under Adapt, 184 projects were selected following the first invitation to tender.

²⁴ See also Chapter I.B.1. Community Initiatives.

Training activities play a major role, in particular in areas linked to new technologies. Other activities are aimed at providing guidance for businesses in, among other things, quality management and ways of meeting environmental requirements. There are also projects on local development in rural areas and the promotion of businesses in the social economy sector. Although implementation of the Pesca programme did not really begin until the end of 1995, no new payments were made in 1996, some measures being replaced by others and the amounts involved reallocated between the Funds.

Table V-22: Spain - Community Initiatives - 1996 in the context of programming for 1994-99 (ECU million)

Initiative (number of CIPs)	Total cost	S. F. assistance* (1)	Commitments 1996	Commitments 1994-96 (2)	% (2)/(1)	Payments 1996	Payments 1994-96 (3)	% (3)/(1)
Adapt (1)	403,2	256,4	33,7	81,8	32%	18,7	42,7	17%
Employment (1)	571,4	386,6	56,0	114,7	30%	35,3	64,6	17%
Lender (17)	1.162,1	354,8	9,5	121,6	34%	9,8	44,7	13%
Pesca (1)	93,0	41,5	0,0	6,9	17%	0,0	3,5	8%
SMEs (1)	1.383,1	251,1	35,3	35,3	14%	17,6	17,6	7%
Rechar (1)	60,0	34,2	32,7	32,7	95%	16,3	16,3	48%
Regis (1)	385,5	216,9	47,4	75,4	35%	59,9	59,9	28%
Resider (1)	464,3	73,6	7,6	7,6	10%	3,8	3,8	5%
Retex (1)	361,1	90,4	0,0	38,5	43%	0,0	34,2	38%
Urban (1)	248,7	162,6	33,2	56,0	34%	22,7	34,1	21%
Total (26)	5.132,8	1.868,2	255,4	570,6	31%	184,2	321,4	17%
<i>Interreg/Regen (4)**</i>								
<i>of which CIPs adopted in 1996:</i>								
SMEs	1.383,1	251,1	35,3	35,3	14%	17,6	17,6	7%
Rechar	60,0	34,2	32,7	32,7	95%	16,3	16,3	48%
Resider	464,3	73,6	7,6	7,6	10%	3,8	3,8	5%
Total (3)	1.907,4	358,9	75,6	75,6	21%	37,8	37,8	11%
<i>Interreg (2)***</i>								

* Excluding reserve

** For programme details see Chapter VII. Table 2.2.

*** For programme details see Chapter I.B.1. Community Initiatives

6. FRANCE

6.1. Implementation of assistance by Objective in 1996²⁵

Support for the development of technological potential in the regions of France:

Objective 1: All the SPDs take account of the technology factor. In the fields of RTD and innovation, the SPDs which go furthest in exploiting the potential for technology development are those for Corsica and Nord/Pas-de-Calais:

- in Nord/Pas-de-Calais: the RTD priority (ECU 38.4 million; total cost: ECU 86.8 million) includes development of RTD in businesses, strengthening the supply of technology and strategic services by skills centres and networks, technology training and stimulation of research in higher education. These measures are supplemented by the development of environmental technologies (ECU 9.8 million; total cost: ECU 31.8 million) and incentives for environmental research (ECU 1.5 million; total cost: ECU 3 million);
- in Corsica: the programme is built around technology transfer in agricultural and marine production (ECU 1.6 million; total cost: ECU 3.7 million) and in businesses, research (ECU 1.4 million; total cost: ECU 3.5 million) and the development of human resources in those areas (ECU 0.8 million; total cost: ECU 2 million).

Objective 2 (1994-96): RTD and innovation play a key role in the SPDs (20.9% of Structural Fund assistance). Several SPDs allocate a total of ECU 236.15 million (total cost: ECU 531.8 million) to priorities concerning the development of training and research in businesses (ECU 174.2 million; total cost: ECU 371.4 million)²⁶, increasing regional R&D and innovation capacity (ECU 42.9 million; total cost: ECU 114.3 million)²⁷ and improving the technological environment of firms (Loire Region: ECU 19 million; total cost: ECU 46.2 million). These priorities, and the measures included in the other SPDs, reflect the general interest in encouraging R&D and innovation. This involves aid for innovative projects (Alsace, Lorraine, Lower Normandy and Champagne-Ardenne), aid for research²⁸ (ECU 12.9 million; total cost: ECU 40.3 million) and, more specifically, the development of environmental technologies²⁹ and new information technology and communications (Nord/Pas-de-Calais: ECU 8.3 million; total cost: ECU 16.6 million).

In addition to these measures, the SPDs specifically aim to assist technology development in businesses (ECU 61.5 million in all; total cost: ECU 172.4 million) by stimulating demand for³⁰ or supply of³¹ RTD, by strengthening technology development programmes (Lower Normandy), through inter-regional and international cooperation in the field of research (Upper Normandy), by strengthening existing skills centres and networks and encouraging the R&D efforts of businesses³², and by granting aid for technology dissemination (Alsace), including support for technology transfer in SMEs (ECU 14.7 million; total cost: ECU 46.3 million)³³.

The SPDs also concentrate on R&D and technology transfer structures (ECU 23.7 million; total cost: ECU 51 million)³⁴, university and research facilities (Centre: ECU 1.2 million; total cost: ECU 3.9 million), the

²⁵ In addition to the assistance for 1994-99 set out below, during 1996 the closure process began for certain assistance adopted by the Commission before 1989. Payment of balances amounted to about ECU 36 million. The following were closed: three major projects adopted in 1989 (Guadeloupe, Champagne-Ardenne) and 1992 (Midi-Pyrénées); three IDOs (Tarn-Aveyron, Nord/Pas-de-Calais, Brittany) adopted in 1986-88; the IMPs for Languedoc-Roussillon and Aquitaine adopted in 1987; the NPCIs for Lorraine, the European development pole and Charente-Maritime adopted in 1986-87; the Rechar CIP for Burgundy and the Envireg CIP for Provence-Alpes-Côte d'Azur adopted in 1990; five Objective 2 programmes for 1989-91 (Lorraine, Aquitaine, Midi-Pyrénées, PACA); the Objective 5(b) programme for Limousin adopted in 1990.

²⁶ Auvergne, Brittany, Nord/Pas-de-Calais, Picardy, Centre.

²⁷ Champagne-Ardenne, Upper Normandy, Midi-Pyrénées.

²⁸ Aquitaine, Nord/Pas-de-Calais, Lower Normandy.

²⁹ Nord/Pas-de-Calais, Loire Region, Lower Normandy, Picardy.

³⁰ Aquitaine: ECU 5.1 million (total cost: ECU 39.8 million).

³¹ Champagne-Ardenne: ECU 9.1 million (total cost: ECU 23 million).

³² Nord/Pas-de-Calais, Rhône-Alpes.

³³ Centre, Loire Region, Picardy, Brittany, Rhône-Alpes, Provence-Alpes-Côte d'Azur, Champagne-Ardenne.

³⁴ Aquitaine, Brittany, Midi-Pyrénées.

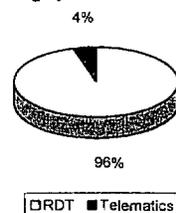
development of centres of excellence (e.g. life industries in Lower Normandy (ECU 2.9 million; total cost: ECU 8.7 million) and technology platforms in Aquitaine (ECU 9.8 million; total cost: ECU 41 million)). In most of the SPDs this support for RTD and innovation is accompanied by human resource measures. Such measures are either general and aim at strengthening training in research (ECU 18.1 million in all; total cost: ECU 54.1 million)³⁵, or more specific (ECU 49.7 million in all; total cost: ECU 96.3 million), aiming to develop advanced scientific training³⁶, strengthen secondary and higher technical education in conjunction with the skills centres in the area³⁷ and finance research grants for technology transfer centres³⁸, or develop vocational training centres³⁹, training for managers and research technicians⁴⁰ and researchers, advanced technicians and R&D advisers⁴¹, or again technology facilities for training and apprenticeship structures⁴². In addition to these measures, some programmes link the increase in training capacity to the strengthening of the ties between research, skills centres, higher and technical training establishments and businesses (ECU 79.7 million in all; total cost: ECU 173.2 million)⁴³. This approach is also found in other measures, such as the adaptation of job-seekers' skills to the labour market (Brittany: ECU 2.3 million (total cost: ECU 5.2 million)), support for links between jobs and training (Brittany: ECU 2.1 million (total cost: ECU 4 million); Picardy: ECU 15.5 million (total cost: ECU 31.5 million)).

Objective 5(b): The 20 SPDs provide support for technology development in rural areas as part of the effort to strengthen the business and industrial fabric in those areas. Measures include support for new technologies (Upper Normandy, Auvergne and the upland areas of Languedoc-Roussillon), development of research (Upper Normandy, Languedoc-Roussillon, Rhône-Alpes), introduction of new production processes (Upper Normandy), technology transfer (Languedoc-Roussillon, Limousin, Champagne-Ardenne, Loire Region), and training in innovation (Midi-Pyrénées) and research (Auvergne, Languedoc-Roussillon, Lorraine), and the encouragement of competitive know-how (e.g. Auvergne, Massif Central). RTD also plays a key role in the adaptation and diversification of agriculture and forestry (Auvergne, Brittany, Midi-Pyrénées). In all, financing for technology development in France accounts for 7% of Structural Fund appropriations (Objectives 1, 2 and 5(b)).

Table V-23: France - Financing directly linked to technological development in programming 1994-99 (ECU million)

	TOTAL		Struct. Funds		Member State			
		%		%	Public	Private	Total	%
Objective 1	220,9	19%	104,5	47%	82,2	34,2	116,4	53%
Objective 2	812,7	69%	315,4	39%	355,8	141,5	497,3	61%
Objective 5	141,1	12%	31,3	22%	60,0	49,8	109,8	78%
TOTAL	1.174,7	100%	451,3	38%	497,9	225,5	723,5	62%

Financing by the Structural Funds



NB: The programming procedures and different approaches taken by the Member States invite caution in interpreting these figures, in particular spending on information society projects, which are often linked to other fields such as RTD and industry.

³⁵ Auvergne, Lower Normandy, Champagne-Ardenne, Loire Region, Picardy, Poitou-Charentes, Provence-Alpes-Côte d'Azur; Nord/Pas-de-Calais, Poitou-Charentes.

³⁶ Midi-Pyrénées: ECU 0.5 million (total cost: ECU 1.5 million).

³⁷ Brittany: ECU 9.2 million (total cost: ECU 18.4 million); Picardy: ECU 1.3 million (total cost: ECU 2.6 million).

³⁸ Brittany: ECU 0.8 million (total cost: ECU 1.8 million).

³⁹ Brittany: ECU 4.6 million (total cost: ECU 9 million).

⁴⁰ Centre: ECU 0.2 million (total cost: ECU 0.4 million).

⁴¹ Nord/Pas-de-Calais: ECU 20.7 million (total cost: ECU 41.4 million).

⁴² Nord/Pas-de-Calais: ECU 12.4 million (total cost: ECU 21.7 million).

⁴³ Nord/Pas-de-Calais, Auvergne, Alsace, Loire Region, Picardy, Upper Normandy, Franche-Comté.

OBJECTIVE 1

Fig. V-25: Programming 1994-99 (ECU million): Avesnes-Douai-Valenciennes

Priorities:			
Stimulation of economic activity (a)			
Research and development (b)			
Human resources (c)			
Regional regeneration (d)			
Technical assistance (e)			
By Fund:			
	ERDF	308,1	70%
	ESF	82,4	19%
	EAGGF	49,5	11%
	Total	440,0	100%
1 SPD			

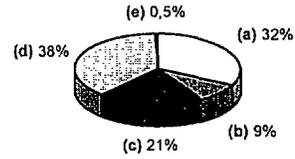
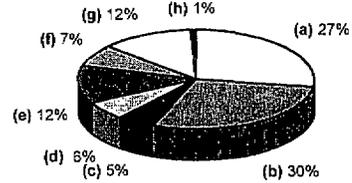


Fig. V-26: Programming 1994-99 (ECU million): Corsica

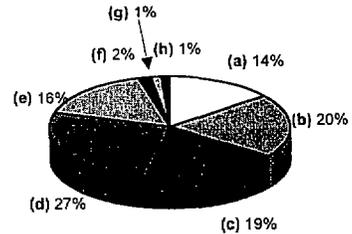
Priorities:			
Reducing isolation (a)			
Agricultural and marine production (b)			
Universities, research (c)			
Tourist and cultural heritage (d)			
Environment (e)			
Economic development (f)			
Human resources (g)			
Technical assistance (h)			
By Fund:			
	ERDF	149,4	59%
	ESF	31,0	12%
	EAGGF	64,3	25%
	FIFG	7,5	3%
	Total	252,9*	100%
1 SPD			



*including ECU 0.7 million not yet programmed

Fig. V-27: Programming 1994-99 (ECU million): Overseas departments

Priorities:			
Access, spatial balance (a)			
Environment and infrastructure (b)			
Production, competitiveness, industry, crafts (c)			
Human resources, social balance (d)			
Agriculture, rural development (e)			
Fisheries and aquaculture (f)			
Tourism (g)			
Technical assistance (h)			
By Fund:			
	ERDF	743,3	49%
	ESF	412,1	27%
	EAGGF	320,3	21%
	FIFG	30,7	2%
	Total	1.506,4	100%
4 SPDs			
Average per SPD			376,6



Main features of 1996

Implementation of the six SPDs adopted in July 1994 was relaunched in 1996. Four of those SPDs, Corsica, French Guiana, Guadeloupe and Martinique, were amended. The largest amendment concerned the SPD for Guadeloupe and took the form of reprogramming needed to repair the damage done by a number of cyclonic storms during the summer of 1995. Implementation of the programmes for the Antilles was seriously held up by these storms. In French Guiana, implementation of the current programme is delayed because the necessary resources must first be allocated to closing the programme for the first period. By contrast, the programme for Réunion is running smoothly and the three first instalments and the corresponding first advance payments are due to be committed and paid at the beginning of 1997. However, the programmes for the overseas departments have not yet really got underway in the fisheries sector. By the end of 1996 fewer than ten projects had been adopted. This is because aid for the construction of vessels has been suspended and it has been difficult to find private-sector projects for aquaculture and the processing and marketing of products. Several projects concerning facilities for fishing ports have been launched. In Corsica, the programme is making more satisfactory progress (26% of planned investments have been committed).

With regard to the evaluation exercise, the Monitoring Committees had appointed all the teams of independent assessors by the end of 1996.

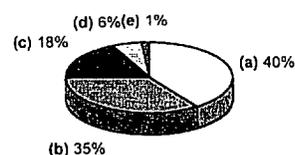
1996 in the context of programming for 1994-99

As expected, most of the SPDs got off to a slow start, particularly in Corsica, Guadeloupe, French Guiana and Martinique. Community commitments stood at about 31% for these four SPDs, with payments at around 22% of all the appropriations available for 1994-99.

OBJECTIVE 2⁴⁴

Fig. V-28: Programming 1994-96 (ECU million - 1996 prices and situation):

By sector:			
Productive environment (a)			
Human resources (b)			
Land improvement and restoration (c)			
Environmental protection (d)			
Technical assistance (e)			
By Fund:			
	ERDF	1.339,5	85%
	ESF	242,1	15%
	Total	1.581,6	100%
19 SPDs			
	Average per SPD		83,2



1996 in the context of programming for 1994-96

The national and Community commitments for the 19 SPDs for 1994-96 were closed in close collaboration with the national and regional authorities. The Community appropriations initially available for 1994-96 amounted to ECU 1 763 million at 1994 prices (ECU 1 790 million after indexing). The SPDs were closed at a total of ECU 1 582 million, i.e. 88% of the initial allocation. Hence only four of the programmes (Alsace, Franche-Comté, Upper Normandy and Poitou-Charentes) were fully implemented. The remaining ECU 208.6 million not yet spent will be transferred to the new appropriations for 1997-99 for the same regions.

⁴⁴ Eligible areas: Alsace, Aquitaine, Auvergne, Lower Normandy, Brittany, Burgundy, Centre, Champagne-Ardenne, Franche-Comté, Upper Normandy, Languedoc-Roussillon, Lorraine, Midi-Pyrénées, Nord/Pas-de-Calais, Loire region, Picardy, Poitou-Charentes, Provence-Alpes-Côte d'Azur and Rhône-Alpes.

Among the measures part-financed by the Structural Funds and completed in 1996, the following deserve to be mentioned:

- in Provence-Alpes-Côte d'Azur, two industrial projects in the microprocessor sector, ATMEL (new factory, creation of 700 new jobs) and CGS Thomson (extension of a factory, creation of 250 new jobs);
- in Lower Normandy, creation of a skills centre for life industries at Cherbourg, including a specialised research and training centre, a technological innovation centre for the development of innovative products and a marine technology centre. This project led directly to the creation of 175 jobs;
- in Nord/Pas-de-Calais, the renovation programme for the districts of Capécure at Boulogne-sur-Mer. The programme involved renovating an industrial area concerned with fisheries and sea food to bring it up to standard. The total investment is estimated at ECU 185 million over six years and includes the modernisation of businesses (to bring them up to the European standards), rehabilitation of industrial wasteland, infrastructure and port facilities. During 1994-96, the Structural Funds contributed ECU 21.5 million to the financing of a programme costing ECU 118.5 million to convert industrial wasteland and port facilities. 140 firms were involved, with 4 000 direct jobs and as many indirect ones;
- in Upper Normandy, Community assistance in the Dieppe employment area, where unemployment is high, at 16%, led to the implementation of an integrated operation to redevelop and modernise the port (trade and cross-channel traffic), to connect it to the national and European road network and create the Eurochannel activity park (industrial estate, business incubator facilities, business hotel). The operation received ECU 13 million from the ERDF. Specialising in industrial activities and related services, Eurochannel has provided a home for 50 firms, some international (Toshiba) and others SMEs (plastics, sea food). Of the 7 000 jobs in the Dieppe employment area, almost 1 000 were created by this operation;
- in Aquitaine, the firm SERMA Technologies created at Pessac the first European centre for testing electronic components and the physical and electrical microanalysis of physical circuits with an investment of ECU 3.34 million. 42 new jobs were created in addition to the 23 people already employed by the company. This analysis, test and expertise centre has achieved scientific validation through the close collaboration it has developed with the university of Bordeaux I and the micro-electronics laboratory (IXL) linked to the CNRS (national centre for scientific research). The operation was carried out with ERDF assistance worth ECU 570 000, which acted as a catalyst enabling the firm to carry out its investments more rapidly and to recruit a much greater number of staff than that initially planned;
- a second project in Aquitaine was implemented by the firm S.A. SERTA (Société d'études and de réalisations techniques d'Aquitaine), located at Saint Jean d'Illac, which has high level technology potential in a variety of fields: research offices, mass-production manufacture, sheet-metal work, paint, optical grinding and quality (ISO 9002 certification). The investment committed at the end of 1996 amounted to ECU 860 000 and concerned production facilities for high-speed machining and automated design and management. ERDF assistance accounted for 25% of the investment and helped create some 20 jobs.

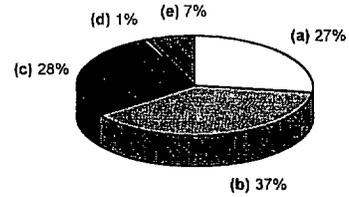
Preparation for the 1997-99 programming period

At the end of 1996 the French authorities had sent the Commission 20 proposals for SPDS (19 regional programmes and one national programme for technical assistance).

OBJECTIVES 3 AND 4

Fig. V-29: Objective 3 - Programming 1994-99 (ECU million - 1994 prices):

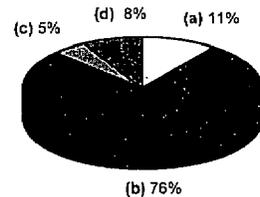
Priorities	ESF
Integration of those threatened with long-term unemployment (a)	690,7
Vocational integration of young people seeking employment (b)	976,6
Integration of those threatened with exclusion (c)	710,3
Equal opportunities for men and women (d)	18,0
Technical assistance and pilot projects (e)	166,8
Total	2.562,4
<i>ISPD</i>	



The implementation rate for Objective 3 in 1995 was 71%⁴⁵. The increase in the volume of funds consumed in 1995 clearly benefited those most threatened by unemployment. Most of those targeted by the measures implemented are aged under 25 (60%). In 1996, ECU 421.6 million of the initially planned annual instalment of ECU 478.9 million was committed, and the first and second advances were paid. The implementation rate for 1996 was 79%. At its meeting in November 1996 the Monitoring Committee proposed some reprogramming, mainly involving the replacement of certain measures in priority 1 (training with access to a job, return-to-work contracts, aid for unemployed who create or take over a business, retraining leave agreements) and priority 2 (partnership fund) with new measures. In financial terms, the reprogramming involved the transfer of some ECU 200 million from priority 1 to priority 3 (integration of those threatened with exclusion). Efforts were also made in 1996 to correct and improve certain aspects of the management of several measures.

Fig. V-30: Objective 4 - Programming 1994-96 (ECU million - 1996 prices):

Priorities	ESF
Pre-emptive measures relating to skills and qualifications (a)	67,8
Increase in the training effort (b)	501,2
Improvements to training schemes (c)	31,1
Technical assistance (d)	53,3
Total	653,4
<i>ISPD</i>	



Projects under Objective 4, initiated in 1995, gathered steam in 1996. The number of projects rose from 533 at the end of 1995 (484 regional and 49 national) to 2 076 in 1996 (2 049 regional and 27 national). In financial terms, about 58% of the 1996 instalment was implemented, as against about 25% in 1995.

Although, during 1995, the training priority was implemented almost exclusively, to the detriment of priorities 1 and 3, the number of projects for these two priorities increased sharply during the first half of 1996. Moreover, projects concerning more than one priority are beginning to appear. However, this diversification is less evident when looking at costs, since 91% of the regional budgets and 93% of national budgets are allocated to the training priority. Projects are fairly evenly spread across the different sectors and work forces. 73% of participants are employed by establishments with less than 250 employees. While financing in 1995 was concentrated on the large firms in the automobile, electrical engineering and electronics industries, in 1996 a wider range of firms benefited, particularly at regional level. This is the result of the waning, in financial terms, of the large projects in the automobile industry (the proportion of the regional budgets allocated to firms with more than 1 000 employees has shrunk from 35% to 20%, and that of the car industry from 33% to 22%). This relative dispersion does not seem to be having much effect on the breakdown by sex and by qualification of those benefiting from training measures: early information suggests a very slight increase, at regional level, of the number of women (from 20% to 24%) and an increase in the number of white-collar staff

⁴⁵ By priority: vocational integration of the unemployed: 87%; vocational integration of young people: 74%; integration of those threatened with exclusion: 60%; equal opportunities: 70%; technical assistance: 16%; pilot projects: 19.5%.

(from 16% to 26%) to the detriment of other qualifications. Despite these changes, there is little change in the characteristics of the projects themselves.

OBJECTIVE 5(a) agriculture

Table 24: programming 1994-99 (ECU million - 1994 prices):

Total	Measures		%
1.745,5	Production	1.486,6	85%
	Marketing	258,9	15%

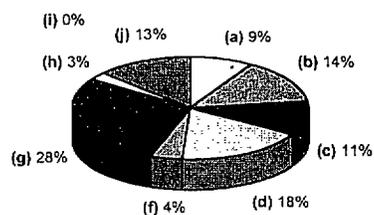
The three main measures to improve the efficiency of production structures are aid for the modernisation of farms, aid to young farmers and compensatory allowances. Investment aid for modernisation was paid to 9 213 farms in 1995 (number of approvals), i.e. up 24% on the year before, which itself was 27% up on 1994. This second year of growth confirms the upward trend in the number of commitments which started in 1993. Where young farmers are concerned, 8 435 start-up dossiers were approved in 1995, i.e. a 6.2% increase on 1994. After a sharp fall in 1992 and no change in the number of start-ups since, this new increase suggests a fresh surge in start-up aid, which is seen as a priority in France. Lastly, concerning compensatory allowances, which are granted to some 140 000 holdings each year, the amount of the premiums granted for suckler cows and sheep was increased in 1995/96 to take account of the structurally low income of stock farmers. Despite increased participation by farmers in the measures described above, expenditure during 1995 was lower than expected.

The SPDs to assist the processing and marketing of agricultural and forestry products were drawn up in 1994 and the decentralised implementing structures were set up in 1995. Community assistance was finally applied fully in 1996, when an agreement was reached to grant aid in the wine sector for investments to improve quality. Community assistance for these measures for 1994-99 amounts to ECU 259 million. At the end of 1996, the French authorities had committed ECU 163 million of that amount, corresponding to ECU 862 million of investments in the approved projects. More than 50% of Community assistance was granted to investments in the meat, fruit and vegetables sectors.

OBJECTIVE 5(a) fisheries

Fig. V-31: Objective 5(a) fisheries - Programming 1994-99 (ECU million):

	FIFG
Adjustment of fishing effort (a)	16,2
Other fishing fleet measures (b)	27,0
Modernisation and renovation of the fishing fleet (c)	20,3
Aquaculture (d)	33,7
Protected marine areas (e)	0,0
Port facilities (f)	8,1
Processing and marketing of products (g)	54,8
Promotion of products (h)	5,0
Socio-economic measures (i)	pm
Other measures (j)	24,8
Total	189,9

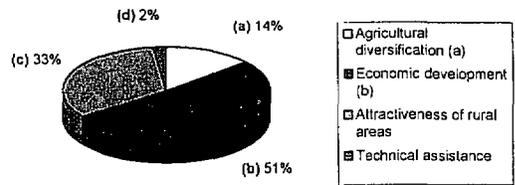


Although the multiannual programme for the fishing fleet provided for a halt to state aid for renewal of the French fishing fleet, the commitment of funds under the SPD, implementation of which did not commence until 1995, is progressing satisfactorily. However, there is room for improvement in the payments to final beneficiaries (ECU 29.2 million, or 15% of the Community allocation). The SPD was amended so that ECU 7 million of surplus appropriations from the "Guarantee fund" measure could be used for campaigns to promote fishery products and measures to improve product quality.

OBJECTIVE 5(b)⁴⁶

Fig. V-32: Objective 5(b) - Programming 1994-99:

Population ('000s)		9.759
Area (km ²)		291.558
<i>ECU million</i>		
<i>By Fund</i>		
EAGGF	1.008,4	45%
ERDF	943,2	42%
ESF	294,2	13%
Total	2245,8	100%
<i>20 SPDs</i>		
Average per SPD		112,3



Following the setting up of the SPDs in 1995, implementation reached a satisfactory cruising speed in most of the French regions in 1996. The Commission committed 32% of the Community appropriations planned for the entire period, although this amount is still insufficient to make up the delays from 1994 and 1995. 72% of these appropriations have been paid, demonstrating a sound ability to implement operations in the field. The Monitoring Committees met in each of the 18 regions concerned, holding a total of 35 meetings, including those of the inter-regional Monitoring Committees set up for the two "massif" SPDs (Massif central and Massif des Pyrénées). During these meetings the harmonised monitoring arrangements were set up. Special attention was paid to mid-term assessment that the data needed to adjust the SPDs would be available for 1997. The Commission steered the work of the Committees to monitor the development priorities laid down for each region. To that end, it worked in partnership with the regional and national authorities to standardise and harmonise the financial and physical data forwarded to the Monitoring Committees. Alongside the progress of the programmes, specific presentations were given of priority aspects such as employment, the quality of agricultural products and measures for job-creating small firms and industries.

⁴⁶ Eligible areas: Alsace, Aquitaine, Auvergne, Lower Normandy, Burgundy, Brittany, Centre, Champagne-Ardenne, Franche-Comté, Upper Normandy, Languedoc-Roussillon, Limousin, Lorraine, Midi-Pyrénées, Loire region, Poitou-Charentes, Provence-Alpes-Côte d'Azur and Rhône-Alpes.

Table V-25: France - Assistance by Objective - 1996 in the context of programming for 1994-96/99 (ECU million)

Programmes (year of adoption)	Total volume	S. F (1)	Commitments 1996	Commitments 1994-96 (2)	% (2)/(1)	Payments 1996	Payments 1994-96 (3)	% (3)/(1)
Objective 1								
SPD Avesnes-Douai-Valenciennes (1994)	1.339,6	440,0	113,5	183,4	42%	65,2	105,2	24%
SPD Corsica (1994)	684,6	252,9	29,5	78,0	31%	33,0	60,4	24%
SPD Guadeloupe (1994)	832,3	351,9	12,5	113,1	32%	22,3	78,3	22%
SPD French Guiana (1994)	309,5	164,9	24,2	51,0	31%	20,5	37,5	23%
SPD Martinique (1994)	660,4	329,8	40,8	98,4	30%	22,1	60,6	18%
SPD Réunion (1994)	1.267,2	659,7	76,4	270,6	41%	88,0	195,8	30%
Technical assistance	0,3	0,1	0,1	0,1	105%	0,1	0,1	102%
Total	5.093,8	2.199,4	297,0	794,6	36%	251,2	537,9	24%
Objective 2*								
SPD Alsace (1994)	47,3	19,9	0,3	19,9	100%	6,1	15,9	80%
SPD Aquitaine (1994)	372,4	100,2	62,3	100,2	100%	63,7	83,3	83%
SPD Auvergne (1994)	109,5	52,9	13,0	51,6	98%	3,7	29,0	55%
SPD Lower Normandy (1994)	155,9	49,3	10,4	45,9	93%	6,6	28,0	57%
SPD Burgundy (1994)	122,4	36,5	8,0	37,6	103%	16,0	23,9	65%
SPD Brittany (1994)	228,9	82,9	54,4	82,9	100%	32,2	46,5	56%
SPD Centre (1994)	128,4	16,3	-6,3	17,9	110%	1,1	13,2	81%
SPD Champagne-Ardenne (1994)	245,1	55,7	25,7	50,4	90%	24,2	36,6	66%
SPD Franche-Comté (1994)	117,4	48,5	31,2	48,5	100%	24,9	33,6	69%
SPD Upper Normandy (1994)	428,8	149,0	45,2	136,8	92%	64,3	106,0	71%
SPD Languedoc-Roussillon (1994)	232,8	56,1	13,8	56,1	100%	17,1	34,0	61%
SPD Lorraine (1994)	212,6	98,1	20,9	101,3	103%	27,3	63,0	64%
SPD Midi-Pyrénées (1994)	151,1	41,4	14,2	41,4	100%	11,3	20,2	49%
SPD Nord/Pas-de-Calais (1994)	925,0	303,0	188,9	302,9	100%	39,9	102,6	34%
SPD Loire Region (1994)	362,3	130,2	43,2	128,4	99%	36,0	63,0	48%
SPD Picardy (1994)	479,0	122,4	45,9	122,4	100%	12,6	62,5	51%
SPD Poitou-Charentes (1994)	130,5	54,1	20,0	54,1	100%	15,2	30,4	56%
SPD Provence-Alpes-Côte d'Azur (1994)	264,7	99,4	29,0	94,6	95%	9,8	27,8	28%
SPD Rhône-Alpes (1994)	220,7	65,8	35,7	67,4	102%	0,0	15,8	24%
Total	4.934,6	1.381,6	655,8	1.560,2	99%	412,2	835,5	53%
Objective 3								
SPD France (1994)	5.443,4	2.562,4	421,6	1.200,0	47%	402,9	906,6	35%
Objective 4								
SPD France (1994)	1.820,1	653,4	91,7	187,1	29%	49,6	97,3	15%
Objective 5(a) agriculture								
SPD France Regs. 866 and 867/90 (1995)	1.404,5	258,9	45,9	81,0	31%	28,6	46,1	18%
Forecasts France Reg. 2328/91 (1994)	4.595,4	1.486,6	174,8	657,6	44%	178,3	402,9	27%
Total	5.999,9	1.745,5	220,7	738,6	42%	206,9	449,0	26%
Objective 5(a) fisheries								
SPD France (1994)	843,0	189,9	0,0	63,3	33%	0,0	41,1	22%
Objective 5(b)								
SPD Alsace (1994)	169,1	48,8	11,5	18,3	37%	7,3	10,6	22%
SPD Aquitaine (1994)	782,6	229,9	49,7	84,1	37%	32,3	51,5	22%
SPD Auvergne (1994)	724,7	164,7	17,7	62,5	38%	19,9	48,5	29%
SPD Lower Normandy (1994)	433,4	133,3	11,9	43,4	33%	14,9	32,0	24%
SPD Burgundy (1994)	407,6	112,7	19,7	49,4	44%	16,8	30,9	27%
SPD Brittany (1994)	510,6	186,3	33,0	59,2	32%	31,8	48,0	26%
SPD Centre (1994)	259,7	84,1	17,0	22,1	26%	9,2	11,7	14%
SPD Champagne-Ardenne (1994)	100,1	29,3	2,5	6,6	22%	3,7	5,8	20%
SPD Franche-Comté (1994)	439,8	78,1	17,3	31,2	40%	8,1	16,4	21%
SPD Upper Normandy (1994)	32,9	11,2	1,2	2,3	20%	0,3	0,8	7%
SPD Languedoc-Roussillon (1994)	344,3	119,9	15,6	27,3	23%	16,1	22,0	18%
SPD Limousin (1994)	560,8	128,0	21,9	53,9	42%	24,7	46,1	36%
SPD Lorraine (1994)	304,6	96,8	20,9	31,1	32%	15,5	21,2	22%
SPD Midi-Pyrénées (1994)	849,9	283,1	38,8	72,7	26%	39,6	57,8	20%
SPD Loire Region (1994)	334,2	122,0	2,4	30,2	25%	12,2	24,0	20%
SPD Poitou-Charentes (1994)	450,8	130,1	21,7	42,5	33%	19,5	30,6	24%
SPD Provence-Alpes-Côte d'Azur (1994)	288,0	95,0	11,1	23,1	24%	10,4	18,2	19%
SPD Rhône-Alpes (1994)	849,9	171,2	20,9	45,8	27%	17,0	30,2	18%
SPD Massif Central (1995)	27,4	12,7	1,3	2,4	19%	0,8	1,3	10%
SPD Massif des Pyrénées (1995)	17,8	8,6	0,0	1,1	13%	0,0	0,5	6%
Total	7.888,2	2.245,8	335,9	709,1	32%	300,2	508,1	23%
TOTAL	32.023,0	11.177,9	2.022,6	5.252,8	47%	1.623,0	3.375,6	30%

* After deduction of transfers to 1997-99

6.2. Implementation of the Community Initiatives in 1996

Note:

France is participating in all the Community Initiatives, which are being implemented in 85 programmes, including 15 for Interreg, all regionalised except for five (Employment, Adapt, Retex, SMEs for Objectives 2 and 5(b) and Pesca). The Commission had adopted 52 programmes in 1994 and 1995 (47 at national level): one for Employment, five for Interreg, six for Rechar II, five for Resider, the amendment of the Retex programme, three programmes for SMEs, one for Regis, all the Konver programmes, the Pesca programme, the Adapt programme and eleven programmes for Leader. The 33 remaining programmes were adopted in 1996: three for Regis, one for Rechar, two for Resider, eight for Urban, nine for Leader and ten for Interreg.

Support for the development of technological potential in France:

The **SMEs Initiative** gives a key role to new technologies and innovation in strengthening the competitiveness of firms in areas eligible under Objectives 1, 2 and 5(b). In Corsica, SMEs is helping to improve the production system and create innovative firms as well as to develop new forms of cooperation between firms to facilitate access to new markets, and cooperation between firms and research and technology transfer centres. It also aims to improve communications and information systems and develop tele-commuting. In Nord/Pas-de-Calais, the initiative gives priority to improving the technological environment of SMEs, particularly those up- and downstream of industrial firms (ECU 1.5 million; total cost: ECU 6 million). In the Objective 2 and 5(b) areas, the programme aims to set up new procedures and disseminate know-how. In this connection it is promoting the creation of a 'counter-guarantee fund' for SMEs implementing partnership or innovative projects and the creation of European partnerships and collective modernisation and innovation projects (between 70 and 100) as an extension of the Stride programme.

The **Interreg** programmes also attribute great importance to RTD (ECU 20.6 million; total cost: ECU 42.4 million), communications (ECU 4.4 million; total cost: ECU 9.4 million) and data-transmission applications (ECU 4.4 million; total cost: ECU 9.1 million):

- **France-United Kingdom:** the CIP for East Sussex-Upper Normandy-Picardy supports cooperation between research and technology transfer centres for the benefit of SMEs and aims to stimulate communication and the sharing of knowledge through joint databases, bilingual documentation sources and the use of new communications technologies (ECU 3.2 million; total cost: ECU 6.5 million); the programme for Nord/Pas-de-Calais - Kent also aims to strengthen communications and support technology development (ECU 8.5 million; total cost: ECU 18.2 million);
- **France-Italy:** the programme for Corsica-Tuscany gives priority to encouraging technology transfer in order to stimulate cooperation between firms and research and innovation centres; the programme for the Alps encourages firms to cooperate in the field of research.

Under **Regis**, ECU 7.1 million (total cost: ECU 14.4 million) are allocated to advanced communications and ECU 13.9 million (total cost: ECU 38.6 million) to RTD.

In the context of the industrial conversion Initiatives, the programmes for **Konver** aim to strengthen technology potential (e.g. Ile-de-France: ECU 0.5 million; total cost: ECU 4.9 million) through research and technology transfer to SMEs and industries which can play a decisive role in economic diversification (e.g. Limousin: ECU 1.8 million (total cost: ECU 4.6 million), Midi-Pyrénées: ECU 1 million (total cost: ECU 2.5 million), Aquitaine, Auvergne, Brittany, Poitou-Charentes) and to develop innovative measures in firms (e.g. Brittany, Languedoc-Roussillon). Under the **Resider** programmes the emphasis is on networking. In Picardy ECU 0.5 million (total cost: ECU 1.5 million) is allocated to the development of technology networks in the rehabilitated areas, while in Nord/Pas-de-Calais, the programme encourages cooperation between skills centres and firms by means of information highways and the use of communications technology by small firms. In Lower Normandy, an electronic information management network will be set up between firms and the University of Caen. The programmes for **Rechar** also stress the importance of cooperation, with the programme for Nord/Pas-de-Calais, for example, encouraging cooperation between skills centres and firms based on new technologies.

Regarding the Initiatives concerned with human resources, the **Adapt** programme allocates part of its resources to the design and implementation of flexible training schemes based on the use of new technologies and distance education (ECU 12 million; total cost: ECU 24 million), alongside the creation of new activities or the introduction of new technologies and studies on the impact of new technologies on human resources.

Employment provides, in the context of the **Horizon Initiative**, for the development of human resources in new technologies, tele-commuting and the creation of the infrastructure necessary for tele-commuting and distance learning (ECU 14.1 million; total cost: ECU 36.1 million).

Lastly, most of the **Leader** programmes provide for the promotion of research, innovation and new technologies in the process of developing and creating local products, and the use of new information and communication technologies in rural society (e.g. tele-commuting, distance education and training, tele-centres, etc.), including assistance for the purchase of equipment and development of networks.

Many programmes were adopted in 1996: 23 regional programmes and the last ten Interreg programmes: three with Belgium (Wallonia-Champagne-Ardenne, Flanders-Nord/Pas-de-Calais, Wallonia-Nord/Pas-de-Calais), one with Belgium and Luxembourg (Wallonia-Lorraine-Luxembourg), one with Spain, three with Italy (Corsica-Tuscany, Corsica-Sardinia, Alps) and two with the United Kingdom (East Sussex-Upper Normandy-Picardy, Kent-Nord/Pas-de-Calais). Under the programme between France and Spain, geographical cross-border groups consisting of partners from both sides of the border have been set up to plan the joint measures provided for in the programme. The regional programmes adopted in 1996 include one Rechar programme (Nord/Pas-de-Calais) and two Resider programmes (Nord/Pas-de-Calais and Lower Normandy). They also include eight Urban programmes, which offer many lessons for future programmes, since they seek to integrate unemployed inhabitants through economic activity in problem-ridden urban districts in eight large French cities. Three of the four Regis programmes were also adopted in 1996. These concern the remotest regions and cover all the Community Initiatives including Leader. Their implementation got off to a slow start, on the one hand because of the need to close the programmes from 1989-93 and, on the other hand, because of bad weather in the Antilles. The last nine Leader programmes were also adopted in 1996. The local action groups for the whole Initiative were selected in most regions by tendering procedure administered at prefecture level. 14 regions made an initial selection of a total of 87 local action groups, enabling the first programmes to get underway in the second half of 1996.

Following the first call for projects under Employment, around 500 projects were selected (157 for Now, 261 for Horizon and 83 for Youthstart). Most of the projects take the approach of creating activities and integration pathways and include a number of innovative practices: in the case of training programmes, these practices include inter-institutional and multi-disciplinary work, the means and tools used to improve the integration pathways (therapeutic listening, creativity workshops, theatre, video, writing workshops, cultural visits), enhancing the expertise of field-workers, overhauling teaching methods and practices, deepening relationships with firms and coordinating with local development. Practices worth mentioning in connection with the creation of activities include tools to facilitate the creation of activities, financing tools, the inclusion of social clauses in public procurement contracts, involvement of inhabitants and local authorities in promising new markets and new working methods, particularly tele-commuting. In the context of improving training schemes, new vocational profiles have been defined, with the observatories acting to stimulate innovation in existing local schemes, training trainers/educators and the different categories of social workers.

270 projects were selected under Adapt, with a high level of participation among small firms (on average almost 100 per project), which correspond to one of the situations targeted (improving the skills of employees in SMEs to take account of changes in technology and markets, quality measures tailored to SMEs, support for a human resources management culture in SMEs, networks for cooperation between SMEs) The other noteworthy feature of the projects concerns the general phenomenon of the development, transformation or emergence of new skills, giving priority to technological developments, particularly those linked with the information society.

The Monitoring Committees of the 33 programmes approved by the Commission in the second half of 1995 also held their first meetings in 1996 (six of the seven Rechar programmes; five of the seven Resider programmes; the three SMEs programmes; the Regis programme for Réunion; the 13 Konver programmes and five of the 15 Interreg programmes) The selection of projects for Pesca at regional level did not begin until the end of 1995 or even early 1996 and information on the progress of the programme is not yet available.

Lastly, the decision to distribute the Community Initiatives reserve will bring an additional ECU 187.7 million to France. This amount has been spread over all the Initiatives except SMEs and Regis, but the lion's share will go to Employment, Leader, Urban and Adapt⁴⁷.

⁴⁷ See also Chapter I.B.1. Community Initiatives.

Table V-26: France - Community Initiatives - 1996 in the context of programming for 1994-99 (ECU million)

Initiative (Number of programmes)	Total	S. F.*	Commitments 1996	Commitments 1994-96 (2)	%	Payments 1996	Payments 1994-96 (3)	%
		(1)						
Adapt (1)	622,5	249,7	0,0	46,9	19%	0,0	23,3	9%
Employment (1)	385,1	146,5	27,3	49,6	34%	15,6	26,7	18%
Leader (20)	477,1	190,0	92,7	188,3	99%	45,6	61,1	32%
Pesca (1)	81,3	28,3	9,5	28,3	100%	8,5	8,5	30%
SMEs (3)	139,2	58,5	0,4	15,8	27%	0,2	4,8	8%
Rechar (7)	78,7	33,5	17,9	33,3	99%	14,9	16,7	50%
Regis (4)	504,1	266,1	52,2	60,9	23%	20,4	24,8	9%
Konver (17)	244,1	71,0	6,3	70,7	100%	3,1	35,1	49%
Resider (7)	173,2	62,1	23,5	62,1	100%	11,7	29,3	47%
Retex (1)	79,3	28,9	0,0	7,0	24%	0,0	3,4	12%
Urban (8)	152,7	55,7	53,8	53,8	96%	17,1	17,1	31%
Total (70)	2.937,4	1.190,4	283,5	616,8	52%	137,2	251,1	21%
<i>Interreg/Regen (15)**</i>								
<i>Programmes adopted in 1996:</i>								
Leader Douai, Valenciennes	4,5	2,0	0,8	0,8	39%	0,2	0,2	12%
Leader Centre	15,1	6,4	6,4	6,4	100%	1,9	1,9	30%
Leader Upper Normandy	1,8	0,8	0,8	0,8	100%	0,2	0,2	30%
Leader Lorraine	16,0	7,4	7,4	7,4	100%	3,2	3,2	43%
Leader Midi-Pyrénées	58,5	22,0	22,0	22,0	100%	6,6	6,6	30%
Leader Loire Region	18,8	9,3	9,3	9,3	100%	4,6	4,6	50%
Leader Rhône-Alpes	28,1	13,2	13,2	13,2	100%	3,9	3,9	30%
Leader Champagne-Ardenne	6,9	2,2	2,2	2,2	100%	0,7	0,7	30%
Leader Alsace	8,4	3,7	3,2	3,2	88%	1,6	1,6	44%
Rechar Nord/Pas-de-Calais	39,3	16,9	16,9	16,9	100%	8,4	8,4	50%
Regis French Guiana	47,3	28,4	28,4	28,4	100%	8,5	8,5	30%
Regis Guadeloupe	123,9	61,3	8,0	8,0	13%	4,0	4,0	7%
Regis Martinique	123,8	60,8	8,3	8,3	14%	4,1	4,1	7%
Resider Lower Normandy	21,7	5,1	5,1	5,1	100%	2,6	2,6	50%
Resider Nord/Pas-de-Calais	45,7	14,4	14,4	14,4	100%	7,2	7,2	50%
Urban Alsace (Mulhouse)	20,9	7,0	7,0	7,0	100%	2,1	2,1	30%
Urban Ile-de-France (Les Mureaux)	17,0	7,0	7,0	7,0	100%	2,1	2,1	30%
Urban Ile-de-France (Aulnay-sous-Bois)	22,8	8,9	8,9	8,9	100%	2,7	2,7	30%
Urban Rhône-Alpes (Lyon-Est)	26,6	7,0	7,0	7,0	100%	2,2	2,2	32%
Urban Nord/Pas de Calais (Valenciennes)	9,7	4,9	4,5	4,5	92%	2,2	2,2	46%
Urban PACA (Marseille)	17,6	7,0	7,0	7,0	100%	2,1	2,1	30%
Urban Nord/Pas-de-Calais (Roubaix-Tourcoing)	17,6	7,0	5,4	5,4	77%	1,6	1,6	23%
Urban Picardie (Amiens)	20,5	7,0	7,0	7,0	100%	2,1	2,1	30%
Total (23)	712,6	309,7	200,2	200,2	65%	75,1	75,1	24%
<i>Interreg (10)***</i>								

* Excluding reserve

** For programme details see Chapter VII, Table 2.2.

*** For programme details see Chapter I.B.1. Community Initiatives

7. IRELAND

7.1. Implementation of assistance by Objective in 1996

Aid for developing technological potential in Ireland :

Through the priorities for the productive sector, economic infrastructure and human resources, the CSF promotes technological development to resolve unemployment, weaknesses in local industry and the country's peripheral location.

The productive sector priority sees R&D as important for making industry internationally competitive. The aim is to increase expenditure on R&D to 2.12% of GDP in 1999. In the 'Industrial development' OP, which is a prolongation of the 'Industrial development' OP for the period 1989-93, R&D measures qualify for ECU 269 million (total cost ECU 499 million) and encourage the use of technology in business through aid for infrastructure, investment and training. Business investment measures promote technology transfer. They aim to increase business expenditure on R&D from 0.65% of GDP to 0.82% in 1999. Outside the industrial sector R&D is aided to modernise agriculture, explore and exploit natural marine resources and protect the environment. The 'Environmental Services' OP includes ECU 3.1 million (total cost: ECU 6.3 million) for monitoring environmental research into sustainable development, clean technology and industrial waste reduction.

The R&D strategy is further strengthened by a 'Human resources' priority to improve access to and the quality of education and training in science and technology while developing human potential in these fields through specific training courses in the technical colleges and universities. The ESF will aid highly qualified researchers involved in industrial R&D projects, technology management programmes for qualified staff in research centres and industry, and training and educational programmes in advanced research and the application of new technology.

Aid for **telecommunications** as one of the sectors in the strategy to modernise the economic infrastructure is also noteworthy. CSF investment on this is 65% greater than in the first programming period. Such an increase is needed, not because the network needs modernising - it is already one of the most advanced and reliable in the Union in terms of digitisation (70%); speed of repairs and the wait for new connections - but because the adverse effects of the country's peripheral location on its industrial strategy need to be reduced. The CSF aims to complete the digitisation of the network, install the entire C7 signals system and an SDH network. The telecommunications subprogramme of the 'Economic infrastructure' OP is implementing this objective (ECU 32 million - total cost ECU 68 million). Considerable work will be done on connections, transmission (using fibre optics) and mobile services (introduction of GSM).

Total funding on technological development amounts to 6.4% of the Structural Funds appropriations in the Irish CSF.

Table V-27: Ireland - Financing directly linked to technological development in 1994-99 (ECU million)

	TOTAL		Struct. Funds		Member State			
		%		%	Public	Private	Total	%
Objective 1	596,4	100%	361,7	61%	102,4	132,4	234,7	39%

NB: In view of the programming procedures and different approaches taken by the Member States, caution is required in interpreting these figures, in particular spending on information society projects which are often linked to other fields such as RTD and industry

Financing by the Structural Funds

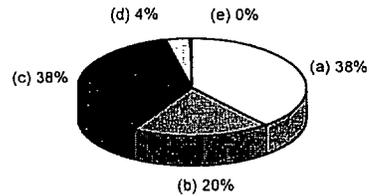


□ R&D ■ Telecomms.

OBJECTIVE 1

Fig. V-33: Programming 1994-99 (ECU million, 1994 prices):

By Priority:		
Productive sector (a)		2.184,0
Economic Infrastructure (b)		1.113,0
Human resources (c)		2.113,0
Local development (d)		200,0
Technical assistance (e)		10,0
By Fund:		
	ERDF	2.562,0
	ESF	1.953,0
	EAGGF	1.058,0
	FIFG	47,0
	Total	5.620,0
		45%
		35%
		19%
		1%
		100%
1 CSF / 10 OPs / 1 MP		
	Average per OP	562,0

*Main achievements in 1996*

The Irish economy continues to have a growth rate in excess of the Community average, and this is in part thanks to aid from the Structural Funds. Implementation of the various programmes has progressed normally. The 'Technical assistance' OP was approved by the Commission in July 1996, which means that all the OPs have now been adopted. Most of the programmes have also been adjusted to take account of the deflator for 1995 and 1996 and to reprogramme expenditure. Thus, taking programmes in receipt of EAGGF funding as an example, the 'Agriculture and rural development' OP, approved in 1994, is now fully operational with the exception of two minor operations; the 'Development of the food industry' subprogramme of the Industry OP has been amended to take account of its slow pace in the early years and the 'Local development' OP, which includes village renewal measures, is in line with expenditure forecasts. Great progress has been achieved under the Fisheries OP (reprogramming was needed to bring forward commitments from 1997). While the scheme introduced in 1995 to reduce the fishing fleet progressed little in 1996 and there has been a delay in implementing aquaculture legislation, 350 jobs were nonetheless created in aquaculture and there is a surplus of good projects in the area of fleet modernisation and fishery products processing. A research vessel was built with an ERDF contribution, recommendations on safety at sea were published and an major campaign was launched to promote sea food.

A special CSF information unit was set up in 1996 to coordinate information on the CSF in Ireland and to improve its quality. In addition, agreement was reached on the light rail system for Dublin (LUAS) under the Transport OP.

The preparations for ongoing assessment of the CSF and the OPs were started by approving the terms of reference and appointing evaluators. An evaluation of the aid's regional impact has also been commissioned, while a draft report has already been produced by the independent consultants evaluating the Fisheries OP.

1996 in the context of programming for 1994-99

Progress on the CSF is substantial. The amounts actually spent are in line with the forecasts for the first three years. Total ERDF payments for the first three years amount to ECU 904.5 million, 67% of the commitments. ESF commitments for 1996 amount to ECU 321.2 million out of a total of ECU 322.9 million provided for the year. Total payments for the three years amount to ECU 846 million, of which ECU 715 million has been spent on the 'Human resources' OP. The total number of FIFG projects approved represent 53% of the Community aid provided for the period 1994-99; the final beneficiaries have spent 31% of the Community aid, 22% of which has already been paid to them.

Table V-28: Ireland - Assistance by Objective - 1996 in the context of the 1994-99 programming period (ECU million)

Programmes (year of adoption)	Total cost	S.F. assistance (1)	Commitments 1996	Commitments 1994-96 (2)	% (2)/(1)	Payments 1996	Payments 1994-96 (3)	% (3)/(1)
Objective 1								
Technical Assistance (1996)	12,6	9,5	9,5	9,5	100%	2,8	2,8	30%
Tallaght Hospital project	131,3	39,4	0,0	39,4	100%	0,0	31,5	80%
Agriculture, rural development (1994)	1.816,6	933,1	207,4	506,7	54%	228,9	491,9	53%
Local development (1994)	434,5	262,6	71,2	126,0	48%	41,4	74,1	28%
Industry (1994)	1.872,6	1.043,3	307,3	568,4	54%	167,2	363,3	35%
Economic infrastructure (1994)	319,6	108,0	15,4	27,3	25%	12,7	22,2	21%
Fisheries (1994)	179,6	79,1	9,2	29,7	38%	9,2	23,9	30%
Human resources (1994)	4.033,1	1.755,4	313,1	855,0	49%	278,7	760,3	43%
Environmental services (1994)	125,6	78,0	10,0	34,0	44%	11,5	30,7	39%
Tourism (1994)	816,9	462,6	74,9	168,9	37%	72,7	149,9	32%
Transport (1994)	1.426,6	900,8	163,2	496,3	55%	75,5	319,8	35%
Technical assistance	0,3	0,3	0,3	0,3	100%	0,0	0,0	7%
TOTAL	11.169,2	5.672,0	1.181,3	2.861,5	50%	900,8	2.270,4	40%

7.2. Implementation of the Community Initiatives in 1996

Note:

All the CIPs for Ireland, except for Urban, were approved in 1994 and 1995. Ireland is not taking part in the Rechar, Resider, Konver or Regis Initiatives. The Urban programme was approved in 1996.

Support for the development of technological potential in Ireland:

Most of the Community Initiative programmes include aid measures for technological development, but the most substantial amounts are provided by the SMEs and Interreg programmes. The SMEs programme helps enterprises to enter markets through the creation of data bases and projects to develop new electronic services (ECU 4.7 million; total cost ECU 9.7 million). One of the Interreg programmes focuses on developing data transmission applications between Ireland and Wales to improve information systems covering transport and protection of the marine and coastal environment. The programme also aids innovative technology as part of cultural, tourism and economic cooperation. The programme between Ireland and Northern Ireland made expansion of the digital telecommunications network a priority, together with aid for technological innovation as a necessary tool for managing the programme and achieving its objectives. The programme also provides for a number of R&D measures to improve research capacity and infrastructure in cross-border centres.

The **Leader** programme includes measures to encourage access to innovative technology through telecentres, improve enterprises' and local services' R&D capabilities and services (ECU 200 000; total cost ECU 600 000), improve data transmission applications (ECU 900 000, total cost ECU 2.2 million) through training in new information technologies, the introduction of computerised reservations systems and telemarketing for tourism, aid for technology transfers and teleworking to create small enterprises and local services, and cross-border operations using innovative technology (teleconferencing, trade, etc.)

Lastly, the **Adapt** programme devotes 7% of its appropriations to closer linking between SMEs and research centres so that the centres' activities might be geared better to the needs of industry (ECU 1.4 million; total cost ECU 2.1 million) and, based on the results of some previous projects, the **Employment Initiative** provides distance learning for the handicapped through the use of data communications (ECU 1.3 million; total cost ECU 5 million).

The last Community Initiative programme to be approved, Urban, was adopted in July 1996. The programme, with a budget of ECU 15.8 million equally divided between the ERDF and the ESF, involves three urban areas, two in Dublin (Dublin Northside-Ballymun and Tallaght-West/Clondalkin) and one in Cork (Cork city, northside). The programme is broken down into sub-programmes with equal allocations for each area. The measures concentrate on fostering employment and enterprises, training and education, local infrastructure, young people, the environment and local development.

On the other hand, the allocation of the reserve for the Community Initiatives will increase their budget in Ireland by ECU 41.7 million. While most of the extra appropriations will be allocated to the Leader and Employment programmes, some will also go towards Adapt, Urban, Interreg and Pesca⁴⁸.

Most of the Community Initiative programmes were amended to take account of indexation for the years 1995 and 1996 and to reprogramme expenditure accordingly. Physical implementation of the Peace programme speeded up appreciably. The 34 local action groups selected in 1995 for the Leader programme are now operating. The Pesca programme has helped fund an increase in lobster and mussel stocks.

The first call for proposals for the Employment Initiative resulted in 132 projects being selected (39 Now, 73 Horizon and 20 Youthstart). The Now projects aim especially to reduce women's under-representation in certain sectors, integrate marginalised women into society and reconcile the competing demands of family and working life. The Horizon projects for the handicapped focus on developing in handicapped people the skills to start up a business or develop business acumen. The Horizon projects for the disadvantaged seek new ways of reducing the high levels of unemployment, including long-term unemployment, and of meeting the needs of the most disadvantaged. The measures favour the "bottom-up" approach, have local-organisation involvement and target a wide variety of beneficiaries (prisoners, young offenders, former prisoners, drug-takers, lone parents, travellers, unqualified young people). Lastly, the Youthstart project gathers together the various administrative and voluntary services with a view to encouraging integrated local efforts on behalf of unqualified young people below the age of 20 who risk social exclusion. 44 projects have been chosen for the Adapt programme covering areas such as improving skills in manufacturing enterprises that have been established for a number of years, the development of information systems, SME products and quality systems, improvements to training systems (technical and pedagogical training for trainers) and the accreditation of continuing vocational training while employed, the creation of jobs in small and micro-enterprises and the development of efficient and practical ways to transfer technology from research institutes to SMEs.

The interim assessments for the Interreg, Peace, Retex, Leader and Pesca programmes have begun. Preparatory work for the other Initiatives will follow in 1997.

Table V-29: Ireland - Community Initiatives - 1996 in the context of programming for 1994-99 (ECU million)

Initiative (number of programmes)	Total cost	SF assistance* (1)	Commitments 1996	Commitments 1994-96 (2)	% (2)/(1)	Payments 1996	Payments 1994-96 (3)	% (3)/(1)
Adapt (1)	28,3	21,2	3,5	7,4	35%	4,0	6,0	28%
Employment (1)	100,5	76,1	21,7	29,3	39%	13,3	17,0	22%
Leader (1)	165,6	67,9	0,0	7,5	11%	0,0	3,8	6%
Pesca (1)	14,4	7,8	6,1	7,2	91%	0,7	1,3	17%
SMEs (1)	66,1	28,8	2,3	23,8	100%	0,7	8,6	30%
Retex (1)	22,8	11,4	1,1	8,1	71%	0,0	4,1	35%
Urban (1)	21,1	15,8	1,8	1,8	11%	0,9	0,9	6%
Total (7)	418,7	229,1	36,5	90,1	39%	19,7	41,6	18%
<i>Interreg/Regen (2)**</i>								
<i>Peace (1)</i>								
<i>of which CIPs adopted in 1996:</i>								
Urban	21,1	15,8	1,8	1,8	11%	0,9	0,9	6%

* Excluding reserve

** See programme details, Chapter VII. Table 2.2.

⁴⁸ See also Chapter I.B.1. Community Initiatives.

8. ITALY

8.1. Implementation of assistance by Objective in 1996

Support for the development of the technological potential of the regions of Italy:

Objective 1: Technological development plays an important part in most of the priorities in the CSF. First of all, under the 'Communications' priority, it is concerned with the development of **telecommunications** (basic telephony, satellite and long distance telecommunications, applications in the public sector - ECU 418 million; total cost: ECU 1 194 million), implemented primarily through the 'Telecommunications' OP (ECU 376.7 million; total cost: ECU 1 076 million). This will assist in the modernisation of urban networks by using fibre optics and speeding up the digitisation of exchanges, preparing access to the ISDN and the development of satellite telecommunications services, giving priority to the establishment of telephone circuits for data transmission, and improving the quality and reliability of services, including connections between exchanges and networks. Data transmission applications are included in this programme and specifically in the regional OPs (Molise: computerisation of the civil service) or in other multiregional OPs (Road transport infrastructure OP: development of a system for the control and automatic monitoring of motorways).

RTD is covered by a sub-priority (ECU 975.1 million; total cost: ECU 1 680 million) of the 'Infrastructure to support economic activities' priority. The multiregional OP implementing it (ECU 784 million; total cost: ECU 1 341 million) includes advanced training, infrastructure for research and the dissemination of innovation. The aim is to develop infrastructure for science faculties and increase the number of students there and to assist research centres controlled by the State (ENEA, CNR, INFN, INFIM and Anton Dohrn) while also promoting industrial research, developing the transfer of technology and expanding science and technology parks (mainly to support initiatives by innovative small firms) and financing a large-scale programme to set up science and technology parks in the Mezzogiorno. The RTD sub-priority is also being implemented by some of the regional OPs:

- *Apulia:* support for research and innovation under the priority for infrastructure to support economic activity;
- *Campania:* development of R&D and science education in universities;
- *Abruzzi:* consolidation of support structures for technological innovation to develop services to industry, craft firms and commerce;
- *Sicily:* expansion of R&D in science, technological innovation and university research infrastructure.

The CSF priority for industry, craft firms and business services is also intended to expand the provision of real and financial services to innovative firms. In addition, the 'Rural development' priority supports research and experimentation to promote agricultural development services and the dissemination of techniques. This priority is implemented both by the multiregional OP on 'Agricultural dissemination' and by some regional OPs such as that for Sicily, which supports the development of agricultural research services, weather forecasting for agriculture, etc.

Objective 2 (1994-96): All the SPDs except the one for the Valle d'Aosta include measures concerned with the dissemination of technologies, innovation or data transmission applications. In some regions, this is a priority which seeks to strengthen innovation-related economic activities:

- *Emilia-Romagna:* use of advanced and clean technologies and higher production standards through support for cooperation between firms and research centres and training in innovation for 300 people (ECU 3 million; total cost: ECU 9.7 million);
- *Friuli-Venezia Giulia:* creation of 30 direct jobs and 150 indirect jobs through the dissemination of innovation and training for qualified staff in the transfer of know-how between firms and research centres in Trieste (ECU 2.6 million; total cost: ECU 10.7 million);
- *Tuscany:* promotion and dissemination of innovation between research centres and small industrial firms, assistance for the purchase of technological services and training for the most disadvantaged (ECU 8 million; total cost: ECU 17.3 million);
- *Piedmont:* development of 1 000 firms and creation of 650 jobs through the development of science and research parks, aid for investment by small industrial firms in innovative sectors and training in technology, organisation and quality control (ECU 42.7 million; total cost: ECU 91.6 million);
- *Liguria:* purchase of technological services (feasibility studies, guidance for new projects, etc.), training for workers in research institutes and introduction of short university courses and higher-level specialist courses (ECU 10 million; total cost: ECU 21 millions).

Although it is not a priority, other regions support innovation as an instrument of industrial conversion:

- *Lazio:* measures to disseminate innovation and to train specialists in the dissemination of scientific and technological knowledge to small firms;
- *Lombardy:* development of advanced technologies in small industrial and craft firms and the

supply of services for the use of research infrastructure and the transfer of technology (ECU 2.5 million; total cost: ECU 6 million);

- Umbria: diversification of the productive base through the promotion and dissemination of innovation and the development of multimedia activities (ECU 3 million; total cost: ECU 6.8 million);
- Veneto: establishment of a science and technology park and an intermodal terminal (ECU 6 million; total cost: ECU 19 millions)
- Marche: support for telecommunications as part of the development of local intermodal infrastructure.

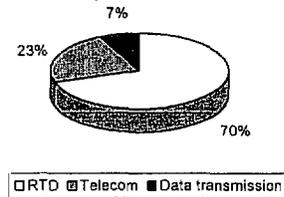
Total expenditure on technological development under the regional Objectives (1, 2, 5(b)) accounts for 11,7% of Structural Fund assistance in Italy.

Table V-30: Italy - Financing directly linked to technological development in 1994-99 (ECU million)

	TOTAL		S.F.		Member State			
		%		%	Public	Private	Total	%
Objective 1	3.371,8	92%	1.702,9	51%	819,5	849,4	1.668,9	49%
Objective 2	239,7	7%	93,4	39%	108,6	37,7	146,3	61%
Objective 5	50,7	1%	15,5	31%	20,7	14,5	35,2	69%
TOTAL	3.662,2	100%	1.811,8	49%	948,8	901,6	1.850,4	51%

NB: The programming procedures and different approaches taken by the Member States invite caution in interpreting the figures, in particular spending on information society projects, which are often linked to other fields such as RTD and industry

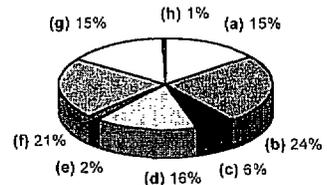
Finance by the Structural Funds



OBJECTIVE 1

Fig. V-34: Programming 1994-99 (ECU million):

Priorities:			
Communications (a)			
Industry and craft industries (b)			
Tourism (c)			
Rural development (d)			
Fisheries (e)			
Economic infrastructure (f)			
Human resources (g)			
Technical assistance (h)			
By Fund:			
	ERDF	8.951,0	64%
	ESF	2739	19%
	EAGGF	2.145,2	15%
	FIFG	233,0	2%
	Total	14.068,2	100%
1 CSF / 29 OP			
	Average per OP		485,1



Main achievements in 1996

In order to improve the general conditions of implementation of the Structural Funds in Italy, the accent in 1996 was on continuation and improvement of the approach which had led to the July 1995 Agreement between the Commission and the Italian administration⁴⁹. This resulted in better monitoring instruments and it was agreed to adopt a two-stage method for reprogramming the CSF. The first phase comprises very close monitoring of the assistance adopted and will conclude towards the end of the first quarter of the following year. To achieve this, small working parties were set up for each OP and they are meeting regularly. The second phase, based on the progress of expenditure and commitments on the ground, will permit a possible redistribution of the resources already allocated to the initiatives decided on in 1994-97. In addition, because of delays in implementation, it

⁴⁹ See 1995 Annual Report.

was agreed to increase the monitoring instruments, including the number of meetings of the CSF Monitoring Committee, which met on three occasions during the year. Apart from this reprogramming methodology, the main horizontal subjects considered throughout 1996 were the introduction of an appropriate system for physical monitoring, the allocation of indexation, specific attention to raising awareness on environmental issues and monitoring the additionality of the Structural Funds.

The Commission also adopted five new operations during 1996, two regional global grants (Crotone and Manfredonia) and three multiregional OPs (two financed by the ERDF and one by the EAGGF). The Crotone global grant is unusual in that it is a sort of territorial pact, with local people deeply involved in both programming and the management of measures. The 'Road transport infrastructure' OP was also approved in 1996; it provides ECU 249 million towards a total cost of ECU 498 million. The 'Energy' OP (ECU 170 million from the ERDF) includes a series of measures for the gas network and to improve the electricity grid. The 'Services for the commercial exploitation of southern agricultural production' OP, with ECU 72 million from the EAGGF, was adopted in October 1996; it will initiate measures to organise and concentrate the supply of agricultural products with due regard to market requirements.

In the case of the programmes already being implemented, and specifically those financed by the EAGGF, work began on information, organisation and the selection of projects under the regional OPs once the national laws on part-financing had been approved in the first half of 1996. A very large number of applications were made. In Campania, for example, publication of the programme resulted in the submission of 23 000 projects. About 70% of appropriations have already been committed by the regional administration. The main effort with regard to actual payments has concentrated on those programmes which can make up the backlog in applying Regulation (EEC) No 2328/91 and other regulations of long standing. The main measures were the payment of the compensatory allowance to farmers in disadvantaged areas and the citrus fruit plan in Sicily and Calabria. It should prove possible in future to respect the annual nature of payments of compensatory allowances more fully. Two programmes are planned at multiregional level. The first is intended to enlarge the body of field workers available in each region and cover salary costs for the first six years following their recruitment. The second is the programme adopted in 1996 for services to develop southern products, which assists the setting up of new companies (large-scale commercial bodies) involving producers, hauliers and distributors to improve conditions for the marketing and development of quality products in the fruit and vegetables, olive oil and horticulture sectors. In the case of fisheries, the measures in the OP which have proved most capable of absorbing appropriations have been adaptation of the fishing effort (particularly the measure to promote joint ventures) and fleet modernisation.

The Commission adopted 18 amending decisions, five of which concerned the Abruzzi region, which was eligible under Objective 1 only in 1994-96 and applied for a two-year extension of national commitments and payments. The decision-making procedure began in 1996. To take account of the particular situation of this region, which will cease to benefit from Structural Fund assistance after 1997, the CSF Monitoring Committee decided that ECU 25 million of the amount made available by indexation of the CSF should be allocated to the region of Abruzzi. Of that amount, an extra ECU 10 million from the EAGGF enabled measures for which a large number of applications had been received to be honoured. The financing plans were formally amended in the light of the time for implementation available.

1996 in the context of programming for 1994-99

At the end of 1996, the financial situation of the CSF was critical, since commitments actually made amounted to 41% of total commitments, while payments stood at 17%. In the case of the ERDF, commitments totalled 41% while payments amounted to 31% of total ERDF funding for the different forms of assistance. At the end of 1996, resources available but not yet committed by the ERDF totalled ECU 1 537 million. Similarly, EAGGF appropriations committed up to the end of 1996 represented 25% of the appropriations planned for 1994-99 and payments made to 13%. In the case of

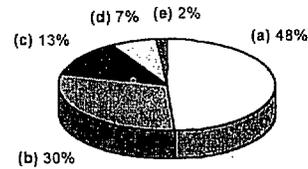
the ESF, commitments were around 41% and payments 16% of the total cost. This backlog in commitments and payments is partly due to long than expected delays in approving programmes. Since the vast bulk of assistance has now been approved, delays in implementation should be made up in the second part of the period. Eligible expenditure incurred by final beneficiaries under the FIFG amounted to ECU 15.8 million, about 7% of eligible costs programmed for 1994-99.

The main feature of 1997 should be continuation of the approach followed since 1995 and improved monitoring instruments.

OBJECTIVE 2⁵⁰

Fig. V-35: Programming 1994-96 (ECU million - 1996 prices and status):

Breakdown by sector:			
Productive environment (a)			
Human resources (b)			
Land improvement and restoration (c)			
Environmental protection (d)			
Technical assistance (e)			
By Fund:			
	ERDF	400,1	76%
	ESF	123,9	24%
	Total	524,0	100%
II SPD			
	Average per SPD		47,6



1996 in the context of programming for 1994-96⁵¹

In line with the approach adopted for all the Objective 2 SPDs, the appropriations not committed before the end of 1996 were transferred to programmes for 1997-99. The amount involved was ECU 169.7 million (after indexation), 25% of the ECU 693.7 million available. The ability of the regions to commit the appropriations varied. Only one region, Emilia-Romagna, succeeded in committing virtually all the appropriations for 1994-96 while for the other regions, transfers ranged from 9% of the initial assistance (Lazio) to 51% (Umbria). For the most part, it was the resources for infrastructure which had to be transferred while the vast bulk of those for aid schemes, services to small firms, economic development and the transfer of technology were committed in full. In some regions, the situation with regard to the payments made by the various authorities responsible improved considerably as compared with 1995 (for example, Valle d'Aosta: 53%; Piedmont: 33%; Tuscany: 30%).

The Monitoring Committees met regularly in 1996, dealing mainly with the monitoring of implementation, reprogramming and the selection of independent assessors responsible for interim and *ex post* evaluations. The partnership dialogue between the Commission, the central government and the regional authorities remained satisfactory. The economic and social partners continued to play an active role in meetings as full members of the Monitoring Committees.

⁵⁰ Eligible areas: Emilia-Romagna, Friuli-Venezia Giulia, Lazio, Liguria, Lombardy, Marche, Umbria, Piedmont, Tuscany, Valle d'Aosta, Veneto.

⁵¹ The programmes for the previous period 1992-93 (ECU 183 million: ECU 127 million from the ERDF and ECU 56 million from the ESF) were closed in 1996 because extensions to the deadlines for payments at regional level had been granted as part of the agreement between the Commission and Italy on ways of improving the management of the Structural Funds. Certificates of final payment are still awaited for most programmes, but payments should amount to 75% of the total funds available. This under-implementation is due mainly to the problems encountered during implementation. This is particularly true of infrastructure projects, where a difficult political situation has further complicated the administrative procedures. Other problems have been caused by the blockage of certain projects for which appropriations had been committed and the devaluation of the lira.

Preparations for the 1997-99 programming period

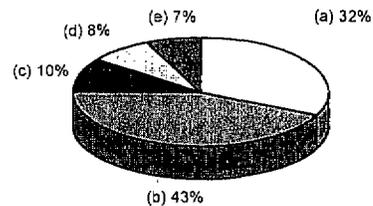
The areas of Italy eligible for the 1997-99 phase are broadly unchanged, the only major adjustment being the addition of three municipalities in the area of Ferrara (Emilia-Romagna). Including transfers from 1994-96, the resources available total ECU 967.5 million⁵². The draft SPDs were submitted by the Italian authorities in August 1996. Although the strategies very largely continue those followed in 1994-96, they reflect the Commission's guidelines. Resources will be concentrated mainly on the development and strengthening of small firms, support for innovation and the transfer of technology, tourism, local employment initiatives and the protection of the environment. There will also be specific training measures. Preparatory meetings involving the Commission, the national authorities and the regions were held from November onwards, to define more closely the strategies, aims and, in some cases, the structure of the proposed programmes.

OBJECTIVES 3 AND 4

Fig. V-36: Objective 3 - Programming 1994-99 (ECU million - 1994 prices):

Priorities	ESF
Integration of the long-term unemployed (a)	421,2
Initial training and integration of young people (b)	566,0
Integration of those threatened with exclusion (c)	131,6
Equal opportunities for men and women (d)	105,3
Improving training systems and employment services (e)	92,1
Total	1316,2*
1 CSF / 16 OPs	
Average per OP	82,3

*including ECU 16.1 million for the Abruzzi from 1997.

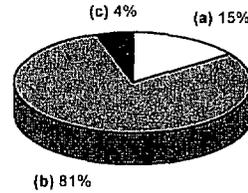


Programming for Objective 3 includes a CSF adopted in 1994 and 16 regional and multi-regional OPs adopted in December 1994. The rates of financial implementation are unsatisfactory, which suggests that normal implementation has not yet been achieved. In order to make better use of resources and explore new forms of programming, the Italian government decided in 1996 to undertake a substantial mid-term reprogramming. Hence a new multiregional OP, to be adopted in 1997 for a period of three years and forming part of the confidence pact for employment, will receive ECU 27.1 million from the ESF. The way this OP is financed includes an innovation in that it will receive the resources allocated to the current regional and multiregional OPs and not committed by the end of 1997, 1998 and 1999. The Ministry of Labour will be responsible for coordination, monitoring and assessment but the regions will be responsible for implementing the measures. The internal assessment report prepared by the Ministry of Labour has some encouraging features such as a positive assessment of the training system and the skill level of young people (measures for young people are moving towards training which is increasingly based on activities of the upper secondary type), and the sound use of the resources allocated to training in equal opportunities and for the socially marginalised. There is, however, a substantial shortfall in the utilisation of the appropriations for the long-term unemployed.

⁵² Emilia-Romagna: ECU 14.1 million; Friuli-Venezia Giulia: ECU 39.2 million; Lazio: ECU 76.9 million; Liguria: ECU 129.5 million; Lombardy: ECU 34 million; Marche: ECU 31 million; Piedmont: ECU 309.5 million; Tuscany: ECU 158.9 million; Umbria: ECU 53.1 million; Valle d'Aosta: ECU 13.5 million; Veneto: ECU 107.8 million.

Fig. V-37: Objective 4 - Programming 1994-99 (ECU million - 1994 prices):

Priorities	ESF
Anticipation, support for programming and management of a continuing training system (a)	59,8
Training, adjustment of human resources to structural changes in the economic and productive system (b)	319,1
Technical assistance (c)	19,9
Total	398,8
<i>1 SPD</i>	



Programming for Objective 4 comprises an SPD adopted in December 1994 for 1994 to 1999. The low level of financial implementation for 1996 may be explained partly by delays in making available national matching funds (from both public and private sources). Italy also suffers from a lack of on-going training for workers, which means that there are very few structures which can provide support for firms. Hence the SPD has made very little progress in anticipating change. However, more assistance has been provided for training, guidance and advisory services and the absorption of funds is greater. During 1995 and the first half of 1996, there were 4 071 projects in these fields but only 125 concerned with anticipating change. Most bodies which prepare training projects are in the public sector while the bulk of firms proposing projects are small ones. These projects are aimed at the most vulnerable workers and training concentrates on new ways of organising work. The Commission has asked for a specific analysis of the projects carried out by firms.

Example of an Objective 4 project in Italy :

Multimedia and distance training in Emilia-Romagna: The SINFORM project is designed to establish a data transmission network to distribute multimedia products and training services on the methodology of distance training. This is also the key point of certain existing distance training networks in the rest of the Community. The aim of the project is to establish a regional network covering the nine provinces of Emilia-Romagna and including a multimedia centre with nine offices and 66 computers, a library of multimedia educational software and tests involving 200 instructors and organisers of European projects. The ESF will contribute ECU 550 000 in part-financing towards the total cost of ECU 1.44 million. It is expected that 1 500 people will be trained over the period as a whole.

OBJECTIVE 5(a) agriculture

Table V-31: Programming 1994-99 (ECU million - 1996 prices and status):

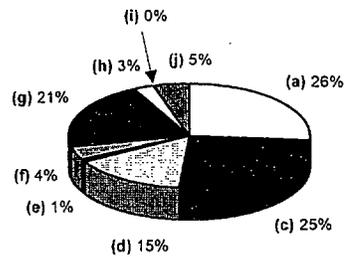
Total	Measures		%
626,1	Production	494,4	79%
	Marketing	131,7	21%

As far as improving the structures of production is concerned, the bulk (41%) of the Community contribution concerns aid to less-favoured areas, followed by investment aid (33%) and aid to young farmers (16%). As regards measures to improve the processing and marketing of agricultural products, in 1996 25 OPs were approved for 11 regions of Italy; at the end of 1996 two OPs still awaited approval. The Community contribution to these OPs totals ECU 131.7 million.

OBJECTIVE 5 (a) fisheries

Fig. V-38: Objective 5(a) fisheries - Programming 1994-99 (ECU million):

	FIFG
Adjustment and redirection of fishing effort (a)	35,4
Other fishing fleet measures (b)	0,0
Renovation and modernisation of the fishing fleet (c)	33,6
Aquaculture (d)	20,5
Protected marine areas (e)	1,2
Port facilities (f)	5,6
Processing and marketing of products (g)	28,1
Promotion of products (h)	3,6
Socio-economic measures (i)	pm
Other measures (j)	6,4
Total	134,4

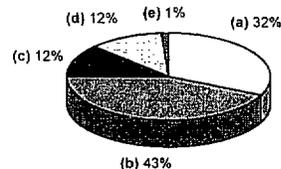


Implementation of the SPD in 1996 concentrated mainly on the measure for the permanent cessation of activity, followed by that for the modernisation of the fleet. In September 1996 eligible expenditure incurred by final beneficiaries amounted to ECU 5.8 million, or 1.3% of total eligible costs for 1994-99. The 1994 instalment has not yet been closed because the annual reports on implementation have not been submitted. The first instalments for 1995 were paid at the end of 1996 and it has not proved possible to commit the two instalments for 1996. The level of commitments by the Italian authorities is, however, much higher than the level of payments. This means that, since projects can be carried over a period not exceeding three years, the absorption of appropriations by beneficiaries during 1997 will probably increase.

OBJECTIVE 5(b)⁵³

Fig. V-39: Objective 5(b) - Programming 1994-99:

Population (1000 hab.)		4.828
Area (km ²)		80.486
<i>ECU million</i>		
By Fund:		
ERDF	370,6	41%
ESF	122,6	14%
EAGGF	411,1	45%
Total	904,3	100%
13 SPD		
Average per SPD		69,6



□	Modernisation et diversification de l'agriculture (a)
▨	Renforcement du secteur non agricole (b)
■	Environnement (c)
□	Ressources humaines (d)
▨	Technical assistance (e)

At the end of 1996, the Objective 5(b) SPD was still suffering from delays, particularly as regards payments. This situation, which is similar to the position at the same point in the previous programming period, is the result of the complexity of the implementation procedures. The special features of the Italian administrative system often mean that between 12 and 24 months elapse before programmes can actually start. By mid-1996, the Italian programmes had got over the administrative hurdle and were being fully implemented in "physical" terms. Commitments rose substantially in the second half of 1996. In terms of the resources programmed for 1994-96, appropriations committed increased from 14% at the end of June to 56% at the end of the year although payments remain at a low level. However, the regions and provinces have offset delays in the payment procedures by advances to the final beneficiaries in the form of bank guarantees. As regards programme monitoring, during the first half of the year the Monitoring Committees concentrated mainly on three types of activity: adjustments to certain elements of programming in the light of new territorial requirements (10 of the 13 SPDs); implementing technical assistance for programme implementation; and arrangements for monitoring and evaluation (the interim assessment reports will be completed by mid-June 1997). In the second half of the year, the Committees were more concerned with assessing the impact of measures, particularly in terms of jobs.

⁵³ Areas eligible: Emilia-Romagna, Friuli-Venezia Giulia, Lazio, Liguria, Lombardy, Marche, Umbria, Piedmont, Tuscany, Trento, Bolzano, Valle d'Aosta, Veneto.

Table V-32: Italy - Assistance by Objective - 1996 in the context of programming for 1994-1996/99 (ECU million)

Programmes (year of adoption)	Total cost	S.F. assistance (1)	Commitments 1996	Commitments 1994-96 (2)	% (2)/(1)	Payments 1996	Payments 1994-96 (3)	% (3)/(1)
Objective 1								
<i>Regional OPs</i>								
GG Crotona (3) (1996)	90,9	35,0	35,0	35,0	100%	0,0	0,0	0%
GG Manfredonia (3) (1996)	60,6	25,0	25,0	25,0	100%	12,5	12,5	50%
OP Abruzzi (1995)	365,7	165,5	74,0	165,5	100%	28,3	74,0	45%
OP Abruzzi (1) (1995)	187,6	93,9	34,5	93,9	100%	16,6	47,3	50%
OP Calabria (1) (1995)	502,0	241,0	0,0	76,2	32%	0,0	41,8	17%
OP Campania (1995)	2.890,8	1.327,9	0,0	177,2	13%	0,0	89,8	7%
MP Port of Gioia Tauro (3) (1995)	120,0	40,0	0,0	40,0	100%	20,0	20,0	50%
OP Apulia (1995)	2.406,4	1.148,4	0,0	203,7	18%	0,0	92,9	8%
OP Sicily (1995)	2.603,6	1.337,2	130,9	320,3	24%	132,7	206,8	15%
OP Basilicata (1994)	1.138,9	583,2	65,4	163,4	28%	42,0	94,4	16%
OP Calabria (1994)	1.313,9	580,3	51,1	124,0	21%	43,8	80,3	14%
OP Molise (1994)	521,0	292,0	22,0	59,7	20%	19,8	39,1	13%
OP Sardinia (1994)	2.103,0	967,1	98,6	269,1	28%	49,9	136,8	14%
<i>Multiregional OPs</i>								
OP "MEGA II" (1) (1996)	120,0	72,0	3,7	3,7	5%	1,8	1,8	3%
OP Energy (3) (1996)	485,0	170,0	45,3	45,3	27%	22,7	22,7	13%
OP Road infrastructure (3) (1996)	498,0	249,0	28,8	28,8	12%	14,4	14,4	6%
OP Industry and services (1995)	5.362,4	2.592,7	1.253,6	2.003,9	77%	1.324,4	1.699,6	66%
OP Water resources (1995)	2.008,3	871,0	114,6	255,3	29%	57,3	127,7	15%
OP Tourism (1995)	302,8	130,0	0,0	22,2	17%	0,0	11,1	9%
OP Agricultural advisory services (1) (1995)	231,4	162,0	31,6	66,0	41%	26,1	43,3	27%
OP "Emergency" Emploi (1994)	524,0	355,7	0,0	32,7	9%	0,0	16,3	5%
OP Technical assistance (2) (1994)	112,1	76,0	0,0	7,0	9%	0,0	3,5	5%
OP Training for instructors (1994)	271,4	184,0	0,0	16,9	9%	0,0	8,5	5%
OP Training for migrant workers (1994)	29,5	20,0	4,3	6,2	31%	3,2	4,1	21%
OP Ministry of Education (1994)	384,3	254,0	19,9	88,4	35%	9,5	43,7	17%
OP Fisheries (1994)	560,0	233,0	0,0	66,5	29%	19,2	35,2	15%
OP Research and development (1994)	1.341,3	784,0	0,0	65,9	8%	0,0	32,9	4%
OP Telecommunications (1994)	1.076,1	376,7	0,0	215,9	57%	81,8	172,7	46%
OP Rail transport (1994)	1.756,6	701,0	0,0	385,2	55%	0,0	308,2	44%
Technical assistance	0,6	0,6	0,5	0,5	102%	0,1	0,1	19%
Total	29.368,3	14.068,2	2.038,7	5.063,5	36%	1.926,1	3.481,6	25%
Objective 2*								
SPD Emilia-Romagna (1994)	39,3	12,0	0,0	12,0	100%	0,0	6,0	50%
SPD Friuli-Venezia Giulia (1994)	59,0	14,1	-2,7	21,3	151%	0,0	12,0	83%
SPD Lazio (1994)	158,4	59,0	32,2	52,5	89%	16,1	26,3	45%
SPD Liguria (1994)	219,2	81,6	34,7	65,3	80%	34,2	49,5	61%
SPD Lombardy (1994)	73,2	21,1	0,1	23,1	110%	0,1	11,6	55%
SPD Marche (1994)	32,0	12,3	-4,4	16,6	135%	0,0	10,5	85%
SPD Umbria (1994)	37,3	17,4	-6,5	28,5	164%	0,0	17,5	101%
SPD Piedmont (1994)	449,1	143,4	63,7	128,8	90%	14,0	46,6	32%
SPD Tuscany (1994)	403,1	113,6	73,3	113,6	100%	17,5	37,7	33%
SPD Valle d'Aosta (1994)	1,6	0,6	-2,8	3,2	584%	0,0	3,0	542%
SPD Veneto (1994)	152,7	48,9	26,4	48,9	100%	13,2	24,5	50%
Total	1.625,0	524,0	214,0	514,0	98%	95,1	245,1	47%
Objective 3								
<i>Regional OPs</i>								
OP Bolzano (1994)	54,4	24,5	2,7	6,4	26%	3,1	4,9	20%
OP Emilia-Romagna (1994)	409,8	184,4	46,9	74,6	40%	45,6	59,5	32%
OP Friuli-Venezia Giulia (1994)	118,6	53,4	5,9	13,9	26%	2,9	6,9	13%
OP Lazio (1994)	271,7	122,3	0,0	18,3	15%	0,0	9,2	7%
OP Liguria (1994)	94,0	42,3	13,5	19,8	47%	2,5	5,7	13%
OP Lombardy (1994)	389,1	175,1	0,0	26,2	15%	0,0	13,1	7%
OP Marche (1994)	81,7	36,8	0,2	5,7	16%	0,1	2,8	8%
OP Umbria (1994)	67,7	30,5	5,3	9,9	32%	2,7	5,0	16%
OP Piedmont (1994)	271,6	122,2	36,6	55,0	45%	24,3	33,4	27%
OP Tuscany (1994)	145,8	65,6	10,2	20,0	31%	5,1	10,0	15%
OP Trento (1994)	62,7	28,2	8,8	13,0	46%	7,4	9,6	34%
OP Valle d'Aosta (1994)	27,6	12,4	2,9	4,8	38%	0,3	1,2	10%
OP Veneto (1994)	240,7	108,3	16,8	33,0	30%	8,4	16,5	15%

(1) EAGGF single-Fund OP

(2) ESF single-Fund OP

(3) ERDF single-Fund operation

* After deduction of transfers to 1997-99

Programmes (year of adoption)	Total cost	S.F. assistance (1)	Commitments 1996	Commitments 1994-96 (2)	% (2)/(1)	Payments 1996	Payments 1994-96 (3)	% (3)/(1)
Multiregional OPs								
OP Innovative measures (1994)	118,9	53,5	0,0	9,0	17%	0,0	4,5	8%
OP Technical assistance (1994)	77,8	35,0	0,0	5,9	17%	0,0	3,0	8%
OP Training (1994)	456,8	205,6	0,0	34,8	17%	0,0	17,4	8%
Total	2.889,0	1.300,1	2.145,9	350,3	27%	2.098,4	202,7	16%
Objective 4								
SPD Ministry of Labour (1994)	886,1	398,8	38,3	98,9	25%	19,1	49,4	12%
Objective 5(a) agriculture								
Regional OPs								
OP Bolzano R. 866/90 (1995)	34,9	7,1	7,1	7,1	100%	3,5	3,5	50%
OP Bolzano R. 867/90 (1996)	1,6	0,4	0,4	0,4	100%	0,1	0,1	30%
OP Emilia-Romagna R. 866/90 (1996)	44,2	8,8	8,8	8,8	100%	2,7	2,7	30%
OP Friuli-Venezia Giulia R. 866/90 (1996)	13,3	3,4	3,4	3,4	100%	1,0	1,0	30%
OP Friuli-Venezia Giulia R. 867/90 (1996)	1,7	0,5	0,5	0,5	100%	0,2	0,2	30%
OP Lazio R. 866/90 (1996)	32,1	8,0	8,0	8,0	100%	2,4	2,4	30%
OP Lazio R. 867/90 (1996)	2,7	0,7	0,7	0,7	100%	0,2	0,2	30%
OP Liguria R. 866/90 (1996)	7,5	2,3	2,3	2,3	100%	0,7	0,7	30%
OP Liguria R. 867/90 (1996)	1,1	0,3	0,3	0,3	100%	0,1	0,1	30%
OP Lombardy R. 866/90 (1996)	132,6	26,5	26,5	26,5	100%	8,0	8,0	30%
OP Lombardy R. 867/90 (1996)	4,6	1,2	1,2	1,2	100%	0,4	0,4	30%
OP Marche R. 866/90 (1996)	62,7	16,3	16,3	16,3	100%	4,9	4,9	30%
OP Marche R. 867/90 (1996)	1,2	0,3	0,3	0,3	100%	0,1	0,1	30%
OP Marche Water Zoo R. 866/90 (1996)	3,2	0,8	0,8	0,8	100%	0,4	0,4	50%
OP Umbria R. 866/90 (1996)	20,4	4,1	4,1	4,1	100%	1,2	1,2	30%
OP Umbria R. 867/90 (1996)	1,6	0,4	0,4	0,4	100%	0,1	0,1	30%
OP Piedmont R. 866/90 (1996)	82,7	15,2	15,2	15,2	100%	4,6	4,6	30%
OP Piedmont R. 867/90 (1996)	4,8	1,2	1,2	1,2	100%	0,4	0,4	30%
OP Tuscany R. 866/90 (1996)	53,0	10,0	10,0	10,0	100%	3,0	3,0	30%
OP Tuscany R. 867/90 (1996)	4,1	1,0	1,0	1,0	100%	0,3	0,3	30%
OP Trento R. 866/90 (1996)	30,8	6,5	6,5	6,5	100%	2,0	2,0	30%
OP Trento R. 867/90 (1996)	3,8	1,0	1,0	1,0	100%	0,3	0,3	30%
OP Valle d'Aosta R. 867/90 (1996)	0,7	0,2	0,2	0,2	100%	0,1	0,1	30%
OP Veneto R. 866/90 (1996)	72,6	14,5	14,5	14,5	100%	4,4	4,4	30%
OP Veneto R. 867/90 (1996)	3,1	0,8	0,8	0,8	100%	0,2	0,2	30%
Multiregional OP								
Forecasts Italy R. 2328/91 (1994)	1.464,9	494,4	0,0	117,5	24%	0,0	58,7	12%
Total	2.086,0	626,1	131,7	249,2	40%	41,1	99,8	16%
Objective 5(a) fisheries								
SPD Italy (1994)	456,4	134,4	0,0	44,8	33%	11,9	23,1	17%
Objective 5(b)								
SPD Friuli-Venezia Giulia (1995)	273,4	44,0	6,8	12,0	27%	3,4	6,0	14%
SPD Liguria (1995)	189,6	35,8	2,1	6,3	18%	0,5	2,6	7%
SPD Marche (1995)	425,1	76,2	0,3	9,2	12%	0,2	4,6	6%
SPD Piedmont (1995)	438,2	83,5	0,0	9,8	12%	0,0	4,9	6%
SPD Bolzano (1994)	159,2	43,6	6,8	11,9	27%	3,7	6,3	14%
SPD Emilia-Romagna (1994)	311,6	57,1	0,0	6,8	12%	0,0	3,4	6%
SPD Lazio (1994)	514,9	145,7	0,0	16,7	11%	0,0	8,3	6%
SPD Lombardy (1994)	213,8	40,3	0,0	4,8	12%	0,6	3,0	8%
SPD Umbria (1994)	341,9	75,5	0,0	10,7	14%	0,0	5,4	7%
SPD Tuscany (1994)	742,2	133,0	6,4	22,2	17%	9,9	17,8	13%
SPD Trento (1994)	66,0	19,9	1,4	2,6	13%	1,5	2,1	10%
SPD Valle d'Aosta (1994)	13,9	4,2	0,0	0,6	14%	0,0	0,3	7%
SPD Veneto (1994)	1.033,2	145,6	9,8	27,1	19%	11,4	20,1	14%
Total	4.723,0	904,3	33,6	140,6	16%	31,2	84,7	9%
TOTAL	42.033,8	17.955,8	4.602,2	6.461,2	36%	4.222,9	4.186,4	23%

8.2. Implementation of the Community Initiatives in 1996

Note:

Italy takes part in all the Community Initiatives except Regis. All except Leader are implemented through non-regionalised programmes. In 1994 and 1995, 21 CIPs were adopted for the Initiatives Rechar, Retex (amendment of the CIP adopted in 1993), Adapt, Leader, Pesca and the Regen strand of Interreg. The Leader (10), Urban, Resider, SMEs and Konver programmes which remained were adopted in 1996, as were five Interreg CIPs (three with France, one with Albania and one with Switzerland).

Support for the development of technological potential in Italy:

The SMEs programme provides ECU 31 million (total cost: ECU 87.9 million) to help small firms define their priorities for technological innovation, to promote cooperation between small firms and research centres, to encourage the development of networks to exchange RTD know-how, and to encourage the use of advanced telecommunications systems to diversify production and market opportunities.

Most of the Interreg programmes include measures relating to transfers of innovation and technology to local small firms (ECU 4.6 million; total cost: ECU 13.8 million) and the development of data transmission networks (ECU 2.4 million; total cost: ECU 5.1 million). Furthermore, the programme with Greece is intended to develop in Italy the advanced telecommunications infrastructure required to connect the two countries' networks (ECU 8.5 million).

In the field of human resources, the Adapt programme seeks to make use of the new technologies while taking account of industrial changes and the new employment opportunities (in the audio-visual sector, information and communications technology, etc.) and stimulate new methods of training such as distance learning. The Employment CIP concentrates on new specialisations, particularly in RTD and innovation, the management of firms or cooperatives, and the training of instructors. It promotes synergies with measures under the Community framework research programmes in the fields of information technologies and communications such as flexible learning, distance learning and data transmission applications for the handicapped (e.g. the TIDE programme). The Leader programmes too provide support for distance learning and work, the promotion of rural tourism and reservation systems using multimedia or data transmission applications (ECU 6 million; total cost: ECU 13 millions), and transfers of innovation and technology to local firms.

The Rechar and Resider CIPs include measures to support technological innovation and the Urban programme offers support in a number of Italian towns for projects relating to the use of training services or information by data transmission.

The Commission approved 14 new programmes in Italy and five Interreg programmes. These include the SMEs CIP, a single programme for all the eligible areas, to which the Structural Funds will contribute ECU 191.7 million. This programme includes provision for assistance to improve services to firms in the fields of quality and innovation and to improve access by small firms to finance and the capital markets. The Resider programme affects nine regions; the ERDF will provide ECU 85.6 million. The priority areas for assistance are the improvement of the environment where it has deteriorated (47%), the promotion of new economic activities to stimulate diversification (33%) and help in the development of tourist activities (4%). The Konver programme (ECU 46.1 million from the ERDF) is mainly devoted to the promotion of replacement economic activities, and in particular the establishment and development of small firms (68%) and the improvement and restoration of military areas and areas seriously affected by military activity (15%). For example, it is planned to provide assistance in Apulia to support services to small firms in the fields of the environment, environmental quality (the ecolabel) and workers' safety. The Urban CIP covers 13 municipalities (Rome, Genoa, Venice, all of which are outside Objective 1, and Naples, Salerno, Palermo, Catania, Siracusa, Reggio Calabria, Cosenza, Bari, Foggia and Cagliari, which are eligible under Objective 1). In five towns, assistance will concentrate on the suburbs and in eight on the historic centre. Each town will manage its own sub-programme and management is decentralised to local level.

The largest number of CIPs adopted in 1996 was under the Leader Initiative (total assistance ECU 105.5 million). Approval of the LEADER programmes was thus completed in 1996 with the adoption of seven programmes for the Objective 5(b) areas and two for the Objective 1 areas (Molise and Sicily). There are intended to provide extra funding for rural development to complement measures financed under the Objective 1 OPs. Priority was given to the areas with greatest difficulties, those with hilly and mountainous terrain. In the case of the Objective 5(b) areas, selection of the local action groups at regional level proved particularly complex (selection is based on quantified qualitative criteria, intended principally to ensure a satisfactory territorial concentration) and by the end of the year had been completed in three regions or autonomous provinces (8 groups selected), while the procedure was in its final phase in six other regions. In the Objective 1 regions, the groups had been selected in Calabria, the Abruzzi and, in part, Campania. Selection by the other regions is in progress. Technical assistance to launch the national network of Leader groups was also approved in 1996.

Five Interreg programmes were approved in 1996. The Sardinia-Corsica programme concerns the province of Sassari in Sardinia and the department of Corse du Sud and includes assistance for communications between the two islands and environmental protection. The Corsica-Tuscany programme concerns the department of Haute Corse and the province of Livorno. Its priorities for assistance include tourism, sea transport and communications infrastructure, the transfer of technology and economic and cultural exchanges between the two areas. On the Franco-Italian border, the Alpes CIP concerns the Alpine regions (Rhône-Alpes, Provence-Alpes-Côte d'Azur; Valle d'Aosta, Piedmont, Liguria). The priority sectors for assistance are improving communications between frontier areas, promoting the cultural heritage of these areas and encouraging economic activity on the border. The Italo-Swiss CIP concerns the frontier areas of the Valle d'Aosta, Piedmont, Lombardy and the province of Bolzano. Assistance is intended to improve cooperation between small firms, infrastructure, the development of agricultural, forestry and fisheries production and the development of the natural, historical and cultural heritage. The programme involving Italy and Albania concerns the areas on the sea frontier between the two countries (Apulia in Italy) and complements the Italy/Albania Phare programme for 1995-99, which covers the coastal areas of Albania. The programme's resources are concentrated on a limited number of fields: transport and communications (improving port systems and telecommunications), cooperation among small firms, tourism and the environment. During 1996, negotiations between the authorities concerned continued on one Interreg programme, the Greece-Italy CIP (approval and effective implementation were expected in 1997).

Another important feature of 1996 was the Commission decision on allocation of the reserve, which provided an additional ECU 199 million for Italy. This amount went mainly to the Employment, Leader, Interreg II C, Adapt, Urban and Konver Initiatives⁵⁴. The programmes which benefited from the reserve will be the subject of fresh programming or integration in 1997.

Implementation of most of the programmes was subject to substantial delays. In view of the late approval of the various programmes (end 1995 and 1996), 1996 was mainly devoted to establishing the Monitoring Committees and to the adoption, at national level, of procedures for the approval and implementation of the various projects. As a result the financial results of implementation for 1996 are only slight. All the Monitoring Committees for the Initiatives approved in 1996 were set up. For some programmes (Retex, Interreg Italy-France (Corsica-Sardinia), Interreg Italy-Albania, Urban), proposals for amendments intended to bring the terms of programming more closely into line with actual progress and with the expected use of resources were considered. In the case of the Pesca programme, which is not managed entirely at central level, since it comprises 11 regional sub-programmes and two multi-area sub-programmes, with some sub-programmes managed by the national administration and others by the regional administrations, this division of management between administrations caused difficulties of coordination. While, the first advance (50%) of the 1995 instalment (FIFG and ERDF) was paid by the Commission, no expenditure was incurred by the beneficiaries, even though in the case of some sub-programmes the projects had already been selected (mainly where the sub-programmes were managed by the central administration).

Under Employment, 234 projects (197 regional and 37 multi-regional: 52 Youthstart, 67 Now, 115 Horizon) have been financed since 1994. The projects under Youthstart concern the training of instructors and the creation of jobs in growth sectors such as the environment, the cultural heritage and tourism. The main aim of the Now projects is to help with the establishment of firms. The projects under Horizon-handicapped (71 projects) provide specific training for the disabled while those under Horizon-disadvantaged (44 projects) focus on training and integration into the labour market. The main aim of the Adapt programme is to assist the national plan to establish an on-going training system. Since 1995, 182 projects have been selected, of which 141 are regional and 41 multi-regional. Most projects relate to the training of the staff of firms, many of which are in the services sector (tourism and the environment).

⁵⁴ See also Chapter I.B.1. Community Initiatives.

Table V-33 : Italy - Community Initiatives - 1996 in the context of programming for 1994-1999 (ECU million)

Initiative (number of CIPs)	Total cost	S.F. assistance* (1)	Commitments 1996	Commitments 1994-96 (2)	% (2)/(1)	Payments 1996	Payments 1994-96 (3)	% (3)/(1)
Adapt (1)	360,5	190,0	45,6	81,7	43%	23,1	41,1	22%
Employment (1)	569,6	348,7	82,7	134,2	38%	41,9	67,6	19%
Leader (22)	757,1	288,7	49,3	77,9	27%	22,3	36,3	13%
Pesca (1)	82,4	34,2	0,0	4,4	13%	0,0	2,2	6%
SMEs (1)	645,5	191,7	44,7	44,7	23%	22,4	22,4	12%
Rechar (2)	34,1	1,7	0,0	1,7	100%	0,5	0,8	50%
Konver (1)	250,4	46,1	21,6	21,6	47%	10,8	10,8	23%
Resider (1)	505,6	85,6	42,8	42,8	50%	21,4	21,4	25%
Retex (2)	257,2	79,0	0,0	12,1	15%	0,0	6,0	8%
Urban (1)	280,7	117,7	26,4	26,4	22%	13,2	13,2	11%
Total (33)	3.743,0	1.383,3	313,0	447,4	32%	155,4	221,9	16%
<i>Interreg/Regen (7)**</i>								
<i>CIPs adopted in 1996:</i>								
Leader Technical assistance (implementation of national network)	3,1	2,0	2,0	2,0	100%	0,8	0,8	40%
Leader Lombardy	14,6	4,5	4,5	4,5	100%	1,9	1,9	42%
Leader Liguria	15,6	3,9	3,9	3,9	100%	1,6	1,6	41%
Leader Molise	18,1	9,8	0,3	0,3	3%	0,1	0,1	1%
Leader Marche	35,9	8,4	1,1	1,1	13%	0,6	0,6	7%
Leader Trento	8,6	2,2	1,4	1,4	62%	0,4	0,4	19%
Leader Piedmont	39,9	9,3	1,2	1,2	13%	0,6	0,6	7%
Leader Veneto	57,9	16,3	6,0	6,0	37%	3,0	3,0	18%
Leader Sicily	65,2	32,6	7,2	7,2	22%	3,6	3,6	11%
Leader Lazio	60,6	16,3	3,6	3,6	22%	0,9	0,9	6%
SMEs	645,5	191,7	44,7	44,7	23%	22,4	22,4	12%
Konver	250,4	46,1	21,6	21,6	47%	10,8	10,8	23%
Resider	505,6	85,6	42,8	42,8	50%	21,4	21,4	25%
Urban	280,7	117,7	26,4	26,4	22%	13,2	13,2	11%
Total (14)	2.001,7	546,5	166,7	166,7	30%	81,3	81,3	15%
<i>Interreg (5)***</i>								

* Excluding reserve

** For programme details see Chapter VII. Table 2.2.

*** For programme details see Chapter I.B.1. Community Initiatives

9. LUXEMBOURG

9.1. Implementation of assistance by Objective in 1996

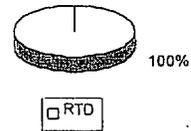
SSupport for the development of the technological potential of the regions of Luxembourg:
Objective 2 (1994-96): The strategy of the SPD for the conversion of the traditional metal-working industry to the electrical sector gave priority to the industrial sector, partly through measures to promote technological innovation. This involves not only support for RTD, particularly materials analysis (including the promotion of transfers of technology between research centres and firms), but also technical and scientific assistance to firms and the training of staff in RTD.
Objective 5(b): The development of the new technologies is supported by the SPD as a means of giving fresh life to rural areas by reducing the distance between work and home, so making countrydwellers economically independent and keeping them in rural areas, by improving day-to-day living conditions, and through the protection and safeguarding of the countryside. Measures therefore support RTD in small industrial, commercial and craft firms and in administrations which wish to establish local offices in rural areas.
Total support for technological development accounts for 13.2% of the appropriations under Objective 2.

Table V-34: Luxembourg - Financing directly linked to technological development in 1994-96 (ECU million)

	TOTAL		S.F.		Member State			
		%		%	Public	Private	Total	%
Objective 2	2,4	100%	0,7	29%	0,2	1,6	1,7	71%

NB: The programming procedures and different approaches taken by the Member States invite caution in interpreting the figures, in particular spending on information society projects, which are often linked to other fields such as RTD and industry.

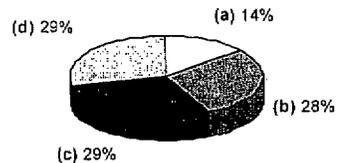
Financing by Structural Funds



OBJECTIVE 2⁵⁵

Fig. V-40: Programming 1994-96 (ECU million - 1996 prices and status):

Breakdown by sector:			
Productive environment (a)			
Human resources (b)			
Land improvement and restoration (c)			
Environmental protection (d)			
Breakdown by Fund:			
	ERDF	4,6	85%
	ESF	0,8	15%
	Total	5,3	100%
I SPD			



1996 in the context of programming for 1994-96

The SPD for 1994-96 was closed at the end of 1996 after the Monitoring Committee had decided to adjust the financing plan for the assistance by making transfers between measures and reducing the Community contribution. The main point to note is the extra funding for the measure for human resources, to which the ESF will now contribute ECU 194 000. Because of the low level of commitments at the end of 1996, the Community contribution has been reduced to ECU 5.3 million and ECU 1.8 million (25% of the original assistance, including indexation) has been transferred to 1997-99 because of under-utilisation by the measure to promote productive investment (aid scheme for firms) and the measure for the treatment of industrial waste.

⁵⁵ Eligible areas: Esch-sur-Alzette, Capellen.

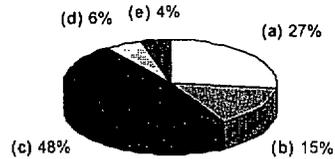
Preparation of the 1997-99 programming period

Two meetings to negotiate on the SPD for 1997-99 were held in 1996.

OBJECTIVES 3 AND 4

Fig. V-41: Objective 3 - Programming 1994-99 (ECU million - 1994 prices):

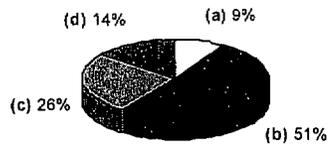
Priorities	ESF
Integration of the long-term unemployed (a)	5,5
Vocational integration of young people (b)	3,1
Integration of those threatened with exclusion (c)	9,9
Equal opportunities for men and women (d)	1,2
Horizontal measures (e)	0,9
Total	20,7
I CSF / 2 OP	
Average per OP	10,3



In 1996 the main target groups for assistance under Objective 3 were workers with poor skills, particularly those in sectors where access to training is poorly developed or non-existent. A total of 547 people received finance from the ESF. Under the Objective 4 SPD, 13 training measures benefiting 1 394 people were implemented.

Fig. V-42: Objective 4 - Programming 1994-96 (ECU million - 1994 prices):

Priorities	ESF
Anticipation of labour market trends and skill requirements (a)	0,2
Vocational training and retraining, guidance and counselling (b)	1,2
Improvement and development of training systems (c)	0,6
Horizontal measures for the whole SPD (d)	0,3
Total	2,3
I SPD	



OBJECTIVE 5(a) agriculture

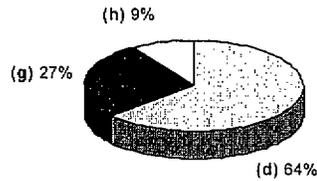
Table V-35: Programming 1994-99 (ECU million - 1996 prices and status):

Total	Measures		%
38,4	Production	36,7	96%
	Marketing	1,7	4%

Expected implementation to improve agricultural structures was reduced in 1996 to ECU 36.7 million for 1994-99 (as compared with the ECU 37.3 million originally planned in 1994). Luxembourg decided to transfer part of the appropriations originally allocated to these measures to aid for the processing and marketing of products; a decision on this SPD is to be taken in 1997. The largest part goes to aid for less-favoured areas (ECU 19 million), followed by investment aid (ECU 9 million) and aid to young farmers (ECU 9 million). Since 1994, Luxembourg has allocated two thirds of the Community aid planned for 1994-99 to the processing and marketing of products. ECU 1.15 million out of ECU 1.7 million will go to investments to improve quality in the wine-growing sector, the only one concerned by the programme. The total eligible costs of investments which have received Community assistance amount to ECU 8 million.

OBJECTIVE 5(a) fisheries**Fig. V-43: Objective 5(a) fisheries - Programming 1994-99 (ECU million):**

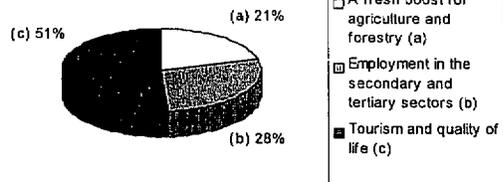
	IFOP
Adjustment and redirection of the fishing effort (a)	0,0
Other fishing fleet measures (b)	0,0
Renovation and modernisation of the fishing fleet (c)	0,0
Aquaculture (d)	0,7
Protected marine areas (e)	0,0
Port facilities (f)	0,0
Processing and marketing of products (g)	0,3
Promotion of products (h)	0,1
Socio-economic measures (i)	pm
Other measures (j)	0,0
Total	1,1



There was very little investment activity in the Objective 5(a) fisheries programme during 1996. Eligible expenditure incurred for the first half of the programme amounted to 8% of the amount planned for 1994-99. The volume of investment is expected to increase in 1997 and 1998.

OBJECTIVE 5(b)⁵⁶**Fig. V-44: Objective 5(b) - Programming 1994-99:**

Population (1000 hab.)		30
Area (km ²)		831
		<i>ECU million</i>
By Fund:		
ERDF	3,1	51%
ESF	0,8	13%
EAGGF	2,2	36%
Total	6,0	100%
1 SPD		



Delays in implementing the programme on the ground gave rise to concern, which led the Commission to intervene on a number of occasions. For example, it proved impossible to organise a Monitoring Committee meeting. This means that some important decisions - the technical assistance plan, the preparation of assessment and the criteria for selecting projects - have still not been taken.

Table V-36: Luxembourg - Assistance by Objective - 1996 in the context of programming for 1994-1996/99 (ECU million)

Programmes (year of adoption)	Total cost	S.F. assistance (1)	Commitments 1996	Commitments 1994-96 (2)	% (2)/(1)	Payments 1996	Payments 1994-96 (3)	% (3)/(1)
Objective 2*								
SPD Luxembourg (1994)	18,2	5,3	-1,5	6,0	113%	0,3	4,3	80%
Objective 3								
OP Private promoters (1994)	21,6	9,7	1,6	4,6	47%	1,6	4,0	42%
OP Public promoters (1994)	24,4	11,0	1,8	5,3	48%	1,8	4,9	45%
Total	46,0	20,7	3,4	9,9	48%	3,4	8,9	43%
Objective 4								
SPD Public promoters (1994)	6,1	2,3	0,4	0,9	38%	0,3	0,6	25%
Objective 5(a) agriculture								
Forecasts Luxembourg R. 2328/91 (1994)	128,8	36,7	4,3	15,6	42%	5,2	10,0	27%
SPD Luxembourg R. 866 and 867/90 (1994)	11,2	1,7	0,0	1,0	57%	0,0	0,5	32%
Total	139,9	38,4	4,3	16,5	43%	5,2	10,6	28%
Objective 5(n) fisheries								
SPD Luxembourg (1994)	3,7	1,1	0,0	1,1	100%	0,2	0,3	30%
Objective 5(b)								
SPD Luxembourg (1994)	25,5	6,0	0,0	0,8	14%	0,0	0,4	7%
TOTAL	239,5	73,8	6,6	35,2	48%	9,3	25,2	34%

* Amounts after deduction of transfers to 1997-99

⁵⁶ Eligible area: North Luxembourg.

9.2. Implementation of the Community Initiatives in 1996

Note:

Luxembourg does not participate in four of the Initiatives: Rechar, Retex, Regis and Pesca. Five CIPs were adopted in 1994 and 1995 (Employment, Urban, Adapt, Leader, Interreg). One Interreg programme with Belgium and France was still to be approved and this was done in 1996. Three national programmes still to be approved concerned SMEs (adopted in 1996), Resider and Konver.

Support for the development of the technological potential of Luxembourg:

Support for technological development plays a comparatively large role in the SMEs and Interreg II Community Initiatives. The SMEs CIP finances measures of two types to promote RTD to increase the international competitiveness of small firms. These are respect for the environment through the sound management of resources and the use of clean technologies, and the promotion of strategic management in small firms through the development of information systems on public contracts, communications in the construction sector, etc.

The Interreg II programme between Luxembourg and Germany encourages the transfer of technology (ECU 1.6 million; total cost: ECU 3.1 million) and the establishment of cooperation networks. The programme involving Luxembourg, Wallonia and Lorraine contains, among the measures likely to introduce new technologies, the creation of structures to provide information and support to small firms and the development of human resources through the adjustment of training to meet the needs of local industry and the setting up of information networks.

Two new Community Initiative programmes were approved in 1996. The first, adopted in September 1996, is the SMEs CIP for areas eligible under Objectives 2 and 5(b). Community assistance will provide 25% of the total investment planned. The main measures are based on two priorities, encouraging small craft and industrial firms to take account of the environment and promoting strategic management in small firms.

An Interreg programme covering Luxembourg, Belgium and France was also approved in February. It embraces the districts of Arlon, Virton, Bastogne and Neufchâteau in Belgium, the departments of Meuse, Meurthe-et-Moselle and Moselle in France, and all of Luxembourg. The programme has four priorities: cross-border economic development (provision of venture capital for small firms on a cross-border basis; premises for firms; the development of locally-generated potential); the development of human resources (European technology college); the attractiveness and environment of the cross-border area (design and implementation of cross-border facilities for waste management; establishment of local partnerships in the countryside; improving water and river quality); and cross-border urban development (town planning, structuring cross-border urban areas). The first meeting of the Monitoring Committee was held in November. The arrangements for monitoring the programme were approved (Rules of procedure, organisation plan for implementing the programme, selection criteria) and a number of projects were considered (study on the exploitation of cross-border aquifers, study on preventing flooding of the Chiers, etc.).

The Commission was unable to approve the joint Resider/Konver programme submitted by the Luxembourg authorities. A number of essential points such as a description of the measures were missing from the latest version of the programme received on 9 February 1996. Despite the Commission's repeated requests, the Luxembourg authorities did not submit a new version during 1996.

Turning to the programmes already implemented, the Employment and Adapt CIPs made satisfactory progress during 1996. These Initiatives are financing three and two projects respectively, all for a four-year period. Under Employment, the Youthstart project seeks to identify young people who have not succeeded in the education system and offer them, through guidance and counselling, a recognised vocational qualification. The Horizon project tries to create jobs for the disadvantaged in horticulture (establishment of a company to maintain open spaces), and the Now project offers integrated training to women seeking to re-enter the labour market. The Adapt project provides training and advice to firms and is establishing a data base containing information for workers on the

on-going training available. As for the new Integra strand of the Employment Initiative, for which Luxembourg has been allocated no extra finance, in 1996 Luxembourg proposed a draft in the form of a pilot project under Article 6 of the ESF Regulation. Implementation of Leader is proceeding satisfactorily.

Following the decision on the allocation of the reserve for the Community Initiatives, Luxembourg received ECU 1.23 million which will go to the Resider and Leader Initiatives⁵⁷.

Table V-37: Luxembourg - Community Initiatives - 1996 in the context of programming for 1994-99 (ECU million)

Initiative (number of CIPs)	Total cost	S.F. assistance* (1)	Commitments 1996	Commitments 1994-1996 (2)	% (2)/(1)	Payments 1996	Payments 1994-1996 (3)	% (3)/(1)
Adapt (1)	0,8	0,3	0,2	0,3	100%	0,1	0,1	30%
Employment (1)	0,6	0,3	0,0	0,3	100%	0,0	0,2	50%
Leader (1)	4,8	1,0	0,0	1,0	100%	0,0	0,4	40%
SMEs (1)	1,4	0,3	0,3	0,3	72%	0,1	0,1	22%
Urban (1)	1,0	0,5	0,0	0,5	100%	0,2	0,3	50%
Total (5)	8,7	2,5	0,5	2,4	96%	0,4	1,0	40%
<i>Interreg/Regen (2)**</i>								
<i>CIPs adopted in 1996:</i>								
SMEs	1,4	0,3	0,3	0,3	72%	0,1	0,1	22%
<i>Interreg (1)***</i>								

* Excluding reserve

** For programme details see Chapter VII. Table 2.2.

*** For programme details see Chapter I.B.1. Community Initiatives

⁵⁷ See also Chapter I.B.1. Community Initiatives.

10. THE NETHERLANDS

10.1. Implementation of assistance by Objective in 1996

Support for the development of technological potential in the regions of the Netherlands:

Objective 1: The Flevoland SPD allocates ECU 14.4 million (total cost: ECU 86.9 million) to assisting RTD in four spheres:

- the "Regional Technology Plan" which combines increasing regional RTD capacity with working towards the region's socio-economic objectives (ECU 0.2 million);
- creating a technology transfer centre to assist SMEs and a network of regional telecommunications centres (ECU 1.5 million);
- the KIM project, which helps businesses employ people with university backgrounds and highly qualified staff in order to introduce new technologies and new working methods into business and industry (hydraulics, water resource management, environmental aspects, industrial hydrodynamics, development of coastal areas, fire prevention, etc. - ECU 0.2 million);
- building new applied research infrastructures and providing industry with financial assistance for R&D (ECU 12.5 million).

RTD is also a key factor in the strategy for modernising agriculture (ECU 5.6 million; total cost: ECU 23.2 million). The SPD encourages the concentration and extension of high-level RTD through relocations and the creation of research institutes (e.g.: the Lelystad IDL-DLO research centre, creating 250 posts for highly qualified staff), the diversification of their activities and the development of a centre to facilitate the transfer of research results to the agri-industrial sector and to farms. The SPD also provides support for fisheries research (ECU 1.1 million; total cost: ECU 20.7 million).

Objective 2 (1994-96): The Objective 2 SPDs devote 10% of the Structural Fund contribution to RTD. The measures are intended to strengthen the industrial fabric by stimulating product innovation and development, more specifically:

- Arnhem-Nijmegen: sites for business and industry (the Mercator Science and Technology Park in Nijmegen, the HBO-Bedrijfscentrum in Arnhem, the Bedrijvenscentrum Simon Stevin in Arnhem); development of industrial structures and expertise (business clusters - e.g.: a business collaboration project in the silver-plated goods industry; promotion of innovation and quality (e.g.: medical technology; new business activities, etc.), investment in human capital (ECU 6.9 million in total; total cost: ECU 25.6 million);
- Groningen-Drenthe: encouragement of technological innovation, assistance for RTD, guidance on the application of environmental technologies, creation of a technological development centre (ECU 0.5 million; total cost: ECU 1.2 million);
- Twente-Overijssel: development of technological infrastructures and expertise (ECU 1.8 million; total cost: ECU 5.3 million) and support for innovation (ECU 0.5 million; total cost: ECU 1.1 million) - e.g.: technology institutes in the Business and Science Park;
- South Limburg: development of products, business sites and environmental technologies and high-level training in technology (ECU 8.2 million; total cost: ECU 25 million);
- South East Brabant: equipping research centres (ECU 9.7 million; total cost: ECU 39.7 million), improving technological training and the transfer of expertise to new businesses.

Apart from RTD, the programmes are devoting 1.5% to **telecommunications**, specifically linking up with the telecommunication networks and basic infrastructure and equipment. Only the Twente SPD makes more precise provision, for the construction of a cable link in the Business and Science Park and the establishment of a Data Transmission Study Centre to develop multi-modal transport in the region. As for **data transmission applications**, the Twente SPD is providing support for the development of data transmission applied to transport and Groningen-Drenthe is supporting the creation of a Data Transmission Development Centre.

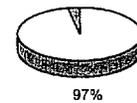
Objective 5(b): In Friesland research and information centres are being developed and technology transfer in the context of business development will be facilitated. In Groningen-Drenthe priority is being given to developing business clusters with the help of a grant of ECU 7.3 million (total cost: ECU 32.9 million), as well as support for new products and technologies and informing businesses about innovation. In Overijssel it is planned to develop data transmission services and research projects and develop new products in the context of developing natural resources and agriculture.

In total, Community financing for technological development in the Netherlands accounts for 13.2% of Structural Fund appropriations (Objectives 1 and 2).

Table V-38: Netherlands - Financing directly related to technological development in 1994-99 (ECU million)

	TOTAL		Structural Funds				Member State	
		%		%	Public	Private	Total	%
Objective 1	132,7	58%	22,0	17%	89,9	20,8	110,7	83%
Objective 2	97,8	42%	27,6	28%	38,2	32,0	70,2	72%
TOTAL	230,5	100%	49,6	22%	128,1	52,8	180,9	78%

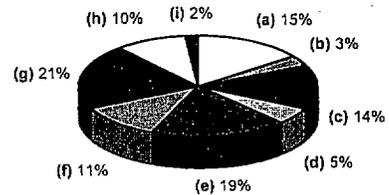
NB: The programming procedure and different approaches taken by the Member States invite caution in interpreting these figures, in particular spending on information society projects, which are often linked to other fields such as RTD and industry.

Financing by the Structural Funds

□ RTD ■ Telecom.

OBJECTIVE 1⁵⁸**Fig. V-45: Programming 1994-99 (ECU million):**

Priorities:			
Industry promotion (a)		22,0	
Tourism (b)		5,2	
Agriculture, rural development (c)		21,2	
Fisheries (d)		8,2	
Human resources (e)		28,0	
Business infrastructure (f)		17,0	
Transport infrastructure (g)		31,4	
Research and development (h)		14,4	
Technical assistance (i)		2,6	
By Fund:			
	ERDF	80,0	53%
	ESF	40,0	27%
	EAGGF	21,5	14%
	FIFG	8,5	6%
	Total	150,0	100%
I SPD			

**Main features of 1996**

The general objectives of the Flevoland SPD include bringing per capita GDP up to 85% of the Community average, achieving employment growth 3% higher than the national average and an unemployment rate below the national average and reducing disparities in unemployment rates within the region. Not all of these goals have yet been achieved. Per capita GDP is catching up with the national average and employment growth is almost 3% higher than the national rate, but for the first time unemployment in Flevoland is slightly higher than the average for the Netherlands and unemployment disparities within the region increased between 1994 and 1995.

Among the main points to be noted concerning the implementation of the SPD in 1996, the first is the introduction of subject-based meetings to stimulate open discussion between the partners on specific subjects such as, in 1996, fostering job creation, interim assessment, agricultural policy and the Regional Technology Plan. Secondly, Flevoland is one of the regions participating in the territorial employment pacts. The region drafted an action plan called "Action for employment", which follows the lines of the Objective 1 SPD but stresses the need for greater coordination of the various regional partners on the basis of three principles: dynamism, creativity and synergy, the aim being to achieve coherence between existing projects rather than launch new ones. The impact on employment of projects already approved is estimated as follows: 10 492 permanent jobs (6 749 created directly and 3 743 indirectly) and 2 793 temporary jobs.

⁵⁸ Eligible area: Flevoland.

The implementation of the various measures meant that the 1995 instalment could be paid out and that for 1994 closed. The following measures are progressing satisfactorily: support for business and industry (particularly SMEs) and transport infrastructure (the main project is the conversion of road No 27 into a motorway (the A27), which will improve Flevoland's links with the centre and south of the country; work on this project is up to schedule). In other areas (fisheries, business infrastructures and research and development) progress is slower. On the other hand, the Regional Technology Plan has given rise to an increased number of research and development projects. Measures relating to fisheries are proceeding as forecast, beginning with the implementation of the measure to adjust fishing effort by the permanent decommissioning of vessels; measures relating to product processing and marketing have now also been launched. In the case of the 'Agriculture and rural development' priority, apart from measures under Objective 5(a), the measures financed by the EAGGF are essentially to assist agricultural research, sustainable farming, new agricultural activities and water management. All these measures are considerably behindhand with their financial implementation because of long gaps between legal and budget commitments and payments. So at the end of 1996 only two of the six annual instalments had been committed, i.e. 30% of the appropriations provided for. A discussion day on farming in Flevoland was organized and measures to accelerate implementation have been taken.

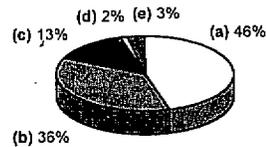
1996 in the context of programming for 1994-99

The mid-term assessment report was submitted by the assessor. Its main conclusions were that the structure, strategy and coherence of the programme are still sound but organisation and management could be better integrated. It also recommends a greater concentration of effort on certain areas, in particular combating unemployment, diversification in areas dependent on fisheries and creating centres of activity in certain sectors such as the food industry, transport and distribution, the media, tourism and leisure. Generally speaking it may be said that the SPD has helped to improve cooperation between the various partners in a region which has not traditionally had cooperative networks. The operation of the Monitoring Committee has been improved, in particular by introducing subject-based meetings, which have drawn many participants; of the eligible Dutch regions, only Flevoland has taken this particular initiative.

OBJECTIVE 2⁵⁹

Fig. V-46: Programming 1994-96 (ECU million):

<i>By sector :</i>			
Productive environment (a)			
Human resources (b)			
Land improvement and restoration (c)			
Protection of the environment (d)			
Technical assistance (e)			
<i>By Fund :</i>			
	ERDF	144,0	64%
	ESF	80,2	36%
	Total	224,1	100%
<i>5 SPDs</i>			
	Average per SPD		44,8



1996 in the context of programming for 1994-96

The five SPDs were closed in 1996, with a substantial proportion of the appropriations initially programmed (ECU 80.1 million, i.e., 27% of the total initial assistance) not committed and transferred to the 1997-99 period. These transfers vary among the regions from 17% to 33% of the

⁵⁹ Eligible areas: Arnhem-Nijmegen, Groningen-Drenthe, Twente-Overijssel, South Limburg, South East Brabant.

initial assistance⁶⁰. The 1994 and 1995 annual instalments were closed for all the SPDs except that for Twente, while the first instalment for 1996 was committed for three of them (Groningen-Drenthe, Arnhem-Nijmegen and South East Brabant). It was only in 1996 that the systems for monitoring the different SPDs became fully operational, enabling all financial information and indicators to be transmitted in detail.

Each programme developed in different ways:

- in Groningen-Drenthe two measures - the Regional Technology Plan and measures relating to the environment and energy - were completed and will serve as a basis for the next phase, while the measure assisting businesses with advice, internationalisation, technology and investment were a marked success and had to be allocated additional funding. However, there was some difficulty in engaging the interest of the final beneficiaries of the programme, mainly because of the diversity of administrative procedures involved;
- under the Twente programme, the Commission approved two venture capital funds as well as the Regional Technology Plan which serves as a framework for the selection of technological projects. In this programme, several measures - a multi-mode transport infrastructure project and an industrial infrastructure project, financed by the ERDF and transport, distribution and tourism projects financed by the ESF - are encountering difficulties, whereas the ESF measure to assist industry is making rapid progress. The assessment concludes that employment in industry is continuing to fall, but that the measures to assist industry and help develop businesses, which are working well, could help to slow down this decline;
- the rate of implementation in Arnhem-Nijmegen is explained by the fact that some measures are late (in particular, tourism and ESF measures). Strategies for assisting industry and tourism were improved, but it was noted that sectoral and semi-public organisations needed to participate more actively;
- in the case of South East Brabant, ESF financing was almost fully used in 1996 and ERDF measures to assist industrial sites, business parks and the working environment progressed well, while those to assist tourism and technology and training centres were not so successful. The assessment shows that the objectives of the programmes should be achieved, that the programme schedule was complied with, there were no difficulties with monitoring or part-financing, SMEs were effectively informed and the first finalised ESF projects enabled 86% of the unemployed who had taken part in training to find a job;
- in South Limburg the programme was adjusted firstly because of indexation, with the resulting amount being allocated to measures to assist tourism and technical assistance (adaptation of the monitoring system), and secondly because of the amounts not used by the measures to assist industry and create new companies were transferred to the tourism measure; the transfer is to be compensated for in the 1997-99 programme.

Preparation of the 1997-99 programming period

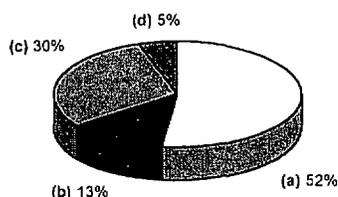
Preparation of the 1997-99 programming period began in the second half of 1996. Each of the projects submitted follows on from measures in the 1994-96 programming period, but with some modification of the priorities. For example, the draft SPD for Groningen-Drenthe places greater emphasis on local employment initiatives, the economic importance of certain towns and the Regional Technology Plan, and less on infrastructure. Similarly, the quality of life and the local economy as well as employment initiatives have been added to the priorities in South East Brabant. Investment in Twente will be more focused than in the past on future-oriented sectors capable of creating jobs and diversifying the regional economy, which means that more financing will be going to assist productive infrastructure, technology and industry. Similarly, the emphasis of the Arnhem-Nijmegen draft programme will be shifting from economic infrastructures towards businesses and information technology.

⁶⁰ The transfers represent the following amounts: ECU 22.3 for Groningen-Drenthe (29% of the initial assistance), ECU 11.2 million for Arnhem-Nijmegen (20%), ECU 9.9 million for Twente-Overijssel (17%), ECU 14.1 million for South Limburg (32%), and ECU 22.6 million for South East Brabant (33%).

OBJECTIVES 3 AND 4

Fig. V-47: Objective 3 - Programming 1994-99 (ECU million - 1995 prices)

Priorities	ESF
Training (a)	480,0
Placement (b)	120,0
Reintegration (c)	277,0
Technical assistance (d)	46,0
Total	923,0
<i>I SPD</i>	

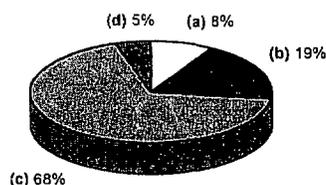


The Objective 3 programme progressed according to plan, with the entire annual instalment (ECU 164 million) committed and a total of 128 900 participants in projects financed by the ESF (74 900 receiving direct training, 6 460 receiving counselling and 47 540 participating in reintegration projects). Expenditure tends to concentrate more on the reintegration projects than on counselling. This reflects the tendency of employment services to seek individual approaches to assist the unemployed and the programming for the following years may be officially changed to reflect this shift during the mid-term review. In 1996 ESF financing of the traineeship system was also extended; this system offers training in the work place, work experience and one day of theoretical training per week. The ESF is also organising ways of matching supply and demand for trainees by region and by sector, which will make it possible to place an additional four to five thousand young trainees every year.

Financial implementation was rather less good than in previous years because of the time it takes for the regional employment offices to submit projects under the ESF part-financing system. The allocation of certain budgets to a particular promoter has meant that in certain cases they have remained unused if the promoter did not succeed in organising the project. The cost of the projects seems to have slightly increased because unemployment has fallen in the Netherlands and so greater effort is now required to help those who remain unemployed.

Fig. V-48: Objective 4 - Programming 1994-99 (ECU million - 1994 prices):

Priorities	ESF
Encouraging interest in training (a)	13,0
Matching training with needs (b)	29,1
Training programmes (c)	106,7
Technical assistance (d)	7,4
Total	156,2
<i>I SPD</i>	



The Objective 4 SPD finally started progressing at a steady pace in 1996. 69 projects were selected for a total amount of ECU 40 million. Most of them were clusters of several businesses (120 on average) from the same sector (17 sectors in all) and they were organized by the "O&O" funds, sectoral training funds administered by the social partners. It is estimated that 41 000 people received training under these projects, with 25 000 of them working in SMEs. Of the programme's three priorities, the most financing goes to the third priority, training. It seems that forecasting labour market trends and the development of training programmes is already well developed in the Netherlands. Under the 'Anticipation' priority, an employment monitoring system was set up, which has already worked effectively in the coordination of existing efforts and which will examine trends in supply and demand on the labour market and establish whether the Objective 4 programme is in step with these trends. This programme is already well known to the target group and is finding it increasingly difficult to cope with the large number of project proposals.

OBJECTIVE 5(a) agriculture

Table V-39: Programming 1994-99 (ECU million - 1994 prices):

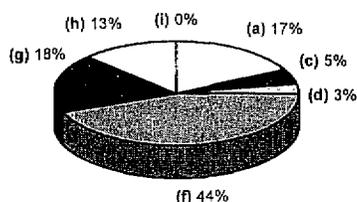
Total	Measures		%
118,0	Production	78,8	67%
	Marketing	39,2	33%

Investment in the modernisation of production structures mainly went to the housing of farm animals in 1995. The number of farms benefiting from investment aid in 1995 fell significantly, from 918 in 1993 and 883 in 1994 to 226 in 1995. This fall is attributed to the "wait-and-see" attitude of the Dutch agricultural sector as a result of trends in agricultural income. This is reflected in the downward revision of expenditure for 1995 (- 43% compared to the forecasts made in 1994). Since 1993, setting-up aid for young farmers has no longer been provided. The SPD for product processing and marketing began as programmed. Most of the projects are innovative or have an environmental emphasis. For the sake of simplicity, in 1996 the Netherlands proposed integrating the different arrangements for investment aid available under a number of Community Regulations into a single legal instrument for investment aid.

OBJECTIVE 5(a) fisheries

Fig. V-49: Objective 5(a) Fisheries - Programming 1994-99 (ECU million):

	FIFG
Adjustment and redirection of fishing effort (a)	8,0
Other fishing fleet measures (b)	0,0
Renovation and modernisation of the fishing fleet (c)	2,2
Aquaculture (d)	1,5
Protected marine areas (e)	0,0
Port facilities (f)	20,4
Processing and marketing of products (g)	8,5
Promotion of products (h)	6,0
Socio-economic measures (i)	pm
Other measures (j)	0,0
Total	46,6

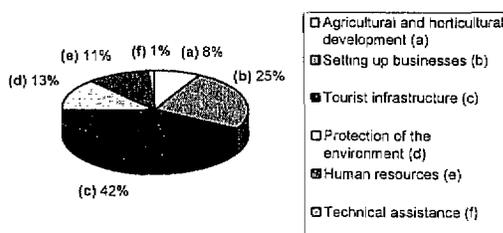


The implementation of the programme on the ground began with measures for the adjustment of fishing effort, namely the permanent decommissioning of vessels. Certain projects concerning the fish processing industry were also launched, whereas implementation of most of the other measures under the SPD has been relatively slow.

OBJECTIVE 5(b)⁶¹

Fig. V-50: Objective 5(b) - Programming 1994-99:

Population (1000 hab.)		800	
Area (km ²)		5 405	
<i>ECU million</i>			
By Fund:			
	ERDF	81,8	55%
	ESF	17,6	12%
	EAGGF	50,6	34%
	Total	150,0	100%
5 SPDs			
	Average per SPD		30,0



A certain delay in the implementation of projects was noted in the case of one region (Groningen-Drenthe). The Commission insisted that the procedure for paying final beneficiaries should be speeded up. In September 1996 the Commission approved an amendment of the Overijssel SPD concerning a transfer between two measures, and at the end of 1996 the province of Limburg also

⁶¹ Eligible areas: Friesland, Groningen-Drenthe, Limburg, Overijssel, Zeeland.

submitted a request for an amendment. The Monitoring Committees in the various provinces decided to reserve the amounts derived from the indexation of the programmes (1995/96) for 1999. One of the most important aspects of their work was assessment. It was organized at national level by the Ministers for Agriculture and Economic Affairs. The mid-term assessment will be conducted by the same external agency for each region and the final reports will be presented at the end of the first quarter of 1997.

Table V-40: Netherlands - Assistance by Objective - 1996 in the context of programming for 1994/99 (ECU million)

Programmes (year of adoption)	Total cost	S. F. assistance (1)	Commitments 1996	Commitments 1994-96 (2)	% (2)/(1)	Payments 1996	Payments 1994-96 (3)	% (3)/(1)
Objective 1								
SPD Flevoland (1994)	958,7	150,0	4,8	42,0	28%	11,8	31,5	21%
Objective 2*								
SPD Arnhem-Nijmegen (1994)	173,1	45,6	21,3	39,2	86%	3,8	12,7	28%
SPD Groningen-Drenthe (1994)	195,9	54,8	16,7	50,0	91%	13,3	30,0	55%
SPD Twente-Overijssel (1994)	156,4	49,0	24,5	43,0	88%	8,2	17,5	36%
SPD South Limburg (1994)	102,9	29,5	12,0	25,8	87%	1,4	8,3	28%
SPD South East Brabant (1994)	169,6	45,3	24,6	46,0	102%	12,6	23,3	51%
<i>Total</i>	<i>798,0</i>	<i>224,1</i>	<i>99,1</i>	<i>204,2</i>	<i>91%</i>	<i>39,3</i>	<i>91,8</i>	<i>41%</i>
Objective 3								
SPD Netherlands (1994)	2.219,7	935,3	152,2	434,5	46%	124,6	377,9	40%
Objective 4								
SPD Netherlands (1994)	363,6	156,2	0,0	22,2	14%	0,0	11,1	7%
Objective 5(a) agriculture								
Netherlands forecasts R. 2328/91 (1994)	461,7	78,8	2,1	20,8	26%	1,2	8,1	10%
SPD Netherlands R. 866 and 867/90 (1994)	313,7	39,2	6,9	13,5	34%	5,3	10,5	27%
<i>Total</i>	<i>775,3</i>	<i>118,0</i>	<i>9,1</i>	<i>34,3</i>	<i>29%</i>	<i>6,5</i>	<i>18,6</i>	<i>16%</i>
Objective 5(a) fisheries								
SPD Netherlands (1994)	127,5	46,6	6,4	15,5	33%	6,5	12,7	27%
Objective 5(b)								
SPD Friesland (1994)	266,9	68,7	6,7	19,3	28%	5,1	10,3	15%
SPD Groningen-Drenthe (1994)	157,4	34,9	1,5	5,7	16%	1,0	3,1	9%
SPD Limburg (1994)	48,4	19,1	5,0	7,3	38%	3,3	4,5	24%
SPD Overijssel (1994)	70,2	15,5	1,6	4,9	32%	2,3	3,9	25%
SPD Zeeland (1994)	49,2	11,8	0,8	3,9	33%	0,9	3,4	29%
<i>Total</i>	<i>592,1</i>	<i>150,0</i>	<i>15,6</i>	<i>41,2</i>	<i>27%</i>	<i>12,7</i>	<i>25,3</i>	<i>17%</i>
TOTAL	5.834,9	1.780,3	287,1	793,9	45%	201,4	568,9	32%

* After deduction of transfers to 1997-99

10.2. Implementation of the Community Initiatives in 1996

Note:

The Netherlands is not participating in the Rechar or Regis Initiatives. Twelve CIPs (Community Initiative programmes) at national level were adopted in 1994 and 1995 for all the Initiatives, to which 7 Interreg CIPs should be added. At the end of 1995, only the Konver CIP remained to be adopted, and this was approved in 1996.

Support for the development of technological potential in the Netherlands :

Most of the Dutch CIPs contain measures to support technological development. In this respect, the SMEs programme provides not only for the development of telecommunications as a basic factor in the constitution of networks between businesses, but also, on the RTD side, several measures to promote the introduction of new procedures, techniques and products, as well as cooperation with research centres (e.g. open days, exchange projects, training on the job) and the transfer of technology. Furthermore, one of the programme's strands focuses on new information systems, aiming to introduce new technologies into businesses. Under Interreg, certain programmes have introduced support measures for telecommunications. Some programmes involving the Netherlands and Germany give priority to the reinforcement of telecommunications infrastructure, as is also the case for the Netherlands and Belgium, to provide connections with the trans-European electronic networks. On the RTD side, cooperation programmes between the Netherlands and Belgium and the Netherlands, Belgium and Germany provide support for cooperation between businesses and research centres, as well as technology transfer to stimulate innovation and the modernisation of production procedures and products.

In the case of the industrial conversion Initiatives, in IJmond Resider is promoting new technologies and industrial development as well as networks in the industrial and service sectors, with the help of a grant of

ECU 3.7 million (total cost: ECU 9.1 million) for business innovation and creation. The Retex programme is also providing support for technological development and innovation in the Twente region. Under the Employment initiative, the Horizon strand facilitates the integration of handicapped people and disadvantaged groups into the labour market through the development of distance working and the introduction of flexible training systems such as distance learning and interactive education.

The Konver CIP was finally adopted by the Commission in March 1996. It covers eight Dutch regions (Kop van Noord-Holand, The Hague/Delft, Rijnmond, Walcheren, part of the province of Utrecht, Veluwe, Arnhem/Nijmegen and North West Brabant), and focuses mainly on the conversion of defence-related industries, the stimulation of innovation, the revitalisation of industrial sites, the development of tourism and training. The decision on the allocation of the Community Initiative reserve will give this programme an extra ECU 15.1 million and extends it to 1999. 49% of the first advance has already been allocated to projects by the Dutch authorities and the programme is arousing great interest, with a large number of applications by project managers.

The Commission's decision on the Community Initiatives will give an extra ECU 184.55 million to the Netherlands. Apart from the sum allocated to Konver, this amount has been distributed among the Adapt, Employment, Leader, Pesca, Resider, Urban and Interreg Initiatives⁶². In the case of Interreg II C, under the flood prevention strand, the Netherlands will receive ECU 100 million to implement a programme in the Meuse-Rhine basin. This programme was drawn up at the end of 1996 in cooperation with the Belgian, German, French, and Luxembourg authorities and will have a Structural Funds package of ECU 135 million at its disposal (in addition to the sum allocated to the Netherlands, the package is distributed as follows: Belgium: ECU 7.5 million; Germany: 24.9 million; France: 2.6 million; no budget for Luxembourg).

As regards existing programmes, the Resider (Ijmond) programme will be extended to 1999 and allocated an additional ECU 5 million from the reserve. The programme is succeeding well: at the end of 1996, 70% of the Structural Funds package was committed to projects and the total cost will rise from ECU 50 million to ECU 100 million because national, regional and private part-financing will be higher than initially envisaged. The aid scheme for advice for SMEs has been particularly successful, especially because of the great demand for ISO certifications, which has meant that funding for this measure has had to be doubled. The Retex Initiative has been integrated as a measure under the Objective 2 SPD for Twente to encourage SMEs to innovate, and it has already paid out 50% of its allocation. The SMEs CIP started up in 1996 and 65% of its annual instalment for 1996 was committed to projects, which means that it is behind schedule. There are, however, considerable differences from measure to measure: the measures to assist technology projects, exchanges of experience and the networking of demonstration projects are going well, while others such as demonstration centres, RTD centres and the introduction of new technologies in SMEs, still need more work.

Under the Urban Initiative the two first programmes - for Amsterdam and The Hague - started up relatively late because of hesitations by the Dutch authorities about which cities to choose. In 1996 important work was done under the Amsterdam programme. The Dutch authorities also decided to allocate an additional ECU 13.1 million from the reserve to two new CIPs for Rotterdam and Utrecht, programmes for which were presented at the end of 1996. In the case of Pesca, the ECU 2 million extra allocated from the reserve will go to non-Objective 1 areas. The implementation of this programme is, however, relatively slow, both within and outside the Objective 1 area, in particular because of internal coordination difficulties arising from the fact that several Structural Funds and national authorities (the Ministry, local authorities, etc.) are involved in part-financing.

⁶² See also Chapter I.B.1. Community Initiatives.

The four Leader programmes have been progressing satisfactorily and the network of the four eligible regions is operational. The assessment will cover all four programmes with a specific separate analysis for each region and will be carried out by the same external agency. In Flevoland the projects selected have three priorities: reducing the vulnerability of the agricultural sector, strengthening the tourism sector and increasing the viability of villages.

Under the Employment Initiative, 41 projects (15 Now projects, 17 Horizon projects and 9 Youthstart projects) were selected in 1995 and began at the end of that year and the beginning of 1996. The Now projects focus above all on women in ethnic minorities and on social welfare. The Horizon projects for handicapped people support the development of a model of "accompanied employment", while those to assist disadvantaged young people concentrate in particular on the long-term unemployed. The Youthstart projects mainly concern young people of foreign origin with few or no qualifications. The Dutch authorities presented a revised draft of the programme inserting a new strand, Integra, and arrangements have been made to launch an invitation for projects as part of the second series of Employment projects in 1997. Under the Adapt programme 67 projects became operational in 1996. Particular priority is given to SMEs and support is provided for new businesses as potential job-creators. The projects also concern the transfer of know-how and expertise from big companies to small ones, cooperation between SMEs and R&D and training institutions, and improving opportunities for women on the labour market. Another revision of the CIP was proposed to include a new strand, Adapt (a), and in this case too arrangements have been made to launch an invitation for projects at the same time as the second 1997 series of Adapt projects. A conference to stimulate interest in this new strand among project promoters was held in October 1997.

Table V-41: Netherlands - Community Initiatives - 1996 in the context of programming for 1994-99 (ECU million)

Initiative (number of progs.)	Total cost	S. F. assistance* (1)	Commitments 1996	Commitments 1994-96 (2)	% (2)/(1)	Payments 1996	Payments 1994-96 (3)	% (3)/(1)
Adapt (1)	142,8	57,6	0,0	11,5	20%	0,0	5,8	10%
Employment (1)	91,4	42,4	2,2	6,5	15%	1,1	3,2	8%
Leader (4)	35,2	8,5	0,0	8,2	97%	0,0	2,5	29%
Pesca (1)	34,2	10,6	9,3	10,5	99%	1,1	1,7	16%
SMEs (1)	26,9	10,3	0,8	10,3	100%	0,2	3,1	30%
Konver (1)	32,0	12,0	11,0	11,0	91%	3,3	3,3	27%
Resider (1)	51,5	18,1	0,0	18,1	100%	1,0	8,4	46%
Retex (1)	3,5	1,0	0,0	1,0	100%	0,0	0,5	50%
Urban (2)	87,9	9,3	0,0	7,9	85%	0,0	2,4	25%
Total (13)	505,3	169,9	23,4	85,0	50%	6,8	30,8	18%
<i>Interreg/Regen (?)**</i>								
<i>CIPs adopted in 1996:</i>								
Konver	32,0	12,0	11,0	11,0	91%	3,3	3,3	27%

* Excluding reserve

** For programme details see Chapter VII. Table 2.2.

11. AUSTRIA

11.1. Implementation of assistance by Objective in 1996

Support for the development of technological potential in the regions of Austria:

Objective 1: The Burgenland SPD seeks to boost commerce, industry and tourism by stimulating RTD and to improve the quality of life by generating a climate conducive to innovation and technological development. Allocated ECU 15.5 million (total cost: ECU 82.6 million), this priority comprises measures to assist enterprises geared to technology and innovation, telecommunications networks and applications, the construction of, and provision of equipment for, technology centres and technical high schools, and the staffing of technology transfer centres. Under other priorities, targets for assistance also include training in RTD skills for the unemployed and young people and back-up in the realm of technological know-how.

Objective 2: All Austrian SPDs under Objective 2 comprise support measures for technological development:

- Upper Austria: development of technology infrastructures (e.g. FAZAT - centre for innovation in the field of technology transfer) and basic and in-service training centres, allocated ECU 4.3 million (total cost: ECU 17.7 million); support for RTD, including innovation in products and production processes (ECU 1.3 million; total cost: ECU 19.6 million);
- Lower Austria: support for RTD to bring the region's level of industrial technology up to the national average, give the region a technological bias, set up national and international-scale research establishments and improve technology transfers to regional SMEs; support for innovative SMEs;
- Styria: support for technology and innovation transfers to SMEs and back-up for cooperative research projects in enterprises (ECU 5.8 million; total cost: ECU 49.4 million); developing human resources RTD capacity (ECU 2 million; total cost: ECU 4.9 million);
- Vorarlberg: investment and RTD projects (ECU 4 million; total cost: ECU 56.8 million); improving know-how (ECU 1 million; total cost: ECU 5.9 million).

Objective 5(b): The Objective 5(b) SPDs provide support for technological development as a means of developing economic activity and creating jobs in rural areas:

- Lower Austria: 300 agricultural innovation projects; technological cooperation between enterprises and research centres;
- Styria and Vorarlberg: conversion of industrial and marketing activities through the development of technology transfer;
- Carinthia: RTD in agriculture.

Overall, Structural Fund appropriations flowing into technological development in Austria amount to 14% of Community funding (Objectives 1 and 2).

Table V-42: Austria - Funding directly linked to technological development in 1994-99 (ECU million)

	TOTAL		SF		Member State			
		%		%	Public	Private	Total	%
Objective 1	82,6	27%	15,5	19%	26,9	40,2	67,1	81%
Objective 2	228,5	73%	21,7	9%	40,7	166,2	206,9	91%
TOTAL	311,1	100%	37,2	12%	67,6	206,4	274,0	88%

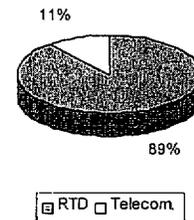
NB: The programming procedures and different approaches taken by the Member States

invite caution in interpreting the figures, in particular spending on information society projects, which are often linked to other fields such as industry and RTD.

The amounts under Objective 1 refer only to the RTD priority.

The amounts relating to Objective 2 do not take account of RTD measures covered by the human resources priority in the Styria SPD.

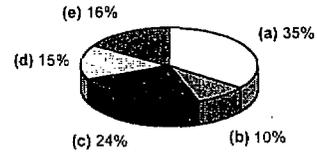
Financing by the Structural Funds



OBJECTIVE 1⁶³

Fig. V-51: Programming 1995-99 (ECU million):

Priorities:			
Trade and industry (a)		56,8	
Research and development (b)		15,5	
Tourism (c)		38,7	
Agriculture and environment (d)		24,2	
Promoting growth and job stability (e)		26,3	
Technical assistance (f)		4,1	
Breakdown by Fund:			
	ERDF	107,64	65%
	ESF	33,12	20%
	EAGGF	24,84	15%
	Total	165,6	100%
1 SPD			

**Main features of 1996**

In 1996 major progress was accomplished in the implementation of the Burgenland SPD, where implementation has reached a satisfactory level after a difficult starting-up period and is now in line with the forecasts. At the end of 1996, the competent federal and *Land* authorities had approved projects entailing an ERDF contribution of some ECU 60 million (36% of assistance in 1995-99). Progress was especially marked in measures providing direct aid for productive investment in industry and in those geared to improving tourism potential and business infrastructures (industrial estates, science parks, etc.). The Austrian authorities approved a number of strategic projects in each of these areas during the year (e.g. major industrial investment projects like Leocell in Heiligenkreuz and Strohal in Müllendorf, the *Technologiezentrum* in Eisenstadt, and the *Rogner Golf Schaukel* project in Stegersbach). Similar progress was recorded in rural development measures. Significant results have been achieved in the creation of alternative employment in rural areas and in the field of renewable energy resources. Much effort has been spent on strengthening agricultural holdings, setting up new marketing structures and creating new income opportunities in tourism (spa and sports activities).

1996 in the context of programming for 1995-99

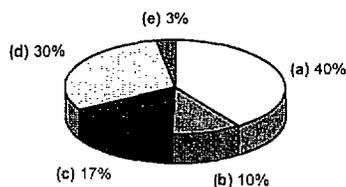
In terms of financial implementation, starting-up problems led to delays in payments during the first half-year. Despite considerable improvement in the fourth quarter, it proved impossible to start the 1996 ERDF and EAGGF instalment before the year closed.

⁶³ Eligible area: Burgenland.

OBJECTIVE 2⁶⁴

Fig. V-52: Programming 1995-99 (ECU million - 1995 prices):

Priorities:			
Investment in business (including tourism) (a)		40,8	
R&D, innovation, technology transfer (b)		10,2	
Support infrastructures (c)		16,7	
Training and retraining (d)		30,5	
Technical assistance (e)		2,8	
Breakdown by Fund:			
	ERDF	70,246	70%
	ESF	30,754	30%
	Total	101,0	100%
4 SPDs			
	Average per SPD		25,3



Main features of 1996

1996 saw satisfactory progress in the implementation of the four SPDs adopted in 1995 for the period 1995-99. Take-up of funding was generally highly satisfactory in the case of measures to assist productive investment. In certain cases, measures of a more innovative character are lagging behind and they should be publicized to a greater extent. At the end of the year, appropriations committed to selected projects accounted for 34% of those available for the whole programming period and 21% had been paid to the final recipients. The Monitoring Committees held two meetings in 1996. At the first, the membership of the Committees was approved and the Austrian authorities provided additional information on the practical arrangements for implementing the programmes.

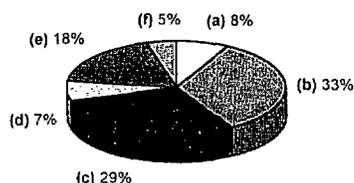
1996 in the context of programming for 1995-99

As the SPDs were only approved in November 1995, implementation could not commence before 1996. Nevertheless, the possibility of retroactive application made it possible to catch up most of the time lost in 1995. Commitments and payments for the four programmes as a whole are now in line with programming in the SPDs.

OBJECTIVES 3 AND 4

Fig. V-53: Objective 3: Programming for 1995-99 (ECU million - 1995 prices):

Priorities	ESF
Support for categories hit by structural changes (a)	25,8
Integration of long-term unemployed, the elderly and persons threatened with exclusion (b)	113,8
Integration of handicapped (c)	95,2
Vocational integration of young people (d)	22,9
Promoting equal opportunities for men and women (e)	61,1
Technical assistance (f)	15,2
Total	334,0
1 SPD	



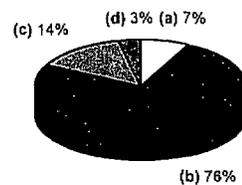
During 1995 and up to 31 May 1996, around 28 100 persons received assistance under measures in the SPD for Objective 3 (26 700 for projects for skill improvement and aid for employment, the remainder being for the use of consultancy and monitoring structures). Most of the projects (70%) entail the participation of up to 20 persons only, there being numerous small-scale projects in the priorities targeting the integration of handicapped persons and the promotion of equal opportunities

⁶⁴ Eligibles areas: Lower Austria, Upper Austria, Styria and Vorarlberg.

for men and women. Aid for the integration of young people into working life has become necessary in Austria, where unemployed below the age of 25 numbered 49 000 in January 1997 (in the case of females, this represents a 2.6% rise over January 1996). Measures for the vocational integration of the handicapped constitute a new approach for the authorities, which were only concerned with handicapped persons with jobs prior to the Objective 3 programme. Suitable structures for providing advice and guidance, improving skills and implementing aid for employment had therefore to be set up in 1996, which slowed down the implementation of the programme though time lost will be caught up in 1997. To promote equal opportunities for men and women, one example of a measure adopted in 1996 involves increasing the number of places for girls to learn skills in occupations dominated by men (4 000 to 6 000 places per month). Measures to encourage the integration of long-term unemployed into the job market were initiated in 1996 and have achieved very convincing results, with 500 persons finding a job and 80% of the enterprises surveyed indicating they were aware of the programme.

Fig. V-54: Objective 4: Programming 1995-99 (ECU million - 1995 prices):

Priorities	ESF
Anticipating labour market trends and upgrading of skills (a)	4,5
Vocational training (b)	46,0
Improving and developing vocational training (c)	8,4
Technical assistance (d)	2,1
Total	61,0
I SPD	



At the end of October 1996, 20 882 persons had benefited under measures provided for in the Objective 1 SPD. The latter centered on the training of workers with insufficient skills, supervisory staff, and short-time and seasonal workers (19 169 persons). These figures far exceed forecasts. Two thirds of these persons fall between 25 and 45, 20% are older, and more than one quarter are women. If the programme is to succeed, enterprises' awareness and motivation must be stepped up. Thanks to effective public-awareness measures by the Austrian employment authorities, the number of employers concerned is actually rising.

OBJECTIVE 5(a) agriculture

Table V-43: Programming for 1995-99 (ECU million - prices and status 1996):

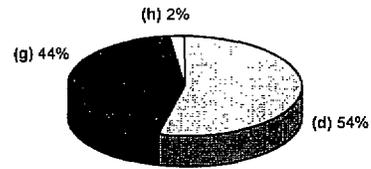
Total	Measures		%
392,8	Production	330,5	84%
	Marketing	62,3	16%

1996 was the first year of full-scale application of assistance to improve production structures, forecasts for the implementation of which were approved by the Commission in 1995. The assistance covers investment aid, aid for young farmers, investment aid in less-favoured areas, and aid to adapt vocational training to the requirements of modern agriculture. Community funding for production structures (ECU 330.5 million) comprised ECU 60.7 million for investment aid, ECU 37 million for young farmers, ECU 1.2 million for vocational training and ECU 220.5 million for less-favoured areas. Austria has requested adjustments to the system for classifying less-favoured areas established in 1995, on account of difficulties arising in certain regions. The Community contribution (ECU 62.3 million) towards improving structures for the processing and marketing of products forms part of total investments amounting to ECU 913 million. At the end of 1996, approximately 44% of the total investment planned had already been committed to 189 approved projects. The most advanced sectors are meat (56 projects and 45% of total assistance committed), milk and milk products (34 projects and 26% of the total committed) and fruit and vegetables (32 projects and 22% of the total committed).

OBJECTIVE 5(a) fisheries

Fig. V-55: Objective 5(a) fisheries - Programming 1995-99 (ECU million):

	FIFG
Adjustment and redirection of fishing effort (a)	0,0
Other fishing fleet measures (b)	0,0
Renovation and modernisation of the fishing fleet (c)	0,0
Aquaculture (d)	1,1
Protected marine areas (e)	0,0
Port facilities (f)	0,0
Processing and marketing of products (g)	0,9
Promotion of products (h)	0,0
Socio-economic measures (i)	pm
Other measures (j)	0,0
Total	2,0

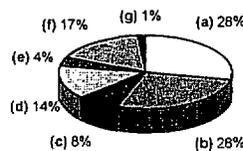


After the programme's adoption in July 1995 and its administrative preparation (rules of procedure, project selection criteria, etc.), 1996 was devoted to practical implementation. At the end of 1996, 75 projects had been selected and were in various stages of implementation. An interim assessment report was expected by mid-1997.

OBJECTIVE 5(b)⁶⁵

Fig. V-56: Objective 5(b) - Programming 1995-99:

Population ('000 inhab.)	2.276	
Area (km ²)	50.040	
<i>ECU million</i>		
Breakdown by Fund:		
ERDF	175,0	43%
ESF	71,8	17%
EAGGF	164,2	40%
Total	411,0	100%
7 SPD		
Average per SPD	58,7	



□	Diversification and development of agriculture and forestry (a)
▨	Diversification and development of non-agricultural sectors (b)
■	Protection of the environment (c)
□	Tourism (d)
▨	Local development and village renovation (e)
□	Human resources (f)
■	Technical assistance (g)

Implementation of appropriations for the seven SPDs has been fairly satisfactory bearing in mind that 1996 was the first year of operation of the programmes. Take-up of commitment appropriations under the three Funds in the Member State amounts to 36% of forecasts for the whole period. Community payment appropriations stand at 60% of commitment appropriations.

⁶⁵ Eligibles areas: Lower Austria, Carinthia, Upper Austria, Salzburg, Styria, Tyrol and Vorarlberg.

Table V-44: Austria - Assistance by objective - 1996 in the context of programming for 1995-99 (ECU million)

Programmes (year of adoption)	Total cost	SF assistance (1)	Commitments 1996	Commitments 1995-96 (2)	% (2)/(1)	Payments 1996	Payments 1995-96 (3)	% (3)/(1)
Objective 1								
SPD Burgenland (1995)	831,4	165,6	5,0	33,8	20%	12,6	27,0	16%
Objective 2								
SPD Lower Austria (1995)	199,2	22,4	0,0	22,4	100%	0,0	7,6	34%
SPD Upper Austria (1995)	67,0	10,8	0,0	10,8	100%	1,4	5,4	50%
SPD Styria (1995)	463,4	58,0	11,4	22,5	39%	10,2	15,7	27%
SPD Vorarlberg (1995)	86,6	9,9	0,0	9,9	100%	0,0	4,3	44%
<i>Total</i>	<i>816,1</i>	<i>101,0</i>	<i>11,4</i>	<i>65,5</i>	<i>65%</i>	<i>11,6</i>	<i>33,0</i>	<i>33%</i>
Objective 3								
SPD Austria (1995)	779,3	334,0	65,7	129,8	39%	71,8	103,8	31%
Objective 4								
SPD Austria (1995)	171,4	61,0	0,0	11,7	19%	3,5	9,4	15%
Objective 5(a) agriculture								
Forecast Austria R. 2328/91 (1995)	1.240,7	330,5	44,8	106,3	32%	57,8	88,6	27%
SPD Austria R. 866 and 867/90 (1995)	912,9	62,3	31,2	31,2	50%	19,3	19,3	31%
<i>Total</i>	<i>2.153,5</i>	<i>392,8</i>	<i>75,9</i>	<i>137,4</i>	<i>35%</i>	<i>77,1</i>	<i>107,9</i>	<i>27%</i>
Objective 5(n) fisheries								
SPD Austria (1995)	22,5	2,0	0,0	2,0	100%	0,8	1,0	50%
Objective 5(b)								
SPD Lower Austria (1995)	762,7	111,6	12,7	33,9	30%	8,3	18,9	17%
SPD Carinthia (1995)	404,8	58,0	11,3	22,3	38%	4,1	9,6	17%
SPD Upper Austria (1995)	539,3	98,5	11,2	30,1	31%	8,2	17,6	18%
SPD Salzburg (1995)	104,3	16,0	1,8	4,8	30%	1,2	2,7	17%
SPD Styria (1995)	629,1	85,3	10,0	26,2	31%	12,9	20,9	25%
SPD Tyrol (1995)	181,3	34,4	4,0	10,7	31%	4,0	7,3	21%
SPD Vorarlberg (1995)	58,3	7,2	0,6	2,0	27%	0,7	1,4	19%
<i>Total</i>	<i>2.679,9</i>	<i>411,0</i>	<i>51,6</i>	<i>130,0</i>	<i>32%</i>	<i>39,3</i>	<i>78,5</i>	<i>19%</i>
TOTAL	7.454,0	1.467,4	209,6	510,1	35%	216,7	360,6	25%

11.2. Implementation of the Community Initiatives in 1996

Note:

Austria is not involved in Konver, Pesca or Regis. Of the new Member States, Austria has adopted the highest number of programmes since 1995, i.e. four implemented at national level and four Interreg programmes (all with countries of central and eastern Europe, namely Hungary, the Czech Republic, Slovakia and Slovenia). The remaining programmes (Urban, SMEs, Rechar, Resider, Retex, eight Leader and Interreg programmes with Germany and Interreg with Italy) were all adopted in 1996 with the exception of the Austria-Italy Interreg programme.

Support for the development of technological potential in Austria:

The Initiatives contributing most towards strengthening Austria's technological fabric are the SMEs programme and certain industrial conversion Initiatives. The SMEs programme devotes the greater part of its funds to the introduction of advanced electronic data transmission in SMEs and clean, more energy-efficient production technology (ECU 3.8 million; total cost: ECU 18.8 million). It provides backing for the implementation of pilot projects (ECU 2.2 million; total cost: ECU 8.5 million - e.g. setting-up of telecentres, establishment of virtual enterprises, etc.), the development of distance training courses and support for training needed for the introduction of new environmental technology and telematics applications (ECU 1.3 million; total cost: ECU 3.2 million).

In the field of industrial conversion Initiatives, the **Rechar** programme supports the introduction of new technology in the district of Voitsberg and the municipalities of Pantaleon and Ampflwang, while the **Resider** programme relates to economic diversification in regions affected by the declining steel industry through the development of new environmentally-friendly processes and materials, technology transfer, technology advisory services to enterprises, and support for the latter's technology infrastructure. In addition, the **Retex** programme provides backing for the modernisation of the textile and clothing industry and the development of the tertiary sector through better know-how (e.g. encouraging the development of production technologies and new products, promoting innovation, etc.) and vocational training in new methods and technology.

13 new CIPs were adopted under national programmes and one under Interreg. The second Urban programme for Graz was adopted in October. It covers the Gries area, which has 16 000 inhabitants, and will finance an integrated set of economic, social and infrastructure measures. Quantitative

targets were set under the programme, including the creation of some 350 new jobs. For its part, the Urban programme for Vienna was adopted in December 1995. The first meeting of the Monitoring Committee took place on 15 May 1996. The SMEs programme was adopted in April 1996, covering all areas eligible under Objectives 1, 2 and 5(b). It focuses on measures to encourage the use of information technologies, environmentally friendlier production techniques and strategic planning in SMEs.

The three industrial conversion CIPs were also adopted. The Retex programme, adopted in May, covers various parts of areas eligible under Objectives 2 and 5(b) (Lower Austria, Styria and Vorarlberg), and is mainly geared to measures to improve technical knowledge, cooperation projects and vocational training. Adopted in July, the Rechar CIP covers the area of Styria falling within Objective 2 and that of Upper Austria falling within Objective 5(b). Funds are largely allocated to assistance for new technologies, promoting services and tourism, the rehabilitation of old pitheads and training measures. The programme is overseen by the Monitoring Committees competent for the areas concerned under Objectives 2 and 5(b). Lastly, the Resider programme, also adopted in July, covers regions in Styria, Lower Austria and Upper Austria, with the appropriations being allocated principally to innovation in the steel industry for materials or production techniques, the introduction of new technologies and quality control in SMEs, and training. Like the Rechar CIP, this programme is overseen by the Monitoring Committees competent for the various areas concerned under Objective 2.

Lastly, eight Leader CIPs were adopted in 1996, comprising seven regional programmes and one technical assistance programme relating to the national network of local groups. The regional CIPs entail ECU 20.6 million in Community financing out of a total estimated cost of ECU 65.4 million. 26 LAGs were set up and, in line with the strengths and weaknesses of their regions, opted for fairly widely diverging objectives. Some LAGs, albeit a minority, chose areas of technological development or research. In Burgenland (Objective 1), the projects selected by the Leader groups seek to achieve sustainable development. Owing to administrative problems, the programme took time to get off the ground but implementation is now going well.

The human resources programmes were adopted in 1995. Under Employment, 54 projects were selected in 1996 pursuant to the last call for proposals (16 Now, 17 Horizon, 9 Integra and 12 Youthstart projects), the programme being incorporated into the new Integra section. The Now projects concentrate on employment and the training of women in frontier technology sectors and on their access to management posts and the establishment of enterprises. The Horizon projects focus on quality training for the handicapped and their integration by providing assistance rather than shelter, and they involve action by advisers, trainers, social workers, human resources managers and the social partners. The Integra projects combine information on the employment market, advisory services, work experience and measures tailored to the individual to assist the socially marginalised, the target groups being the long-term unemployed, single mothers and persons threatened with social exclusion. The Youthstart projects give priority to young people in economically less-favoured regions, those under threat of marginalisation, young people who are experiencing learning difficulties or who have dropped out of the school system and young people of immigrant origin. In the case of Adapt, 30 projects were selected, focusing on aid for innovation and modernisation of SMEs. Local networking is in place to cover SMEs and support structures with the participation of private and public training bodies. The projects also include innovation in the field of training in environmental protection work, quality assurance systems for industry and the service sector and teach-yourself material.

Adopted in December 1995, the four Interreg programmes for the external frontiers with Slovenia, Slovakia, the Czech Republic and Hungary took off extremely slowly, in particular because of the difficulty of finalising cross-border cooperation measures with the countries concerned. Nevertheless, great strides were made in 1996 and implementation is now progressing satisfactorily in most cases. The next Monitoring Committee meetings will take place at the same time as those of the joint programming and inspection committee for each adjacent country in June 1997.

Lastly, the distribution of the reserve for the Community Initiatives enabled an additional ECU 18 million to be allocated to Austria and apportioned among the Interreg, Urban, Leader, Emplo and Adapt Initiatives, Interreg's share amounting to one third⁶⁶.

Table V-45: Austria - Community Initiatives - 1996 in the context of programming for 1995-99 (ECU million)

Initiative (number of programmes)	Total	SF assistance* (1)	Commitments 1996	Commitments 1995-96 (2)	% (2)/(1)	Payments 1996	Payments 1995-96 (3)	% (3)/(1)
Adapt (1)	25,8	11,6	0,0	11,6	100%	0,0	5,8	50%
Emploi (1)	49,4	23,0	0,0	23,0	100%	0,0	11,5	50%
Leader (9)	72,7	23,4	18,1	20,1	86%	5,7	6,1	26%
SMEs (1)	34,8	9,0	9,0	9,0	100%	2,7	2,7	30%
Rechar (1)	7,0	1,8	1,1	1,1	60%	0,6	0,6	30%
Resider (1)	30,4	5,2	4,4	4,4	84%	2,2	2,2	42%
Retex (1)	16,2	2,6	2,6	2,6	100%	1,3	1,3	50%
Urban (2)	55,3	13,4	5,8	12,7	95%	2,3	5,8	43%
Total (17)	291,5	90,0	41,0	84,4	94%	14,8	35,8	40%
<i>Interreg/Regen (5)**</i>								
<i>CIPs adopted in 1996:</i>								
Leader Technical assistance (setting up national network)	0,5	0,3	0,3	0,3	100%	0,1	0,1	40%
Leader Styria	14,9	4,3	4,1	4,1	95%	1,2	1,2	29%
Leader Salzburg	2,8	0,8	0,6	0,6	80%	0,2	0,2	24%
Leader Tyrol	5,3	1,7	1,4	1,4	80%	0,4	0,4	24%
Leader Lower Austria	14,0	5,6	4,5	4,5	80%	1,3	1,3	24%
Leader Carinthia	8,4	2,9	2,5	2,5	85%	0,7	0,7	25%
Leader Vorarlberg	1,0	0,4	0,4	0,4	100%	0,1	0,1	30%
Leader Upper Austria	19,0	4,9	4,5	4,5	91%	1,3	1,3	27%
SMEs Austria	34,8	9,0	9,0	9,0	100%	2,7	2,7	30%
Rechar Styria, Upper Austria	7,0	1,8	1,1	1,1	60%	0,6	0,6	30%
Resider Styria, Lower Austria, Upper Austria	30,4	5,2	4,4	4,4	84%	2,2	2,2	42%
Retex Lower Austria, Styria, Vorarlberg	16,2	2,6	2,6	2,6	100%	1,3	1,3	50%
Urban Graz	23,4	3,6	2,9	2,9	81%	0,9	0,9	24%
Total (13)	177,8	43,1	38,1	38,1	88%	13,1	13,1	30%
<i>Interreg (1)***</i>								

* Excluding reserve, except for Urban Graz

** For programme details see Chapter VII. Table 2.2

*** For programme details see Chapter I.B.1. Community Initiatives.

⁶⁶ See also Chapter I.B.1. Community Initiatives.

12. PORTUGAL

12.1. Implementation of assistance by Objective in 1996

Support for the development of technological potential in Portugal :

The importance of technological development is recognised in both the main priorities of the CSF, improving the competitiveness of the economy and increasing skill levels. Within the 'Competitiveness' priority, a sub-priority is devoted to **telecommunications**. It continues the progress on advanced services made during the first programming period (supply of ISDN and introduction of fibre optic links into the local network). The development of telecommunications as regards both quantity (infrastructure) and quality (reduction of the time to install lines and number of faults per line), and the promotion of advanced telecommunications services and stimulation of supply to meet market needs is being implemented by the Infrastructure OP, the Telecommunications strand of which has ECU 276 million (total cost: ECU 550.2 million).

A larger budget is allocated to **RTD** in the priorities for the modernisation of the main sectors of the Portuguese economy. Under the the 'Modernisation of the economic fabric' OP, the 'Industry' sub-programme, which has to deal with an industrial structure highly specialised in labour-intensive activities involving a low level of technology, stresses the development of scientific and technological infrastructure and encourages their use by firms through involvement in the research activities related to the design and improvement of new products and processes. This programme also includes grants to firms for the purchase and development of new technologies. Commerce and services are covered by a separate sub-programme which supports the modernisation of equipment in firms in the field of customer services and the management of payments (diversification of selling methods by using computer techniques and telecommunications). As in the 1989-93 CSF, the 'Agriculture' sub-programme contributes to the expansion of agricultural research and the training of farmers and technicians. Similarly, the 'Fisheries' sub-programme supports research into the fishing industry and better use of the resources available to the processing industry. In addition to these multi-regional sub-programmes, support for the modernisation of agriculture and fisheries is provided by some of the regional programmes. The OP for Madeira lays particular emphasis on the importance of research in these fields. In general terms, this assistance also helps diversify economic activity in the various regions. Each of the regional OPs enjoys a differentiated budget for science and technology, and for telecommunications.

The measures to assist firms and RTD infrastructure are complemented by education and skills for those working in science and technology as provided for in the CSF priority for human resources. This is implemented through the 'Bases for knowledge and innovation' OP, which seeks to consolidate the results of the earlier CIENCIA programme. The 'Education' sub-programme pays particular attention to the teaching of science and technology, at both non-compulsory secondary level and in higher education, and to the training of teachers. These measures should benefit 600 000 people. The 'Science and technology' sub-programme, which has ECU 376 million (total cost: ECU 525 millions), provides support for the 'Industry' sub-programme with regard to university research and the integration of research workers into industry by financing projects for cooperation between universities and firms and training laboratory assistants and research centre managers.

The development of **data transmission applications** is covered not only by some of the measures considered but also in the strategy for the modernisation of the postal sector and the PRINEST OP, which supports the provision of infrastructure for computer applications to develop a system of statistical information able to assist in the modernisation and economic development of Portugal and which will build on the results of the earlier PREDER programme.

In total, finance for technological development in Portugal accounts for 9,5% of the appropriations from the Structural Funds.

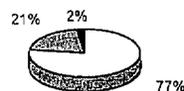
Table V-46: Portugal - Financing directly related to technological development in programming for 1994-99 (ECU million)

	TOTAL		S.F.		Member State		1994-96	
		%		%	Public	Private	Total	%
Objective I	2.190,2	100%	1.339,7	61%	627,6	222,9	850,5	39%

NB: The programming procedures and different approaches taken by the Member States

invite caution in interpreting the figures, in particular spending on information society projects, which are often linked to other fields such as RTD and industry.

Financing by the Structural Funds

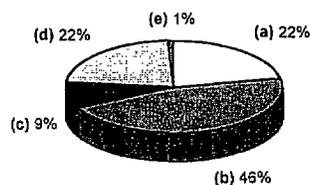


□ RTD □ Telecom. ■ Data trans.

OBJECTIVE 1

Fig. V-57: Programming 1994-99 (ECU million - 1996 prices):

<i>Priorities:</i>			
Human resources and employment (a)		3.079,2	
Economic competitiveness (b)		6.418,4	
Living conditions (c)		1.264,0	
Regional economic base (d)		3.153,4	
Technical assistance (e)		131,7	
<i>Breakdown by Fund:</i>			
	ERDF	8.730,5	62%
	ESF	3.160,9	23%
	EAGGF	1.947,9	14%
	FIFG	208,1	1%
	Total	14.047,5	100%
<i>1 CSF/ 17 OPs</i>			
	Average per OP		826,3

*Main features of 1996*

A significant feature of 1996 was the start of the interim evaluation of all the programmes and sub-programmes in the CSF. This took place in a spirit of partnership between the Commission and the Portuguese authorities. Teams of independent experts were selected by means of a call for tenders for each item of assistance under the CSF. The Monitoring Committee for each sub-programme set up a technical working party on evaluation to which each assessor was required to present two progress reports prior to the definitive final report expected early in 1997. The whole process ran completely smoothly. Only the Technical Assistance OP is being evaluated as part of the evaluation of the whole of the CSF planned for 1997, but its design had already been decided on in 1996. These evaluation studies, for most of which the final report is already available, should ensure that the mid-term review of the CSF planned for mid-1997 is of a good quality.

Some programmes were amended and/or reprogrammed. Among the multiregional programmes, the Technical assistance OP was amended as regards the financial implementation of the ESF strand by transferring to 1996 appropriations which had not been used in 1994 and which could not be absorbed in 1995. Following decisions taken by the Monitoring Committee in 1995, the 'Modernisation of the economic fabric' OP received a further Community contribution of ECU 101 million. Of this amount, ECU 61 million from the ERDF and ECU 11 million from the ESF were allocated to the Autoeuropa major project. The 'Infrastructure to support development' OP was reprogrammed to bring financial implementation in 1994 in line with actual implementation by the Energy, Transport and Telecommunications sub-programmes, to provide an extra ECU 10.9 million for the Transport sub-programme and to cope with the varying rates of implementation of the Transport and Energy sub-programmes. These changes balanced each other out and did not result in an amendment to the annual financing schedule for the programme. The 'Environment and urban renewal' OP was also reprogrammed both to include private social solidarity institutions (IPSS) among the beneficiaries of the Urban Renewal sub-programme and to make a transfer between measures in the Environment sub-programme. This reprogramming also made it possible to increase the appropriations available for the setting up of small-scale economic activities in shantytowns (up to 15% of the total amount for the measure 'Renovation of shantytowns').

The 'Vocational training' and 'Bases of knowledge' OPs were also reprogrammed, as was the 'Health and social integration' OP. Following decisions taken by the CSF Monitoring Committee in December 1995, the 'Bases of knowledge' and 'Innovation' OPs received an extra ECU 14.4 million from the ESF as a result of the 1995 indexation to provide finance for technical and vocational education. Implementation of the 'Vocational training and employment' OP, which accounts for 40% of assistance from the ESF under the CSF, continued to be very satisfactory, at almost 100%. The 'Training of the civil service' sub-programme continued to experience some problems. In April, the programme received an extra ECU 10.2 million from the 'Agriculture' sub-programme to pay for

agricultural training schemes devised by the Portuguese farmers' federation. The measures 'Apprenticeships' and 'Training of instructors' also received transfers of amounts not used by other measures. The CSF Monitoring Committee also decided to allocate to this programme ECU 18 million from the 1995 indexation of the CSF for a pilot measure to train managers and workers in small firms. The 'Health and social integration' OP was reprogrammed on two occasions. In May 1996, the amounts not used in 1994 were transferred to 1995 and 1996 and the measure 'Economic and social integration of the handicapped' received a further ECU 8.5 million not used by the measures 'Support for sociocultural development' and 'Economic and social integration of the CLD' under the 'Social integration' sub-programme. In December 1996, the 1995 instalment was adjusted to reflect implementation and the amounts not used were transferred to future years. This amendment concerned mainly the 'Health' sub-programme, since implementation of the 'Social integration' sub-programme was 99%.

Two regional programmes were also amended. The Community contribution to the Norte OP was increased by ECU 4.1 million in 1996. The Azores OP was amended to increase the ERDF's financial contribution by ECU 5 million and apply to measures financed by the EAGGF the ECU 5.1 million from the FIFG which had not yet been used. This decision was taken on condition that the FIFG's contribution was increased correspondingly when the measures financed by that financial instrument reached the degree of implementation originally estimated.

While programming generally made satisfactory progress, there were some delays and difficulties. The delay in implementing the Technical assistance OP was due both to the late adoption of the programme and to changes in the structure for managing the ESF in Portugal. A great deal of this delay should be made up in 1997. The special features of the multifund programme 'Locally-generated development' (PPDR-ERDF, EAGGF, ESF) continued to cause some problems in implementation, mainly because the PPDR is a programme which requires a high degree of participation in decision-making by regional and local bodies through partnerships between the public and private sectors. From the second half of 1996, however, its implementation generally improved thanks to the pace achieved by certain measures, particularly the RIME and SIR aid schemes. In the case of the 'Bases of knowledge and innovation' OP, there are still some problems in the 'Science and technology' sub-programme, which provides for the financing of research projects submitted by teams of research workers to be selected by means of a procedure based on a public invitation. Preparation of the rules for these invitations took longer than planned and it was not until 1996 that financing for this type of measure could begin. This meant that implementation of the sub-programme remained relatively poor.

In the case of the 'Modernisation of the economic fabric' OP and the 'Industry' sub-programme (PEDIP II), it should be noted that, following improvements made to national procedures in Portugal, the time required to consider applications for investment aid has been considerably reduced. The main aid schemes are virtually exhausted. Within the 'Modernisation of the economic fabric' OP, the 'Agriculture' sub-programme was implemented at a rate of 91% in 1996. Among the eight measures in this sub-programme, some significant variations should be noted: support for agricultural holdings reached a rate of 124%, agricultural infrastructure 84% and the processing and marketing of products, 61%, which may be explained by the longer time required to complete these projects. The 'Support for commerce and services' sub-programme regained a certain vigour after a period of slow implementation. Under the 'Fisheries' sub-programme, which concerns continental Portugal, 223 projects were approved in 1996, involving total public expenditure of ECU 32.4 million, 60% of the total programmed (the private sector contributed ECU 11.8 million). Public expenditure approved since the beginning of the sub-programme amounts to ECU 129.5 million and the implementation rate at the end of this period is 20% of the total programmed for 1994-99. Such a level of implementation required reprogramming to redistribute the balance not used in 1994 to 1997, 1998 and 1999. This reprogramming will make available the funds required to establish a new socio-economic measure arising from the changes introduced by Regulation (EC) No 1796/95 amending Regulation (EC) No 3699/93.

Turning to the two regional OPs containing measures for fisheries, 52 projects in the Azores were approved between 1994 and 1996 involving investment totalling some ECU 18 million, to which the Community will contribute ECU 11.2 million and national public finances ECU 4.2 million (the private sector is contributing ECU 4 million). Financial implementation for that period is 17% of the total programmed. The trend is improving and the level is expected to be satisfactory by the end of 1997. In Madeira, 1996 was mainly a year for retrieving the delays which had accumulated in 1994 and 1995. The number of projects approved since the beginning of the programme (51 projects) involved a total investment of ECU 15.5 million with public expenditure approved for that period amounting to ECU 10.3 million, of which the FIGG will pay ECU 7.7 million. The rate of implementation for the first three years amounts to 19% of the total programmed for 1994-99, but the positive trend noted in 1996 suggests that this may improve substantially in 1997.

1996 in the context of programming for 1994-99

In general, implementation of the CSF is proceeding satisfactorily, although at a slightly slower pace than in 1995. The overall rate of implementation in 1996 was about 82%. The regional programmes are progressing well in financial and physical terms and their impact on the development of the regions is considerable (particularly in terms of basic infrastructure related to living conditions). Most of the sectoral programmes are also progressing without problems and some sectors, such as 'Telecommunications' and 'Transports', have exceeded the rate of implementation planned for 1996. Implementation of the four multifund programmes to which the EAGGF is contributing was generally in line with estimates. More specifically, the rate of implementation of the 'Agriculture' sub-programme of the 'Modernisation of the economic fabric' OP is in excess of programming (the 1997 annual instalment was committed in 1996). The rate of implementation of the Azores OP (PEDRA) required its EAGGF component to be increased by ECU 5 million.

Table V-47: *Portugal - Assistance by Objective - 1996 in the context of programming for 1994-99 (ECU million)*

Programmes (year of adoption)	Total cost	SF assistance (1)	Commitments 1996	Commitments 1994-96 (2)	% (2)/(1)	Payments 1996	Payments 1994-96 (3)	% (3)/(1)
Objective 1								
<i>Regional OPs</i>								
OP Azores (1994)	840,2	621,0	157,0	373,2	60%	137,4	318,6	51%
OP Alentejo (1994)	250,6	182,0	29,8	108,4	60%	29,0	72,8	40%
OP Algarve (1994)	101,9	76,0	16,0	44,5	59%	19,4	38,2	50%
OP Centro (1994)	490,5	362,0	71,5	197,5	55%	82,8	171,2	47%
OP Lisbon-Tagus Valley (1994)	517,2	382,0	75,5	200,0	52%	62,0	151,5	40%
OP Madeira (1994)	665,2	369,3	124,7	273,3	74%	85,2	209,0	57%
OP Norte (1994)	729,5	541,1	107,5	317,5	59%	98,0	246,2	46%
<i>Multiregional OPs</i>								
GG Support for local investment (1995)	33,3	25,0	0,0	25,0	100%	7,5	7,5	30%
OP Technical assistance (1994)	135,6	101,7	15,5	44,0	43%	14,0	31,0	30%
OP Knowledge and Innovation (1994)	2.276,2	1.689,4	307,9	895,5	53%	254,1	666,8	39%
OP Locally-generated development (1994)	1.231,8	595,0	14,9	82,1	14%	24,4	62,1	10%
OP Environment and urban renewal (1994)	973,7	559,0	174,3	229,4	41%	158,5	202,6	36%
OP Training and employment (1994)	1.890,7	1.389,8	358,1	767,4	55%	206,6	553,4	40%
OP Infrastructure (1994)	3.979,6	1.997,9	659,8	1.278,3	64%	342,7	860,6	43%
OP Economic modernisation (1994)	10.490,1	4.420,5	803,3	2.329,4	53%	806,5	1.804,9	41%
OP PRINEST (1) (1994)	40,0	30,0	7,7	30,0	100%	3,7	20,9	70%
OP Health and social integration (1994)	940,0	705,0	44,5	321,0	46%	102,7	280,9	40%
Technical assistance	0,9	0,8	0,1	0,8	96%	0,1	0,8	96%
TOTAL	25.587,0	14.047,5	2.968,0	7.517,4	54%	2.434,6	5.698,7	41%

(1) Statistical infrastructure

12.2. Implementation of the Community Initiatives in 1996

Note:

Portugal takes part in all the Initiatives and all the programmes were adopted between 1993 and 1995. Eleven CIPs are being implemented at national level (one per Initiative), plus two Interreg CIPs, one under the Regen strand and the other under the cross-border cooperation strand.

Support for the development of technological potential in Portugal :

Although most of the Community Initiatives in Portugal promote technological development, the largest contribution comes from two measures under the SMEs Initiative: grants for projects to encourage technological skills in small firms through technical support or the transfer of technology from scientific and technological bodies to small firms (ECU 13 million; total cost: ECU 24 million), and training in advanced technologies for the managers of firms (ECU 11.8 million; total cost: ECU 21.6 million).

The Adapt programme also includes a number of measures relating to the introduction of new technologies and support for the establishment of information networks and the Employment CIP supports uses of data transmission (new technologies, distance working, etc.) by less favoured groups in society and the purchase of equipment (ECU 4 millions; total cost: ECU 5 million). The Leader programme supports research and innovation in the processing of local products and the use of new technologies for information and communications in rural areas. Interreg is concerned with the installation of fibre optics and SDH connections between Spain and Portugal and the establishment of information networks in the tourism sector as a contribution to the development of the information society.

A significant feature of 1996 was the Commission decision on the allocation of the reserve for the Community Initiatives. Portugal will receive an additional ECU 52.4 million, mainly for the extension until 1999 of the four industrial Initiatives (Retex, Konver, Resider and Rechar⁶⁷) and the new strand Interreg II C.

As far as the programmes already being implemented are concerned, Retex was amended to include the results of the indexation for 1994, 1995 and 1996 (a total of ECU 5.8 million). Community assistance for repayable loans was reduced, mainly to benefit measures to support internationalisation and greater productivity. During 1996, the proportion of finance from this programme to firms in the textiles sector fell: more than 75% of finance under the Retex CIP is now being used for economic diversification measures in regions of Portugal heavily dependent on textiles.

There have been some delays in implementing programmes. Implementation of the SMEs CIP was delayed because of changes in national legislation but this programme should operate normally in 1997. The delay in the financial and physical implementation of the Urban programme arose from difficulties in introducing an organisational system among the various partners and to some problems which proved more difficult to resolve than had originally been expected (mainly in the Casal Ventoso area of Lisbon, which has very poor housing and a severe drugs problem). There is a good chance of improvements in 1997 because the programme managers now have action plans, studies on securing the first urban indicators and methods of organising the local partnership. It should be noted that in December 1996, at the initiative of the Portuguese authorities, a seminar to exchange experiences was arranged for the managers of the six sub-programmes comprising the Urban CIP. This proved to be very useful. In the case of the Leader programme, the late selection of the local action groups led to some problems because of the excessively long gap between the first and second phases of programming. However, the programme got underway: all the LAGs have now been selected and implementation of the financing plans has begun. There was some delay too in implementing the cross-border cooperation strand of the Interreg II programme. The Regen programme, however, was implemented as planned and by the end of 1996, the national gas pipeline and its first link with the Spanish gas network had been completed. This strand was the subject of technical reprogramming during 1996.

Under the Employment Initiative, some 130 projects were selected during the first call for proposals (40 under Now, 57 under Horizon and 33 under Youthstart). In all three strands, the stress was on training. The main theme of the Now projects was the development of employment programmes and encouraging women to set up businesses. A large number of projects under Youthstart concern vocational guidance and training for young people. Under Horizon, the stress was on creating conditions which encourage the employment of people with handicaps. 57 projects were selected under the Adapt Initiative, many of them to do with training. Most projects are designed to improve

⁶⁷ See also Chapter I.B.1. Community Initiatives.

management systems and the restructuring of small firms in various sectors of the economy. The first applications and selection of projects under Pesca began at the end of 1995 and the work of the Monitoring Committee concerned amendments to the programme and its launch. Information campaigns were held in the Azores and Madeira during 1996.

Since the bulk of the CIPs had been approved by the Commission in 1995, 1996 was the first year of actual implementation, following the period required for introduction of the national legislation required, establishment of the teams to manage the programmes, etc. The levels of financial implementation for most of the Initiatives may be considered satisfactory in terms of the Community assistance planned in the programmes.

Table V-48: Portugal - Community Initiatives - 1996 in the context of programming for 1994-99 (ECU million)

Initiative (number of CIPs)	Total cost	S.F. assistance* (1)	Commitments 1996	Commitments 1994-96 (2)	% (2)/(1)	Payments 1996	1994-96 1994-96 (3)	% (3)/(1)
Adapt (1)	29,2	21,0	17,0	21,0	100%	4,3	6,3	30%
Employment (1)	54,7	40,3	3,9	9,6	24%	2,1	5,0	12%
Leader (1)	156,8	117,6	4,0	10,7	9%	4,9	8,4	7%
Pesca (1)	53,2	29,3	23,2	27,5	94%	4,5	6,6	23%
SMEs (1)	235,9	124,0	1,2	14,4	12%	0,6	7,2	6%
Rechar (1)	1,1	0,9	0,0	0,9	100%	0,4	0,7	80%
Regis (1)	156,8	124,0	58,3	80,4	65%	55,3	72,9	59%
Konver (1)	10,7	7,9	0,0	7,9	100%	0,0	3,9	50%
Resider (1)	10,8	6,9	0,0	6,9	100%	2,6	5,5	80%
Retex (1)	458,0	194,8	83,4	194,8	100%	27,4	90,4	46%
Urban (1)	62,4	44,6	0,0	9,2	21%	0,0	4,6	10%
Total (11)	1.229,7	711,2	191,1	383,3	54%	102,0	211,6	30%
<i>Interreg/Regen (2)**</i>								

* Excluding reserve

** For programme details see Chapter VII, Table 2.2.

13. FINLAND

13.1. Implementation of assistance by Objective in 1996

Support for the development of technological potential in the regions of Finland:

Most of the development measures under the various objectives reflect the national strategy to foster the **information society**. The strategy aims to establish Finland as an advanced information society and global competitor in information and communications technologies by modernising the public and private sectors through the introduction of information technology and networks (e.g. use of the Internet), development of the information industry (e.g. multimedia), university courses in new technology (e.g. doctorates in information technology), popularisation of the information society (e.g. educational materials, virtual schools) and improvements to infrastructure (e.g. telecommunications liberalisation, expansion of digitisation, legislative reform).

Objective 6: One its main goals is to prepare the population for participation in the information society and to use all the technologies it offers for economic growth, competitiveness and employment. Two priorities in the SPD are involved:

- **enterprise development:** cooperation between research and educational centres and businesses, development of services linked to RTD and advanced technology; development of telecommunications services to facilitate innovation transfer to areas located far from advanced centres (ECU 9.4 million; total cost: ECU 33.1 million); development of data transmission services and applications in research, education and social services, the creation of telecentres in rural areas, etc.
- **development of human resources:** investment in advanced educational establishments and in the RTD activities needed to improve training (ECU 16.7 million; total cost: ECU 35.3 million); aid for research and training in key economic sectors (e.g. funding researchers in enterprises, development of university RTD, etc.; ECU 9.5 million, total cost: ECU 19.3 million); improved cooperation between the research centres, local development companies, educational establishments and enterprises so that innovation might be better directed and managed (e.g. technology transfers, development of technological management, etc; ECU 11 million, total cost: ECU 23.6 million), development of the information society, especially in telecommunications and tele-working so that the working place and time can be planned in alternative ways (distance education, training of businessmen in new technology, research in such fields, training for managers of research and education centres, etc. ECU 3.7 million; total cost: ECU 9.4 million).

The Objective 6 regions do not all accord the same importance to these priorities: the regions of South and North Savo devote substantial funds to agri-food, forestry and environmental RTD; Central Finland and North Ostrobothnia emphasise the training system, data networks and distance learning; North Karelia is concentrating on forestry, metals and plastics research; Lapland is focusing on training in telecommunications methods, geographical information, environmental and spatial research and information technology.

Objective 2 (1995-96): The SPD bases modernisation of the productive sector on using the opportunities offered by the **information society**. This explains the importance placed on technological development by two of the SPD's three priorities :

- **development and globalisation of enterprises:** enterprise networking, the development of new products and production processes, transfer of technology to SMEs and the development of industrial niche markets. One characteristic of the SPD is that clean technology figures among the project selection criteria. These operations have a considerable impact on the development of environmental technology in Kymenlaakso, RTD in Päijät-Häme and information technology in Central Finland.
- **improvements to training levels and technological support for economic activities** (ECU 16.3 million; total cost ECU 45.6 million): cooperation between enterprises and research and training centres (e.g. creation of a know-how centre in Uusimaa), introduction of innovation in enterprises (e.g. teleworking), development of data networks for technology transfer, development of environmental technology, technological cooperation with enterprises in neighbouring countries; use of existing university research infrastructure (e.g. Universities of Jyväskylä and Pori, Jyväskylä Institute of Technology, etc.)

Objective 5(b): The two SPDs support technological development as a tool for the SPDs' priorities. To shorten the distances between rural communities, the mainland Finland SPD concentrates on developing data communications services through experimental projects to create networks, telecentres and teleworking centres, build special communications links and provide connections by modem and software. In the Åland

Islands information technology is used to reduce the region's isolation by developing SME networks and communications infrastructures, for example, by creating technology and know-how centres, encouraging teleworking, distance learning and training, and by publicising the region's cultural heritage.

In all, the funds allocated to technological development in Finland represent 12.9% of the assistance from the Structural Funds (Objectives 6 and 2)

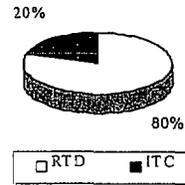
Table V-49: Finland - Financing directly linked to technological development in 1995-99 (ECU million)

	TOTAL		Struct. Funds		Member State			
		%		%	Public	Private	Total	%
Objective 2	45,6	27%	16,3	36%	20,1	9,2	29,3	64%
Objective 6	124,6	73%	50,3	40%	50,3	24,0	74,3	60%
TOTAL	170,2	100%	66,6	39%	70,4	33,2	103,6	61%

NB: The programming procedures and different approaches taken by the Member States

invite caution in interpreting the figures, in particular spending on information society projects which are often linked to other fields such as RTD and industry.

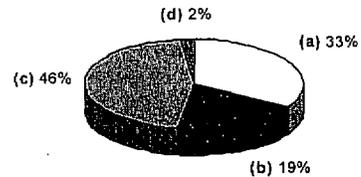
Financing by the Structural Funds



OBJECTIVE 6⁶⁸

Fig. V-58: programming 1995-99 (ECU million):

By priority:			
Industrial development (a)			153,7
Human resources development (b)			87,9
Agriculture, forestry, fisheries, rural dev. and environment (c)			209,1
Technical assistance (d)			9,2
By Fund:			
	ERDF	172,5	38%
	ESF	105,8	23%
	EAGGF	177,6	39%
	FIFG	4,0	1%
	Total	459,9	100%
1 SPD			



Main features of 1996

The programme has been implemented at a relatively rapid pace. With rare exceptions, the funds were used appropriately for various groups of measures. At the end of the year, about 30% of the assistance was allocated to various projects. Among the main project categories benefiting from funding are the launch of SMEs and investment in business expansion, cooperation between associated enterprises under certain terms (especially as regards technology transfers within business niches), training, information society projects, tourism development and small-scale forestry and agricultural diversification projects. Investments in agriculture and rural development have suffered some delays, however, because of the need to check the conformity of the national aid schemes with Articles 92 and 93 of the Treaty and because of the strict national policy adopted in the case of the investment aid schemes. With 70 projects launched, fishery measures are progressing satisfactorily, except for aquaculture where progress has been modest.

In the first five months of the year, specific issues relating to implementation and procedure were addressed by the working group responsible for organising Objective 6. The national and regional authorities and the Commission were represented on the working group. The group's report served as a guide for the various partners implementing the programme and helped to improve mutual cooperation, particularly between the central government and regional authorities. However, it was hard to ensure proper monitoring of the funding and payment decisions because of the large number

⁶⁸ Eligible areas: Lapland, Kainuu, North Karelia, South Savo, North Ostrobothnia, South Ostrobothnia, North Savo, Central Finland.

of participants and shortcomings in the content and use of the data bases relating to the projects. Efforts to improve the monitoring system are continuing.

The Monitoring Committee held two meetings, the most notable points of which were the appointment of an external evaluator and a decision to invest in a regional venture capital fund - the first investment of its kind in a Finnish programme. The November meeting also prepared the way for the mid-term assessment, to be carried out in autumn of 1997.

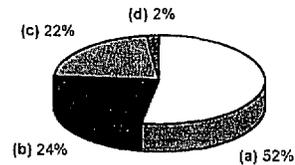
1996 in the context of programming for 1995-99

While commitments for projects progressed relatively quickly, the same can not be said for payments. By the end of the year, the Commission had paid out only 18% of the Structural Fund assistance. The problems arising from the slowness in payment are being closely examined as part of the work being done on monitoring and ongoing assessment.

OBJECTIVE 2⁶⁹

Fig. V-59: programming 1995-96 (ECU million, 1996 prices and status):

By priority:			
Business development (a)			
Skills and technology (b)			
Environment, infrastructure, tourism (c)			
Technical assistance (d)			
By Fund:			
	ERDF	46,1	83%
	ESF	9,7	17%
	Total	55,8	100%
I SPD			



1996 in the context of programming for 1995-96

Of the three regional programmes, the Objective 2 SPD has progressed the most rapidly. At the end of the year, 76% of Community funding for the first two years (ECU 52.4 million out of an initial appropriation of ECU 69.2 million) had been committed. The remainder (ECU 14.4 million), plus the amount resulting from indexation for 1996, was transferred to the new 1997-99 programme. As in the case of the Objective 6 programme, payments to the beneficiaries progressed at a slower pace than commitments. At the end of the year the national authorities had paid out to projects only 16% of the assistance for 1995-96, while the proportion committed was 78%. Furthermore, the partnership between the central and regional authorities developed along the lines of the Objective 6 programme and the same difficulties with monitoring arose as a result. It became apparent that the checks on the results of the programme were not trustworthy, especially in terms of job creation: the aim of creating 10 000 new jobs in the first period does not appear to have been achieved.

Preparation of the 1997-99 programming period

The proposal for the new programme was submitted in August and approved in principle by the Commission in December. The new programme was made more detailed but simpler in structure by reducing the number of measures from 15 to 9; an early evaluation of the results of the first period was also undertaken and ways of implementing the new financial arrangements and of using the funds more effectively were explored with the Finnish authorities. Thus, in the case of infrastructure and port infrastructure in particular, it was agreed to use EIB loans, experiment with financial packages combining grants and loans and encourage inter-regional projects. The evaluators' report also

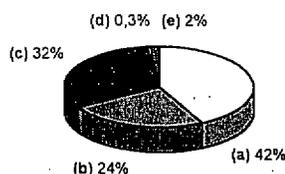
⁶⁹ Eligible areas: Satakunta, Kokkola, Itä-Uusimaa and Kymenlaakso, Varsinais-Suomi, Lahti, Jyväskylä, Lappeenranta.

indicated the need to be more pro-active in the preparation of projects, especially in very small firms. The aim of the second period is to create or reskill 15 800 jobs.

OBJECTIVES 3 AND 4

Fig. V-60: Objective 3: programming 1995-99 (ECU million - 1995 prices):

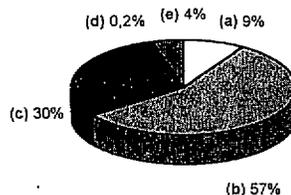
By priority	ESF
Pathways of integration (a)	110,0
Job creation and development of human resources in SMEs (b)	61,5
Young persons' employment needs (c)	82,2
Measures for the Åland Islands (d)	0,8
Technical assistance (e)	3,9
Total	258,4
<i>I SPD</i>	



Adopted in July 1995, the Objective 3 SPD had its first full year of activity in 1996. The three priorities progressed well in general. The measures to help the excluded find a route back into the jobs market and to train the unemployed in both SMEs and innovative workshops clearly exceeded the aim of the programme in quantitative terms. Additional training through apprenticeships was the only measure not to progress as rapidly as envisaged, but an information campaign directed at employers has been launched. The arrangements for monitoring and evaluation were finalised in 1996. Under Objective 3 300 projects were begun in 1996. The public can access a description of the ESF-funded projects through a dedicated Internet site. A publicity campaign was organised and the information was arranged on thematic lines for project leaders and potential participants. The territorial pacts for employment initiative was particularly well received: a call for proposals was launched at the end of the year and 78 municipalities applied to prepare the 15 employment pacts to which the Objective 3 Monitoring Committee has decided to allocate the appropriations for technical assistance.

Fig. V-61: Objective 4: programming 1995-99 (ECU million - 1995 prices):

By priority	FSE
Career trends forecasting (a)	7,6
Vocational training and retraining; careers guidance and advice (b)	47,5
Development of know-how and innovative networks (c)	25,5
Measures for the Åland Islands (d)	0,2
Technical assistance (e)	3,8
Total	84,6
<i>I SPD</i>	



Much interest was shown in Finland in the Objective 4 SPD, adopted in July 1995. A large number of SMEs participated in the projects, especially in the industrial areas in the south of the country. There were 180 projects in the 1995-96 period and the number of participants on training or advisory courses amounted to more than 20 000 in the same period, 26% of them women, in about 7 000 enterprises. At the end of 1996, 40% of the ESF budget had already been committed to projects. Most projects had been submitted by training bodies and public authorities and implementation of the programme was boosted by local agents responsible for researching and preparing projects on behalf of company directors who often lacked the time and resources to implement the training ideas or plan the project.

OBJECTIVE 5(a) Agriculture

Table V-50: Programme implementation 1995-99 (ECU million - 1996 prices and status):

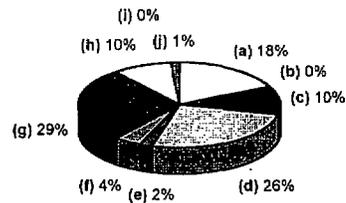
Total	Measures		%
337,3	Production	294,2	87%
	Marketing	43,1	13%

Following the Commission's adoption in 1995 of the forecasts of aid to production structures (investment aid and the installation of young farmers), 1996 was the first full year of implementation. In parallel, similar but less extensive arrangements were adopted for the Åland Islands, thereby extending aid to improve production structures to all parts of Finland. The Community aid for production structures (a total of ECU 294.2 million) mainly comprises ECU 4 million in investment aid, ECU 26.7 million in aid for young farmers and ECU 257.5 million in aid for less favoured areas. The Commission also authorised additional national aid schemes, especially in the horticulture, pigs, eggs and poultry sectors that are covered by special provisions in the Act of Accession. Aid for the processing and marketing of products was approved at the end of 1995. The eligible costs amount to ECU 359 million, with an EAGGF contribution of ECU 43.1 million. The aid is concentrated in particular on the meat (45%) and milk and milk products sectors (40%). The four other sectors (eggs and poultry, fruit and vegetables, potatoes, oilseeds) will qualify for ECU 6 million. At the end of 1996, the Finnish authorities had approved 42 projects, 24 in the meat sector, 8 in milk and 6 in fruit and vegetables, costing a total of ECU 98 million.

OBJECTIVE 5(a) fisheries

Fig. V-62: Objective 5(a) Fisheries - programming 1995-99 (ECU million):

	FIFG
Adjustment and redirection of the fishing effort (a)	4,1
Other fishing fleet measures (b)	0,0
Renovation and modernisation of the fleet (c)	2,4
Aquaculture (d)	6,0
Protected marine areas (e)	0,5
Port facilities (f)	1,0
Processing and marketing of fisheries products (g)	6,5
Promotion of fishery products (h)	2,2
Socio-economic measures (i)	pm
Other measures (j)	0,3
Total	23,0

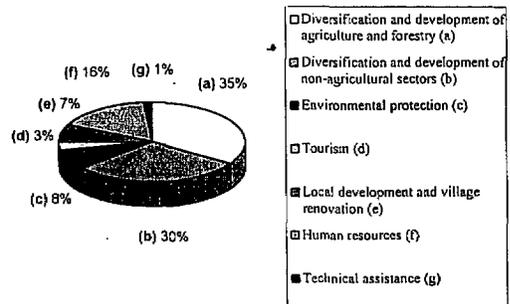


The programme was implemented satisfactorily in 1996, with the exception of aquaculture, which made little progress. A total of 386 projects were launched, and physical commitments account for 24% of the total allocation for 1995-99, with payments standing at 13%. The Monitoring Committee has adopted its rules of procedure and has started the process for choosing an external evaluator.

OBJECTIVE 5(b)⁷⁰

Fig. V-63: Objective 5(b) - programming 1995-99:

Population ('000)	1.094	
Area (km ²)	95.219	
	ECU million	
<i>By Fund</i>		
ERDF	94,5	49%
ESF	32,8	17%
EAGGF	66,7	34%
Total	194,0	100%
<i>2 SPDs</i>		
Average per SPD	97,0	



As the two SPDs were adopted in November 1995, 1996 was their first full year of implementation. Implementation revolved around developing the national and regional procedures needed to take fuller account of an integrated approach to rural development and to reflect in the monitoring system the results achieved under the regional chapters of the SPD for mainland Finland, in particular by strengthening the regional Monitoring Committees. One of the other main tasks was to launch the ongoing evaluation process by selecting an evaluator for each programme and presenting an interim

⁷⁰ Eligible areas: mainland Finland, Åland Islands.

report in June 1997. The implementation rate has remained quite low, however, caused in part by delays in adopting the national aid schemes for agricultural measures in particular.

Table V-51: Finland - Assistance by Objective - 1996 in the context of programming for 1995-96/99 (ECU million)

Programmes (year of adoption)	Total cost	S.F. assistance (1)	Commitments 1996	Commitments 1995-96 (2)	% (2)/(1)	Payments 1996	Payments 1995-96 (3)	% (3)/(1)
Objective 6								
SPD Finland (1995)	1.326,1	459,9	77,2	158,2	34%	42,1	82,6	18%
Objective 2*								
SPD Finland (1995)	341,1	55,8	21,3	52,4	94%	14,2	29,8	53%
Objective 3								
SPD Finland (1995)	926,0	258,4	35,0	95,3	37%	21,1	51,3	20%
Objective 4								
SPD Finland (1995)	301,5	84,6	8,8	23,6	28%	5,5	12,9	15%
Objective 5(a) agriculture								
Forecasts for Finland Reg. 2328/91 (1995)	1.156,2	294,2	53,3	107,8	37%	24,5	51,8	18%
SPD Finland Regs. 866 and 867/90 (1995)	359,2	43,1	0,0	6,9	16%	2,1	5,5	13%
Total	1.515,4	337,3	53,3	114,7	34%	26,6	57,3	17%
Objective 5(a) fisheries								
SPD Finland (1995)	81,9	23,0	0,0	23,0	100%	0,0	6,9	30%
Objective 5(b)								
SPD Åland (1995)	10,3	2,6	0,3	2,6	100%	0,1	0,8	30%
SPD Mainland Finland (1995)	613,8	191,4	16,0	46,5	24%	7,6	22,8	12%
Total	624,0	194,0	16,3	49,1	25%	7,7	23,6	12%
TOTAL	5.116,0	1.413,0	211,9	516,3	37%	117,2	264,4	19%

* After deduction of transfers to 1997-99

13.2. Implementation of the Community Initiatives in 1996

Finland is not participating in 5 Community Initiatives: Rechar, Resider, Retex, Konver and Regis. Two Community Initiative programmes were approved in 1995 (Adapt and Employment); the remaining programmes (SMEs, Urban, 2 Leader, Pesca, 7 Interreg) were approved in 1996.

Support for the development of technological potential in Finland:

Information and communications technologies play an important role in most of the priorities in the **Leader** and **SMEs** programmes (creation of networks, internationalisation and cooperation, data bases, new activities under development - electronics, software, etc., electronic commerce, etc.) and in the **Adapt** programme (promotion of teleworking, distance learning, introduction of new technologies in enterprises and the creation of databases). The **Interreg** programmes also place particular importance on the new information technologies:

- between Finland and Sweden: introduction of telecommunications technology and improvements to logistical systems to reduce the geographic isolation of the border area, improve the technological capabilities of enterprises and women and protect the region's environment;
- between Sweden, Finland and Norway: in the Kvarken-MittSkandia region, coordination of the emergency services and new telecommunications technology (e.g., teleconferencing, cross-border networks, etc.) and training development through distance learning and technology transfers, etc.; in the northern Arctic region, as part of the efforts to improve the living conditions of the Sami people, human resources will be strengthened through information technology (e.g. multimedia training, development of technological capacities in support of business, teleworking, distance learning);
- between Finland, Sweden, Norway and Russia: cooperation and dissemination of information between enterprises through networks, the organisation of networks between research centres and trade and industry, development of training in multimedia and distance language learning, improvements to the area's internal operating capacity by interconnecting telecommunications, the use of information technology for mapping purposes, shared data bases and emergency services, etc.;
- between Finland and Russia: RTD networks to exchange experts, improvements to information services and the development of telecommunications for environmental purposes in Karelia; telecommunications improvements in the "Nordic Triangle", the application of new technologies to environmental protection and land planning, increased know-how through networking, distance learning, Open Universities and the development of information research and technology in south-east Finland.

The Urban Community Initiative programme for Joensuu, also makes full use of data transmission and information technology to prevent social exclusion and assist the long-term unemployed back into the jobs market. It is aiding the introduction and extension of the chain of Palveluelli data transmission services, information and support for the creation of SMEs through information technology and local residents' access to the information networks. Lastly, the Pesca programme seeks to create three data networks linking producers, fish processors, the markets and the advisory organisations with a view to improving the way the fish market operates.

Five national and seven Interreg programmes were adopted in 1996. Firstly, the Urban Community Initiative programme approved in July for the city of Joensuu aims to make its target group - families in difficulty and the unemployed living in a vast area of housing estates - more conscious of the responsibilities involved in living in society and self-reliant; it also aims to provide training and advice and involve the unemployed in improving their environment so that a return to more social behaviour is instilled in the area in question. The programme is operated directly by the municipality. Secondly, the SMEs programme, approved in November, concentrates mainly on technology transfer and development, the globalisation of SMEs and inter-enterprise cooperation and networks. One of the Leader programmes involves the Objective 6 areas and the other the Objective 5(b) areas. They were adopted in August and July respectively. The first has already chosen 10 local action groups and the second 12 local action groups, all of which have begun implementing the measures. Leader has been generally well received as the rural development model it fosters is highly relevant to the efforts made in Finland in this regard. Lastly, the Pesca programme adopted in March has not yet started but the Finnish authorities have introduced the legislative framework (application forms, evaluation forms, national rules and regulations) that will allow it to begin early in 1997.

The seven Interreg programmes in which Finland is participating were also approved in July. Two of the programmes involve cooperation with Sweden (Åland Island and Kvarken-MittSkandia), one cooperation with Sweden and Norway north of the Arctic circle, three cooperation with Russia (the Barents programme, involving also Sweden and Norway, the Karelia programme and the South-East Finland programme) and one on cooperation between Finland and Estonia across the Gulf of Finland. Total investment in the programmes amounts to ECU 199 million, of which ECU 63 million (the combined Swedish and Finnish shares) comes from the Structural Funds. The figures show that there has been a significant expansion in funding possibilities for cross-border activities. On the Russian and Estonian side efforts are being made to fund activities that improve compatibility between the Interreg projects and the Tacis and Phare programmes. The programmes' originality lies in the pooling of funding and unified financial management along the Finno-Swedish border (a single region being responsible for managing the funds for the whole programme) and in the advanced decentralisation of decision-making. The first meetings of the programme Monitoring Committees were held in October.

The Employment and Adapt programmes, which had been adopted in 1995, selected projects at the start of the year which were subsequently launched during the year. In the first six months, 3 000 individuals participated in a total of 31 Employment projects (11 Now projects, 9 Youthstart, 11 Horizon - equivalent to 100 000 training days) and involved 87 partners in other countries (in particular Ireland, the United Kingdom and Germany). The projects are directed towards the long-term unemployed, drug addicts, immigrants, former prisoners and the handicapped, and the promotion of equal opportunities in the labour market. Support for social enterprises and assisted employment were the predominant themes. Under the Adapt programme (28 projects) aid was provided to assist workers adapt to industrial change through virtual work experience and teleworking projects. One hundred and fourteen (114) partners from other countries participated in the projects (mainly from the United Kingdom, Italy and Germany). Project promoters for the two Initiatives were mainly NGOs or public authorities, educational bodies in particular.

Lastly, the decision to allocate the reserve for the Community Initiatives enabled an extra ECU 18.9 million to be released to Finland for all the Initiatives, with the exception of SMEs Initiative.⁷¹

Tableau V-52: Finland - Community Initiatives - 1996 in the context of programming for 1995-99 (ECU million)

Initiative (number of programmes)	Total cost	S.F. assistance* (1)	Commitments 1996	Commitments 1995-96 (2)	% (2)/(1)	Payments 1996	Payments 1995-96 (3)	% (3)/(1)
Adapt (1)	42,90	19,70	0,00	19,70	100%	1,21	9,85	50%
Employment (1)	66,25	29,15	0,00	29,15	100%	0,00	14,58	50%
Leader (2)	76,47	28,09	28,09	28,09	100%	8,43	8,43	30%
Pesca (1)	8,75	3,41	3,41	3,41	100%	1,13	1,13	33%
SMEs (1)	27,93	11,09	7,39	7,39	67%	2,22	2,22	20%
Urban (1)	5,28	3,96	3,15	3,15	80%	1,57	1,57	40%
Total (7)	227,58	95,40	42,04	90,89	95%	14,56	37,77	40%
<i>Interreg/Regen (?)**</i>								
<i>CIPs adopted in 1996:</i>								
Leader Finland (Objective 6)	32,1	11,9	11,9	11,9	100%	3,6	3,6	30%
Leader Finland (Objective 5(b))	44,3	16,2	16,2	16,2	100%	4,8	4,8	30%
Pesca Finland	8,8	3,4	3,4	3,4	100%	1,1	1,1	33%
SMEs Finland	27,9	11,1	7,4	7,4	67%	2,2	2,2	20%
Urban, Joensuu	5,3	4,0	3,1	3,1	80%	1,6	1,6	40%
Total (5)	118,4	46,6	42,0	42,0	90%	13,3	13,3	29%
<i>Interreg (?)***</i>								

* Excluding reserve

** For programme details see Chapter VII, Table 2.2.

*** For programme details see Chapter I.B.1. Community Initiatives

⁷¹ See also Chapter I.B.1. Community Initiatives.

14. SWEDEN

14.1. Implementation of assistance by Objective in 1996

Support for the development of technological potential in the regions of Sweden :

Objective 6: Each SPD priority contains support measures for the information society (16.2% of Community appropriations). This falls within the broader objective of spreading know-how, and includes the development of communication systems and associated technologies, encouraging the use of new technologies in businesses and developing regional databases. It also involves developing advanced telecommunications technologies to fill in the gaps in RTD for small businesses and applying these new technologies to education (basic and higher education through distance learning, new techniques for improving the quality of education, communication among Swedish schools and with schools in other countries to exchange experience). As part of the development of human resources, new teaching techniques are being used to strengthen cultural identity at local and regional level (e.g.: documentary databases, cultural and historical databases, etc.), to improve local public services and to improve health care and the quality of life in areas remote from the regional centres (e.g. remote medical prescriptions). Under the priority for supporting the Sami people, it is planned to create a database and multimedia facilities in Sami to promote their culture and to combine traditional reindeer rearing techniques with the use of new technology. Support for technological development is also essential in measures to support employment, trade and industry. Finally, the use of technology is being encouraged to develop agricultural, forestry and fisheries productivity and markets while preserving natural resources.

Objective 2: RTD plays a key role in the strategy of all the SPDs (6.1% of Community funds), both in determining priorities and in selecting and implementing projects:

- **Blekinge :** it is planned to introduce information technologies (ECU 2.5 million; total cost: ECU 11 million) as a way of creating jobs and giving all citizens access to the information society. This involves promoting research and information technologies in all private and public socio-economics activities (businesses, rural development, public health care, infrastructures, RTD, etc.), and infrastructure and industrial development (creation of innovation centres);
- **Norra Norrlandskusten :** one priority (ECU 2.9 million; total cost: ECU 12 million) is to stimulate the use of information technologies, in particular in businesses, and another (ECU 9 million; total cost: ECU 40.5 million) is to encourage collaboration between businesses and research centres (spreading information on technology, technology transfer projects);
- **Ångermanlandkusten :** this SPD does not have a priority for information technologies as such, but it has one for innovation in businesses (ECU 3.3 million; total cost : ECU 23.2 million). Furthermore, one of the project selection criteria is the application of new technologies.;
- **Bergslagen :** here encouragement of the use of new technologies is focused on businesses, in particular in the least populated areas and the areas furthest from urban centres, through cooperation between businesses and research centres (ECU 5 million; total cost: ECU 18.8 million) and training in R&D (ECU 3 million; total cost: ECU 11.3 million);
- **Fyrstad :** technological development is integrated in local development measures, measures to develop human resources and to improve training, but also in measures to improve the capacities of businesses (ECU 3.3 million; total cost: ECU 17.9 million), particularly as regards environmental technologies. It is also one of the project selection criteria.

Objective 5(b) : All the programmes have a technology component, with telecommunications, RTD and telematics treated as instruments for overcoming the isolation of rural areas:

- **Skånergården :** use of new telecommunication technologies and telematics to link the islands with the rest of the country; development of distance learning;
- **Västra Sverige and Västerbotten/Gävle/Dala :** telecommunications development;
- **Sydöstra Sverige :** support for RTD programmes;
- **Gotland:** support for telematics applications.

In total, the financing of technological development in Sweden accounts for 17.1% of Structural Funds assistance (Objectives 6 and 2).

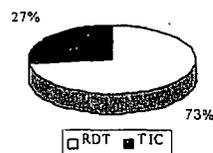
Table V-53: Sweden - Financing directly related to technological development in the 1994-99 programming period (ECU million)

	TOTAL		Structural Funds		Member State			
		%		%	Public	Private	Total	%
Objective 2	138,1	61%	29,6	21%	64,8	43,7	108,5	79%
Objective 6	86,8	39%	40,8	47%	32,4	13,5	45,9	53%
TOTAL	224,9	100%	70,5	31%	97,2	57,2	154,4	66%

NB: The programming procedures and different approaches

taken by the Member States invite to caution in interpreting these figures, in particular spending on information society projects, which are often linked to other fields such as RTD.

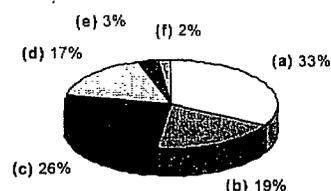
Financing by the Structural Funds



OBJECTIVE 6⁷²

Fig. V-64: Programming 1995-99 (ECU million):

Priorities:			
Employment, trade and industry (a)			82,6
Promoting know-how (b)			48,8
Agriculture, fisheries and natural resources (c)			66,1
Rural development and community work (d)			41,7
Sami community (e)			7,6
Technical assistance (f)			5,2
By Fund:			
	ERDF	122,6	49%
	ESF	63,9	25%
	EAGGF	61,4	24%
	FIFG	4,1	2%
	Total	252,0	100%
ISPD			



Main achievements in 1996

The Objective 6 SPD, approved in November 1995 aims to create 9 500 new jobs and 900 businesses. Committees responsible for project selection have been established in each district for most of the measures, and a regional group has been set up with responsibility for measures relating to R&D measures, information technologies and tourism where these require a strategic approach.

The pace of implementation of the SPD was disappointing in 1996. A working party for implementation had been set up by the Monitoring Committee to draw up guidelines for regional and local authorities responsible for project selection in each of the seven districts covered by Objective 6. These guidelines were not in the end published until the middle of 1996, with the result that implementation was delayed. However, the situation improved in the second half of the year, so that by the end of the year the projects approved accounted for about 80% of the financing package provided for 1995-96. Most progress was made under measures relating to local development, R&D and information technologies, while measures to support businesses lagged behind. Since Small businesses expressed concern about access to the SPD, a special group was set up to study the problem and report to the SPD's Monitoring Committee. Under the RTD measure the Monitoring Committee approved an allocation of ECU 9 million to the Kiruna Research Institute for the Environment and Regional Planning; this is the largest-scale project approved to date.

⁷² Eligible areas: Jämtland, Värmland, Kopparberg, Gävleborg, Västernorrland, Västerbotten, Norrbotten.

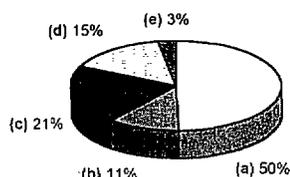
1996 in the context of the 1995-99 programming period

At the end of 1996 about 80% of Structural Funds assistance for 1995-96 had been allocated to various projects. However, only 6.5% of the 1995 and 1996 tranches had actually been paid to the final beneficiaries. The 1996 tranche could therefore only be opened for one of the Funds, the EAGGF, before the end of the year.

OBJECTIVE 2⁷³

Fig. V-65: Programming 1995-99 (ECU million at 1995 prices and 1996 situation):

Priorities:			
Development of businesses (a)			79,5
Innovation, research and technology (b)			17,8
Working environment, tourism, local development (c)			33,8
Training, qualifications (d)			24,3
Technical assistance (e)			4,6
By Fund:			
	ERDF	121,7	76%
	ESF	38,3	24%
	Total	160,0	100%
5 SPDs			
	Average per SPD		32,0



Main achievements in 1996

The five Objective 2 SPDs were approved in November 1995 for the 1995-99 period. They focus principally on measures to improve the business climate, support local Small businesses and develop tourism, and they set ambitious targets in terms of job creation (about 21 000 new jobs). During the first half of 1996, the national and regional authorities made a considerable effort to establish adequate structures and procedures for the administration, monitoring and assessment of the programmes. The programmes' implementation fell somewhat behind. In the second half of the year the situation improved markedly. At the end of the year the projects approved at regional level accounted for 20% of the Structural Fund assistance available for the programming period. Moreover, in most of the regions many projects were nearing completion, which gives grounds to expect that most of the initial delays will be made up during 1997.

The Objective 2 Monitoring Committees met three times in 1996. At their meetings they finalized implementation arrangements and the interim assessment process was initiated. They also analysed difficulties encountered in the implementation of SPDs (project approval procedures, delays in payments to final beneficiaries, participation by small businesses).

1996 in the context of the 1995-99 programming period

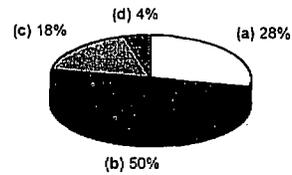
Despite the rapid improvement in project approval rates during the second half of the year, the level of payments to final beneficiaries remained very low (at the end of the year they accounted for hardly more than 5% of the appropriations available for the whole programming period). This was principally because of delays in approval during the first half of the year, but also to a certain extent because of the comparative cumbersome nature of the administrative procedures. As a consequence the Swedish authorities were not able to claim payment of the second advances, nor ask for the second tranche for the Bergslagen SPD to be opened. The other four SPDs are programmes with a single commitment.

⁷³ Eligible areas: Ångerslandskusten, Bergslagen, Blekinge, Fyrstad, Norra Norrlandskusten.

OBJECTIVES 3 AND 4

Fig. V-66: Objective 3: Programming 1995-99 (ECU million at 1995 prices):

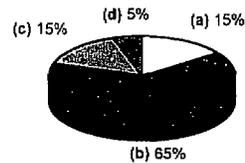
Priorities	ESF
Integration of young people in the labour marketl (a)	97,0
Combating long-term unemployment (b)	173,0
Integration in the labour market of those in danger of exclusion (c)	63,0
Technical assistance (d)	14,0
Total	347,0
<i>1 SPD</i>	



The Objective 3 SPD was not approved until December 1995 - projects launched after 1 July 1995 are, however, retroactively eligible - and so the establishment of structures and procedures for the programme held up its launch on the ground somewhat. That is why only 30 projects were selected for 1995 (with retroactive financing). Between July 1995 and the end of December 1996, however, 643 projects were financed and 33 636 participants benefited from ESF financing. 54% of the participants are long-term unemployed and 39% are young people. 46% are participating in schemes for integration into working life, 35% in skills development schemes and 14% are receiving guidance and counselling. 53% are women and 15% are immigrants. Preliminary results indicate that 32% of the participants registered as unemployed before taking part in the measures are no longer unemployed and that 23% gave up during the projects (because they had found work in 36% of cases, because they had started other training in the case of 15%, or for unknown reasons in the case of 27%).

Fig. V-67: Objective 4: Programming 1995-99 (ECU million at 1995 prices):

Priorities	ESF
Forecasting, planning and development (a)	26,0
Skills development, guidance and counselling (b)	112,4
Cooperation and transfer structures, networks (c)	26,0
Technical assistance (d)	8,6
Total	173,0
<i>1 SPD</i>	



The Objective 4 SPD was not adopted until February 1996. It focuses on employees of small businesses and 15% of the funding is specifically earmarked for small businesses in the public health care sector (networks of self-employed individuals may also submit projects). The general strategy is to orient production to customer demand by reorganizing working time and methods and developing employees' skills. The first, compulsory, stage of the projects is an analysis of the situation of each business prior to drafting an action plan. No project is launched unless it has been approved by and involves the participation of the business's employees. A new national agency is responsible for the daily administration of the programme while the national employment office is responsible for its financial implementation. Objective 4 has been greeted with a great deal of interest in Sweden. 3 066 projects were selected in 1996. These involve 250 businesses with more than 50 employees, 2 856 businesses with fewer than 50 employees and 1 467 with fewer than 10 employees. The total number of participants is 63 620, of whom 37% are women. However there is a risk that the slowness of financial implementation may dampen this enthusiasm.

OBJECTIVE 5(a) Agriculture

Table V-54: Implementation forecasts 1995-99 (ECU million, situation 1996)

Total	Measures		%
92,2	Production	68,7	75%
	Marketing	23,5	25%

Since its accession, Sweden has been gradually establishing the support measures provided for by Community legislation for improving the efficiency of agricultural production structures. In 1995 it first introduced compensatory payments which 23 000 farmers received in 1996 and which accounts

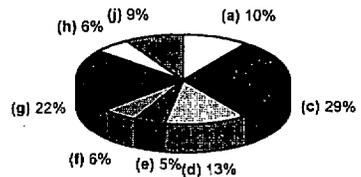
for the largest part of Swedish provisions in this respect. Measures to support young farmers were applied from 1996, in which year 149 beneficiaries were registered. This figure, which is lower than expected, may be explained by the fact that the aid mechanism is new to farmers in Sweden, who have still to become familiar with it. Finally, the support arrangements for investment in agricultural holdings, which were approved at the end of 1996, are to be implemented in 1997. The emphasis will be on protecting the environment, animal welfare and diversification of activities.

The SPD for assistance with product processing and marketing was adopted in March 1996. Eligible costs total ECU 188 million. The meat and milk and milk product sectors will receive about 61% of the funds available. The five other sectors (poultry, fruit and vegetables, flowers and plants, potatoes and forestry products) will receive ECU 9 million. Implementation of the arrangements began at the end of 1996 with the approval of 210 projects with a total value of ECU 15 million. Milk and milk products account for the largest proportion (71%).

OBJECTIVE 5(a) Fisheries

Fig. V-68: Objective 5(a) fisheries - Programming 1995-99 (ECU million):

	FIFG
Adjustment and reorientation of fishing effort (a)	4,0
Other fleet structuring measures (b)	0,0
Renewing and modernising the fleet (c)	12,0
Aquaculture (d)	5,1
Protected marine areas (e)	1,9
Port facilities (f)	2,2
Processing and marketing of products (g)	9,0
Promotion of products (h)	2,2
socio-economic measures (i)	pm
Other measures (j)	3,6
Total	40,0

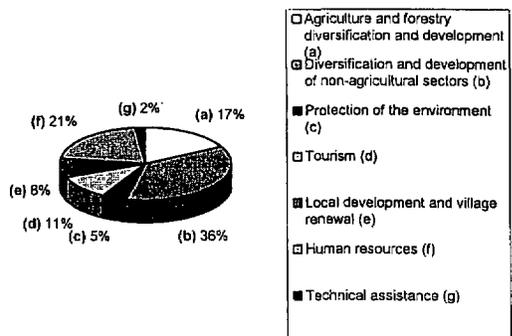


After the project selection procedures had been established, project financing began in mid-1996, the SPD having been adopted in November 1995. Eligible costs committed on the ground at the end of 1996 totalled ECU 16.6 million, or 14% of the total provided for the period 1995-99. Investment is highest in the processing sector (43% of total eligible costs), followed by the adjustment of fishing capacity and modernization of the fleet (17% of eligible costs each).

OBJECTIVE 5(b)⁷⁴

Fig. V-69: Objective 5(b) - Programming 1995-99:

Population (1000 hab.)	754	
Area (km ²)	52.746	
	million ecus	
By Fund		
	ERDF	70,6 50%
	ESF	30,3 21%
	EAGGF	40,2 28%
	Total	141,0 100%
5 SPD		
	Average per SPD	28,2



The five Objective 5(b) SPDs were adopted in May 1996 and the first Monitoring Committee meetings were held in May and June in order to begin implementation as quickly as possible. Introducing Community rural development policy in Sweden involved new approaches: multiannual programming with long-term strategies and the monitoring of Objectives were innovations; the regional programmes, which include areas straddling traditional county boundaries, entailed active cooperation among the new partners, including the social partners. This also involved creating new

⁷⁴ Eligible areas: Sydöstra Sverige, Västerbotten/Gävla/Dala, Västra Sverige, Skåvgården, Gotland (island of).

authorities (the regional Monitoring Committees) and adapting administrative and inspection systems to Community requirements.

Financial implementation in 1996 reflected the fact that the programmes were being launched, and on-the-ground implementation did not begin until autumn. However, they started up relatively slowly because of the novelty of the system and, to some extent, the uncertainty of potential beneficiaries about the timing and method of implementation. The state of implementation was discussed at the two Monitoring Committee meetings held in each region in November, and the importance of informing potential beneficiaries was stressed. The pace of implementation was stepped up somewhat at the end of the year and it may be hoped that this progress will continue in 1997. Monitoring the progress of implementation will be one of the main tasks of the assessors, who were selected at the end of the year and will submit their interim assessment reports in June 1997.

Table V-55: Sweden - Assistance by Objective - 1996 in the context of the 1995-99 programming period (ECU million)

Programmes (year adopted)	Total cost	S. F. assistance (1)	Commitments 1996	Commitments 1995-96 (2)	% (2)/(1)	Payments 1996	Payments 1995-96 (3)	% (3)/(1)
Objective 6								
SPD Sweden (1995)	635,0	252,0	11,5	56,4	22%	9,0	31,5	12%
Objective 2								
SPD Ängermanlandskusten (1995)	89,5	18,0	0,0	18,0	100%	0,0	6,2	34%
SPD Bergslagen (1995)	321,4	67,0	0,0	12,8	19%	0,0	6,4	10%
SPD Blekinge (1995)	85,8	15,0	0,0	15,0	100%	0,0	5,0	34%
SPD Fyrstad (1995)	145,5	24,0	0,0	24,0	100%	0,0	8,2	34%
SPD Norra Norrlandskusten (1995)	161,2	36,0	0,0	36,0	100%	0,0	12,3	34%
Total	803,4	160,0	0,0	105,8	66%	0,0	38,1	24%
Objective 3								
SPD Sweden (1995)	771,0	347,0	0,0	73,0	21%	0,0	36,5	11%
Objective 4								
SPD Sweden (1996)	612,6	173,0	37,5	37,5	22%	18,8	18,8	11%
Objective 5(a) agriculture								
Forecasts Sweden R. 2328/91 (1995)	267,8	68,7	15,5	29,2	43%	22,4	29,2	43%
SPD Sweden R. 866 and 867/90 (1996)	187,8	23,5	11,0	11,0	47%	5,5	5,5	23%
Total	455,7	92,2	26,5	40,2	44%	27,9	34,7	38%
Objective 5(a) fisheries								
SPD Sweden (1995)	115,9	40,0	0,0	40,0	100%	0,0	12,0	30%
Objective 5(b)								
SPD Gotland (1996)	50,1	11,2	11,2	11,2	100%	3,4	3,4	30%
SPD Skårgården (1996)	30,3	7,2	7,2	7,2	100%	2,1	2,1	30%
SPD Sydöstra Sverige (1996)	327,0	49,0	7,8	7,8	16%	3,9	3,9	8%
SPD Västerbotten/Gävle/Dala (1996)	199,7	42,9	8,0	8,0	19%	4,0	4,0	9%
SPD Västra Sverige (1996)	120,1	30,7	30,7	30,7	100%	9,2	9,2	30%
Total	727,1	141,0	64,9	64,9	46%	22,6	22,6	16%
TOTAL	4.120,7	1.205,2	140,4	417,8	35%	78,3	194,2	16%

14.2. Implementation of the Community Initiatives in 1996

Note :

Sweden is not taking part in the Rechar, Resider, Retex or Regis Initiatives. Two of the programmes were adopted in 1995 (Employment and Adapt). In 1996 the remaining programmes were adopted: SMEs, Konver, Urban, Pesca, 2 for Leader and 8 for Interreg (1 together with Denmark, 1 with Finland, 2 with Finland and Norway, 3 with Norway, 1 with Finland, Norway and Russia).

Support for technological development potential in Sweden :

The Swedish programme for the SME Initiative gives priority to making small businesses more competitive through the use of new technologies. It stresses the importance of analysing the technological needs of businesses, and provides support for technology transfer and application. These measures, which have been allocated ECU 4.5 million (total cost: ECU 14.4 million) develop the role of new technologies in reducing geographical disadvantages and creating opportunities for small businesses.

Information technologies also play a role in some of the industrial conversion Initiatives. The Konver programme in Karlskoga encourages the application of existing technological capacity for non-military purposes through cooperation between businesses and research centres via the Centre for Technological Development, while in Karlsborg it supports the creation of small businesses, all through the development and diffusion of technology (e.g. creation of networks) and training in technologies and business management (e.g. training in specialized technologies, distance learning, etc.).

The Interreg programmes treat the new technologies as a way of developing cross-border cooperation:

- *between Sweden and Norway: improving communications and using new technologies in the media, training and investment in information technologies, innovative activities in small businesses, developing joint information systems on the labour market (Inre Skandinavia programme); technological cooperation between businesses, universities, local authorities and training institutions, the extension of communication and telecommunications networks and distance learning ("No Frontiers" programme);*
- *between Sweden and Denmark: measures to promote new technologies under priorities for industrial development, the media, RTD and higher education.*

The Leader programmes also take advantage of new technologies (remote marketing, communications, commercial management, new services and businesses, distance learning, etc.). In particular, they provide for the development of investment and training in information technologies. The Urban programme supports the Facklan Development Centre at Malmö, which provides support for new businesses in the sphere of the media and technological equipment, the Culture and Media Centre at Augustenborgsskolan and four information centres which organize workshops and training in communications and the media, video conferences, etc. Finally, Adapt encourages the development of technology applications in small businesses and the development of networks between private individuals, businesses, organisations and research institutes.

Most of the programmes for Sweden were adopted in 1996, with a total of six national programmes and eight Interreg programmes. Of the latter, one programme involves Sweden and Denmark, one Sweden and Finland, two programmes have been implemented between Sweden, Finland and Norway, another between Sweden, Finland, Norway and Russia, and three between Sweden and Norway. The first series of meetings on seven programmes were held in October 1996 (the only exception was the Sweden/Denmark programme, for which the first meeting was held earlier). The Urban programme, adopted in December, concerns the city of Malmö. It affects 22 000 inhabitants and will be used to finance an integrated set of economic, social and infrastructural operations with the aim of creating two to three hundred new jobs and setting up 25 new businesses. The SME programme, which was adopted in July, covers all Objective 2, 5(b) and 6 regions and areas and has three priorities: the development of markets for small businesses, more extensive use of new technologies in small businesses and encouraging the use of environmental quality as a way of increasing competitiveness. The Konver programme, which covers the municipalities of Karlskoga in the Örebro district and Karlsborg in the Skaraborg district, was approved in July 1996, while two Leader programmes were adopted in June and the other in July, covering Objective 5(b) areas and Objective 6 regions respectively. Under the 5(b) nine local action groups were selected, and under the Objective 6 programme, three. They all started up their activities before the end of the year. Finally, the Pesca programme, adopted in March, covers 16 municipalities dependent on fisheries outside the Objective 6 area, principally on the western coast of Sweden. A limited number of projects were submitted and selected in 1996, but the Monitoring Committee held meetings during the year.

The only two programmes approved in 1995 were the Employment and Adapt programmes. In 1996, under the Employment Initiative, 47 projects were selected (10 under Now, 25 under Horizon and 12 under Youthstart). Many of them, particularly under Now and Horizon, have an emphasis on job creation and the potential for self-employment. Under Youthstart the emphasis is on ways of motivating and supporting young people by developing their sense of initiative. Under Adapt 24 projects were selected in 1996. They concentrate principally on the staff of small businesses. The priorities concern identifying new ways of organizing work, developing employee skills in sectors where information technologies play an important role, developing new forms of training in the work place, creating jobs in areas with low populations and encouraging women to go into or improve their position in business.

Finally an extra ECU 15.8 million from the Community Initiative reserve has been allocated to Sweden as additional funding. It will be shared among all the Initiatives except SME and Konver, but more than half of it will go to Interreg⁷⁵.

Table V-56: Sweden - Community Initiatives - 1996 in the context of the 1995-99 programming period (ECU million)

Initiative (Number of programmes)	Total cost	S. F. assistance* (1)	Commitments 1996	Commitments 1995-96 (2)	% (2)/(1)	Payments 1996	Payments 1995-96 (3)	% (3)/(1)
Adapt (1)	21,7	11,3	0,0	11,3	100%	0,0	5,6	50%
Employment (1)	39,9	20,7	0,0	20,7	100%	0,0	10,3	50%
Leader (2)	85,9	16,1	13,4	13,4	83%	4,0	4,0	25%
Pesca (1)	10,5	4,0	4,0	4,0	100%	1,2	1,2	30%
SME (1)	48,8	17,2	13,0	13,0	76%	3,9	3,9	23%
Konver (1)	11,4	3,3	2,6	2,6	78%	0,8	0,8	24%
Urban (1)	11,9	5,0	3,1	3,1	63%	0,9	0,9	19%
Total (8)	230,2	77,5	36,1	68,1	88%	10,8	26,8	35%
<i>Interreg/Rügen (8)**</i>								
<i>of which programmes adopted in 1996:</i>								
Leader Sweden (Objective 5b)	71,8	12,1	10,0	10,0	83%	3,0	3,0	25%
Leader Sweden (Objective 6)	14,1	4,0	3,3	3,3	83%	1,0	1,0	25%
Pesca Sweden	10,5	4,0	4,0	4,0	100%	1,2	1,2	30%
SME Sweden	48,8	17,2	13,0	13,0	76%	3,9	3,9	23%
Konver Karlskoga, Karlsborg	11,4	3,3	2,6	2,6	78%	0,8	0,8	24%
Urban Malmö	11,9	5,0	3,1	3,1	63%	0,9	0,9	19%
Total (6)	168,6	45,6	36,1	36,1	79%	10,8	10,8	24%
<i>Interreg (8)***</i>								

* Excl. reserve, except Urban Malmö

** See details of Chapter VII. Table 2.2.

*** See details of programmes Chapter I.B.1. Community Initiatives

⁷⁵ See also Chapter I.B.1. Community Initiatives.

15. UNITED KINGDOM

15.1. Implementation of assistance by Objective in 1996

Support for the development of technology potential in the regions of the United Kingdom

Objective 1: Most of the priorities in the three SPDs allocate an important role to technology development (7.9% of all Community funding).

In the case of RTD:

- *Highlands and Islands: improved marketing through information technologies (ECU 2.3 million; total volume: ECU 4.6 million), RTD in small businesses (ECU 6 million; total volume: ECU 18.7 million), and environmental research;*
- *Northern Ireland: within the priority devoted to economic development are the programmes COMPLETE and Science and Technology, establishment of networks for disseminating technology and strengthening of research (ECU 31.9 million), and development of technology infrastructures (ECU 25.7 million; total volume: ECU 41 million - e.g. research centres, demonstration projects, calibrating and evaluation) and training in the new technologies (ECU 25 million; total volume: ECU 38.5 million), and environmental research. Outside this priority, research is also an essential element in the strategy for developing human resources (ECU 3.8 million; total volume: ECU 5.8 million), transport and local infrastructure (ECU 9.8 million; total volume: ECU 13.6 million), agriculture and rural development (ECU 7.1 million; total volume: ECU 15.5) and protection of the environment;*
- *on Merseyside: a whole priority (ECU 62 million; total volume: ECU 172 million) is being devoted to the development of advanced technologies and advanced industries. Support is going to research, technology and innovation at the service of businesses (including development of new products and processes), commercialising of research activities, participation in programmes of research and creation of new high-technology firms. Support is also going to developing clean technologies and to training in new techniques of environmental management, as well as training in the new technologies (e.g. encouraging science and technology in education centres, identifying industry needs, establishing links between industry and the education sector, developing training centres for advanced technologies).*

In the case of the information technologies, their development in the Highlands and Islands (ECU 8.1 million; total volume: ECU 36.4 million) includes defining the needs of firms and the impact of IT on the region, developing services based on the information technologies (for instance tourism), and improving access to and use of advanced telecommunications by firms and local authorities and developing support services to help absorb IT and communications technology. Turning to data-transmission applications, in the Highlands and Islands the emphasis is on distance learning and links between mobile units (ECU 4.4 million, total volume: ECU 8.8 million), while on Merseyside the emphasis is on advanced data-transmission networks within and between local businesses and on networks providing information about new technologies.

Objective 2 (1994-96): All SPDs except the one for Gibraltar contain schemes to support technology development and in particular support for RTD. 10 SPDs make stimulating RTD a separate priority covering either the development of advanced technologies and high-skill industries or research and technology/innovation⁷⁶. In detail, these priorities include:

- *development of research and technology to meet the needs of small businesses and industry (Eastern Scotland, West Midlands, Greater Manchester, Lancashire and Cheshire), innovation in small businesses and industry (East Midlands, Western Scotland, Eastern Scotland, East London and the Lee Valley, Industrial South Wales, Yorkshire and Humberside) and technology transfers for small businesses, including aid for the development of new products and processes (East London and the Lee Valley, Greater Manchester, Lancashire and Cheshire, Plymouth, West Cumbria and Furness, Yorkshire and Humberside, East Midlands);*
- *strengthening skills in the fields of technology and innovation (Eastern Scotland, East Midlands,*

⁷⁶ By region, the funding breaks down as follows: East London and the Lee Valley: ECU 12.7 million (total volume: ECU 27.7 million); Greater Manchester, Lancashire and Cheshire: ECU 36.3 million (total volume: ECU 99.4 million); North East of England: ECU 49.2 million (total volume: ECU 109.9 million); Plymouth: ECU 4.1 million; total volume: ECU 9.3 million); Industrial South Wales: ECU 31.7 million (total volume: ECU 77.3 million); West Cumbria and Furness: ECU 6 million (total volume: ECU 17.4 million); Yorkshire and Humberside: ECU 42 million (total volume: ECU 102 million); Eastern Scotland: ECU 18.4 million (total volume: ECU 42.4 million); East Midlands: ECU 11.5 million (total volume: ECU 33.4 million); West Midlands: ECU 59.6 million (total volume: ECU 119.1 million).

Eastern Scotland, West Midlands and North East of England, East London and the Lee Valley, Greater Manchester, Lancashire and Cheshire, North East of England, Plymouth, Industrial South Wales, West Cumbria and Furness, Yorkshire and Humberside);

- special attention to the environment by reinforcing skills in advanced and environmental technologies (West Midlands) and assistance for the introduction of clean technologies in businesses (North East of England, Plymouth, Industrial South Wales, West Cumbria and Furness, East Midlands, West Midlands).

In Thanet, a priority devoted to industry and services contains a programme for the development and transfer of technologies, and the SPD for Western Scotland also devotes a scheme to applied research, technology development and innovation in the context of a strategy for developing regional businesses.

In the field of telecommunications and data-transmission technologies, most SPDs provide support for their development. For instance, the SPD for the East Midlands is supporting projects for disseminating advanced telecommunications services (such as information about the availability of services, help with local access to them, etc.) and the SPD for Greater Manchester, Lancashire and Cheshire is encouraging participation in the information superhighways. The programmes for Yorkshire and Humberside and East London and the Lee Valley are providing support for advanced data-transmission services to strengthen high-skill industries and the adoption of data transmission technologies by small businesses and as well as training in advanced data-transmission services.

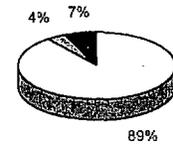
In total, the funding from the Structural Funds for technology development comes to 9.8% of total Community funding (Objectives 1, 2, 5(b)).

Table V-57: United Kingdom - Funding directly linked to technology development in the programming for 1994-99 (ECU million)

	TOTAL		S.F.		Member State			
		%		%	Public	Private	Total	%
Objective 1	460,5	38%	186,1	40%	120,6	153,8	274,4	60%
Objective 2	719,4	59%	310,1	43%	316,4	92,9	409,3	57%
Objective 5	31,1	3%	13,9	45%	12,9	4,3	17,2	55%
TOTAL	1.211,0	100%	510,1	42%	449,9	251,0	700,9	58%

NB: The programming procedures and different approaches taken by the Member States invite to caution in interpreting these figures, in particular spending on information society projects, which are often linked to other fields such as industry and RTD.

Financing by the Structural Funds



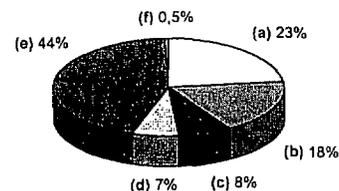
RTD Telecoms Data transmission

OBJECTIVE 1⁷⁷

Main achievements in 1996

Fig. V-70: Programming 1994-99 (ECU million): Merseyside

Priorities:			
Major businesses (a)			186,0
Local businesses (b)			149,0
Technological development (c)			62,0
Cultural sector (d)			54,0
Local development (e)			361,0
Technical assistance (f)			4,0
By Fund:			
	ERDF	475,0	58%
	ESF	338,0	41%
	EAGGF	3,0	0%
	Total	816,0	100%
1 SPD			



On Merseyside, definite progress has been made with the programme on the ground, although significant spending has still not occurred on a large number of projects already vetted and approved. A venture-capital fund, the *Merseyside Special Investment Fund*, has been set up and it received

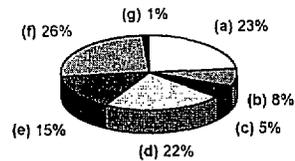
⁷⁷ Eligible areas: Northern Ireland, Merseyside, Highlands and Islands.

Commission approval in March. This is the first fund of its kind to qualify for ERDF support in the United Kingdom. The number of EAGGF-funded schemes is very small and mainly involves Objective 5(a); progress has been slow and it has been decided not to pursue the scheme for the processing and marketing sector (Regulation (EEC) No 866/90). An intermediate assessment of the SPD was carried out in 1996 by independent assessors, who indicated three improvements that could be made: the procedures for approving applications for funding from the ERDF and ESF should be speeded up; the integration between the ERDF and the ESF and between various schemes could be enhanced; projects should be considered in a wider context in order to encourage a more strategic use of funding for the environment, data transmission and growth sectors and areas such as the centre of Liverpool. The assessors concluded that the programme is basically on course to attain its overall targets in terms of new jobs and raising GDP, but that the quantification of targets in the SPD could be improved and refined. Work has started on proposals for amending the text and funding profile of the SPD.

Example of a project on Merseyside
Familiarisation with science and technology in schools: This project is running from 1996 to 1998 and is designed to develop knowledge about careers in science and technology, scientific and engineering know-how and the links between schools and the science and technology industries. For instance, some pupils spent a week at the Centre for Alternative Technology of Mid-Wales monitoring the energy consumption and electricity use of their group. In another example, several schools have developed training activities for teachers in the field of new technologies, including IT, or have sent teachers into industrial firms to improve their knowledge of various technologies so that they can include them in classroom work. The project is being part-financed by the ESF with about ECU 127 000; the total volume is ECU 375 700 and 2 636 individuals will be involved.

Fig. V-71: Programming 1994-99 (ECU million): Highlands and Islands

Priorities:			
Business development (a)		72,1	
Tourism, cultural sector (b)		24,2	
Environment (c)		16,3	
Primary sector (d)		68,7	
Local development (e)		46,9	
Communications and services (f)		79,7	
Technical assistance (g)		3,1	
By Fund:			
	ERDF	180,0	58%
	ESF	55,2	18%
	EAGGF	56,0	18%
	FIFG	19,8	6%
	Total	311,0	100%
<i>I SPD</i>			

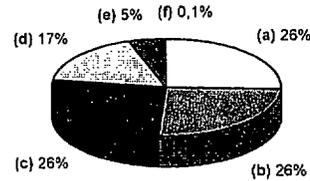


In the Highlands and Islands, implementation of the SPD has picked up. The Monitoring Committee has adopted new rules for monitoring projects so that, if necessary, support from the Structural Funds can be withdrawn where projects are not managing to generate the spending required to trigger ERDF funding. In the case of the EAGGF funding, all the schemes (reduction of production costs, product quality, animal welfare, diversification of holdings) are operational except those concerning the environment and woodland management, and financial implementation has kept to the financing plan. A number of innovations have been introduced into the programme management. The three-tier structure for the monitoring and implementation of the programme has been reduced to two tiers, a single Monitoring Committee and its consultative working parties. Thirteen local groups have also been created to define local strategies. Two studies, one on the environmental impact of the programme and one on local economic development, have been funded under technical assistance.

Finally, the intermediate assessment of the SPD has begun, with an independent consultant being designated in November. The first assessment report is expected in April 1997.

Fig. V-72: Programming 1994-99 (ECU million): Northern Ireland

Priorities:			
Economic development (a)			
Communities (b)			
Reducing remoteness (c)			
Agriculture and fisheries (d)			
Environment (e)			
Technical assistance (f)			
By Fund:			
	ERDF	685,6	55%
	ESF	354,6	29%
	EAGGF	186,9	15%
	FIFG	15,1	1%
	Total	1.242,2	100%
<i>ISPD</i>			



In Northern Ireland, economic life continues despite the political troubles. Spending under the SPD on economic development, improving the environment and developing tourism has reached the different targets, and decisions taken on routing of the trans-European networks will ensure that expenditure can be programmed. The underwater gas pipeline from Scotland has been terminated but the electricity interconnector has been delayed by planning problems. Implementation of the agricultural and rural development schemes has been uneven, influenced by a loss of confidence among farmers due to the BSE crisis. While the civil unrest during the summer temporarily slowed progress on the programme for the physical and social environment, the process of consultation and partnership begun under the 'Peace' Community Initiative has continued, making a valuable contribution to social cohesion in the region. A round of reprogramming took place in October but the preference was to hold back the additional money arising out of indexation until the results of the intermediate assessment were available in mid-1997. For the latter exercise, assessors have been appointed for each subprogramme and one for the whole of the SPD, including coordination of the subprogramme assessments, and the subprogramme reports were already available by the end of the year.

1996 in the context of programming for 1994-99

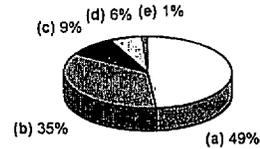
The stage reached in financial implementation varies according to SPD. In the case of the programme for Merseyside, commitment of the 1996 tranche from the ERDF could not take place because actual spending had been too little - only 1% - to trigger the ERDF contribution. By the end of the year, however, payments under the ERDF had come to ECU 109 million, about 23% of the total ERDF allocation. In the case of the programme for the Highlands and Islands, commitments speeded up during the year so that the 1996 tranche was committed. By the end of 1996, payments under the ERDF had come to ECU 39 million in total, about 22% of the ERDF allocation. Finally, in the case of Northern Ireland spending in 1996 slightly exceeded the year's targets, but although the outturn was comparable to 1995 some reprogramming was necessary to offset the under-implementation in 1994. Payments still reached 40% of the total allocation for the period.

OBJECTIVE 2⁷⁸

1996 in the context of programming for 1994-96

Fig. V-73: Programming 1994-96 (ECU million - 1996 prices and situation)

By sector:			
Production environment (a)			
Human resources (b)			
Improvement and rehabilitation (c)			
Protection of the environment (d)			
Technical assistance (e)			
By Fund :			
	ERDF	1.521,8	75%
	ESF	495,7	25%
	Total	2.017,4	100%
13 SPDs			
	Average per SPD		155,2



A major effort was required to implement expenditure before programmes were wound up. ERDF payments came in all to almost ECU 711 million by the end of the year, corresponding to more than 47% of the total ERDF allocation to all programmes. The winding-up of commitments none the less meant that transfers had to be made to the next phase. All the regions except Gibraltar had to carry over unused appropriations to the 1997-99 programming period, a total of ECU 155 million (at 1996 prices; ECU 109.4 million from the ERDF and ECU 45.6 million from the ESF). In two instances (Manchester-Lancashire-Cheshire and West Midlands) only the ESF was involved, but both Funds were concerned in all the other cases. The transfer total amounted to 7% of the original allocation under Objective 2 to all programmes in the United Kingdom, although the carryover varied considerably according to region (from less than 1% in the case of Greater Manchester-Lancashire to 37% in the case of Thanet). The greater levels of under-implementation did not necessarily mean, however, that spending was less efficient but reflected the concern of the regions to avoid committing funds too quickly where applications needed careful vetting to ensure that resources were in line with the strategic needs of the regional economy.

Programmes were also amended to take account of indexation and to undertake some reprogramming. No decision on indexation had been taken before 1996, so that application of the deflator led to an increase for all programmes of ECU 30.5 million over initial allocations (ECU 24.3 million under the ERDF and ECU 6.2 million under the ESF). Reprogramming took two forms: transfers between years and transfers between schemes, the latter only being agreed where the regional partnerships could provide a strategic justification in terms of new jobs.

Turning to progress on the ground, one innovation has been approval of several venture-capital funds. The fund approved under the SPD for Yorkshire and Humberside, in particular, is confined to this region but others are being supported in other regions. Nine major projects under Article 16(2) of the coordination regulation have been notified to and approved by the Commission⁷⁹. Results have varied according to region. For example, the priority "New Community Economic Development" (CED, i.e. local economic development) has continued to encounter problems in Eastern Scotland and Industrial South Wales, but has been particularly productive of new jobs in East London. Other priorities in the

⁷⁸ Eligible areas: Eastern Scotland, Western Scotland, East Midlands, Gibraltar, East-London & the Lee Valley, Industrial South Wales, North East England, Greater Manchester-Lancashire-Cheshire, Plymouth, Thanet, West Cumbria & Furness, West Midlands, Yorkshire & Humberside.

⁷⁹ The Lowry Centre in Salford, an extension of the tram system in Manchester, the Scottish Exhibition and Conference Centre in Glasgow, the International Centre for Life in Newcastle, the Earth Centre in Doncaster, Sheffield's rehabilitation project "Heart of the City", the Sheffield Integrated Waste Management project, Middleton Botanic Gardens, and the London East Manufacturing Initiative.

field of innovation, for example environmental technologies, have made considerable progress in Yorkshire and Humberside and, after a slower start, in Greater Manchester-Lancashire-Cheshire.

Some new features have been added to the management of programmes. The annual reports, most of them presented during the year, have adopted a new format as proposed by the Commission in 1995. This has generally led to a marked improvement in the content and quality of these reports. Implementation of the programmes will have to cope with the local government reorganisation in the United Kingdom. For example, *Strathclyde Regional Council* has been replaced by twelve different local authorities, with implications for the implementation of the Western Scotland programme. The reorganisation of local government is continuing and will probably have repercussions on other programmes in the 1997-99 period.

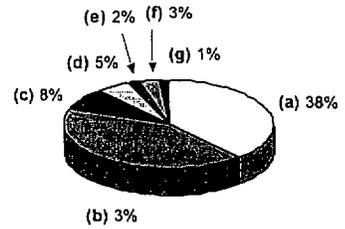
Technical assistance has been used in several cases to finance a reinforcement of various functions of the Monitoring Committees and their secretariats. TA also made it possible to support studies to back up the implementation of programmes, analyse local training needs and survey project selection procedures in the North-East, as well as demand for industrial sites and premises in Eastern Scotland. The Commission also published a study on the implementation of innovative local development schemes in the United Kingdom programmes ("*Social and economic inclusion through regional development*"), the results of which were presented at a national conference. The UK Government also made a study of Structural Fund management in England and proposed various reforms, the main features of which are simplified procedures for part-financing by the national authorities and the introduction of local action plans.

Preparations for 1997-99

A basic task in 1996 was preparing, proposing and negotiating new programmes for the 1997-99 programming period. The eligible regions remain unchanged. The total of Structural Fund money available is ECU 2.5 billion. Draft conversion plans for each of the regions were tabled in August, assessed by independent experts, and then discussed in terms of actual programmes in meetings starting in October and November. One of the aspects discussed was greater involvement of the partnership compared with the previous period at all stages of the procedure, starting with the preparation of conversion plans; these talks were launched at the beginning of the summer in seminars held in some of the regions. This involvement was maintained in the detailed discussions which took place subsequently during the year, in which the main partners participated along with central and local government officials. Major progress was made by the end of the year in discussions with the regions, and agreement was reached with the partners to structure the programmes according to the priorities set out in the Commission's communication for this Objective. The main goals of the Commission in its meetings with the regions were in particular to maximise the creation of new jobs, to concentrate on promoters of change in each region, to develop more fully the priorities of local development (set for the first time in 1994), to continue reducing the share of the ERDF funds spent on infrastructure, to identify major physical investments better in terms of geographical location and link them into the local economy, to ensure better integration of ERDF and ESF, and to start schemes in the priority areas of the environment, innovation and equal opportunities.

OBJECTIVE 3*Fig. V-74: Objective 3 - Programming 1994-99 (ECU million - 1996 prices)*

Priorities	1994-96	1997-99	TOTAL
Reintegration of persons out of work for more than six months (a)	567,0	641,1	1.208,1
Integration of young people into working life (b)	482,2	783,6	1.265,8
Integration into working life of persons threatened with social exclusion (c)	383,1	-	383,1
Equal opportunities (d)	77,7	90,0	167,7
National projects (e)	-	40,7	40,7
Local development (f)	-	75,0	75,0
Technical assistance (g)	12,2	25,0	37,2
Total	1.522,1	1.655,4	3.177,6
2 SPDs			
Average per SPD		1.588,8	2.416,5



The Objective 3 SPD was adopted in 1994 to cover the period 1994-96 and contained assistance worth ECU 1.501 billion at 1994 prices. The 1996 tranche was worth ECU 539 million. The SPD was implemented with funding contributed by central government and each of the following sectors, all of them represented on the Monitoring Committee: local authorities, the Training and Enterprise Councils, higher education and adult education establishments, and the voluntary sector. In 1996, there were 8 000 projects receiving funding, of which 10% were being managed by voluntary bodies, and so far 90% of the funding has gone to training schemes (many of the projects also involve an element of counselling and work experience). Implementation has continued to encounter problems, however, because of the apparent difficulty the various sectors have in meeting the financial requirements for each scheme in the programme. Modifications were once again requested in financing plans so that projects could continue, and this often delayed payments as a result of the necessary amendment procedures. In other words, the financing plans continue to be used more as accounting instruments than strategic management tools. Finally, discussions on the new SPD for 1997-99 began in spring 1996 and the new programme was adopted in December. It introduces a regionalised implementation structure and a system for targeting within schemes so as to reinforce the concentration of funding and encourage integrated projects.

OBJECTIVE 5(a) agriculture*Table V-58: Programming implementation 1994-99 (ECU million - 1996 prices and situation)*

Total	Measures		%
185,7	Production	134,5	72%
	Marketing	51,2	28%

In the area of improving production structures, the scheme actively promoted in the United Kingdom in regions outside Objective 1 are compensatory allowances. In 1996, allowances were paid to holdings accounting for a total of 4 million hectares, the Community contribution being ECU 24.4 million. Support for less-favoured areas goes to cattle and sheep farmers. Under other aid schemes, now wound up, a total of 2 600 beneficiaries continue to receive investment aid and other types of assistance representing 5% of EAGGF expenditure in 1996 under Objective 5(a).

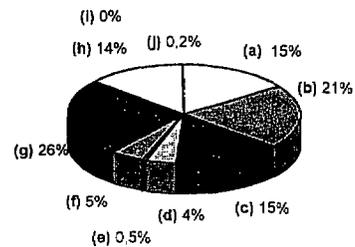
In the area of support for processing and marketing of agricultural products, the authorities in England have had problems providing public funding for the aid scheme because of government spending limits. Here the United Kingdom has been authorised to confine the scheme to projects submitted before the end of March 1996, while in Scotland and Wales the aid scheme will remain in place until the end of 1999. The original amount of the Community contribution (ECU 227 million) has been reduced to ECU 51.2 million. By the end of 1996, 177 projects had been approved (69% in England, 16% in Scotland and 15% in Wales), mainly in the sectors involving meat (46), fruit and vegetables (43), potatoes (28) and milk (27). The total eligible volume of these projects is ECU 130

million and the Community contribution comes to ECU 33 million or 65% of the allocation for the whole of the period.

OBJECTIVE 5(a) fisheries

Fig. V-75: Objective 5(a) fisheries - Programming 1994-99 (ECU million)

	FIFG
Adjustment and redirection of fishing effort (a)	13,5
Other fleet structuring measures (b)	18,5
Renewing and modernising the fleet (c)	13,3
Aquaculture (d)	3,8
Protected marine areas (e)	0,4
Port facilities (f)	4,3
Processing and marketing of fishery products (g)	22,7
Promotion of fishery products (h)	12,1
Socio-economic measures (i)	pm
Other measures (j)	0,2
Total	88,7

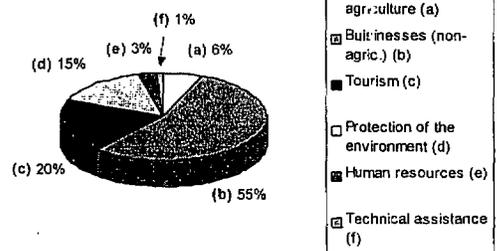


Following the adoption of national legislation on structural assistance for fisheries, various FIFG schemes were launched at the end of 1995 and the beginning of 1996. However, progress in implementing them is still slow but should speed up in 1997, in particular because applications for some schemes already exceed the funds available. A scheme for scrapping fishing vessels part-financed by the FIFG was introduced in 1993 with a budget of ECU 72 million over five years, and 578 vessels had been withdrawn by the end of 1996. Finally, assessors have been appointed for the mid-term assessment exercise.

OBJECTIVE 5(b)⁸⁰

Fig. V-76: Objective 5(b) - Programming 1994-99

Population ('000)		2,841
Surface area (km ²)		67,987
<i>ECU million</i>		
By Fund		
EA GGF	535,0	65%
ERDF	134,3	16%
ESF	151,2	18%
Total	820,5	100%
11 SPDs		
Average per SPD		74,6



<input type="checkbox"/>	Diversification of agriculture (a)
<input type="checkbox"/>	Businesses (non-agric.) (b)
<input type="checkbox"/>	Tourism (c)
<input type="checkbox"/>	Protection of the environment (d)
<input type="checkbox"/>	Human resources (e)
<input type="checkbox"/>	Technical assistance (f)

Improving the procedures for implementing the various SPDs, all of them adopted in 1995, was one of the major concerns during the year. A number of regions developed local implementation plans (LIPS), for example the English Northern Uplands, with the aim of injecting a stronger "bottom-up" approach into the general strategy for implementing programmes. These plans were also designed to simplify local administrative problems due to the involvement of a large number of authorities. In other regions, attempts for improve programme management were less radical. In most of the regions the criteria for selecting projects were refined to enhance performance and pick the best projects. Progress in terms of financial implementation continued to be slow, reflecting in the case of commitments the low uptake of funds. The mid-term assessments will provide the Commission with independent assessments of progress with the programmes. The terms of reference for these assessments were adopted by the Monitoring Committees by the end of the year and some of them have already been started. The reports are expected in March-April 1997.

⁸⁰ Eligible areas: the Borders region, Central Scotland/Tayside, Dumfries and Galloway, Grampian, Lincolnshire, Wales, East Anglia, the English Northern Uplands, South-West England, the English Midland Uplands, the Marches.

Table V-59: United Kingdom - Assistance by Objective - 1996 in the context of programming for 1994-96/99 (ECU million)

Programmes (year of adoption)	Total volume	S.F. assistance (1)	Commitments 1996	Commitments 1994-96 (2)	% (2)/(1)	Payments 1996	Payments 1994-96 (3)	% (3)/(1)
Objective 1								
SPD Highlands and Islands (1994)	1.012,4	311,0	42,9	124,8	40%	53,9	94,6	30%
SPD Northern Ireland (1994)	2.683,0	1.242,2	338,6	626,9	50%	299,5	489,7	39%
SPD Merseyside (1994)	2.005,1	816,0	124,3	286,4	35%	131,1	231,6	28%
Technical assistance	0,1	0,1	0,1	0,1	100%	0,01	0,01	8%
Total	5.700,6	2.369,4	505,9	1.038,2	44%	484,5	815,9	34%
Objective 2								
SPD East London & the Lee valley (1994)	187,6	73,2	43,6	73,2	100%	19,2	35,3	48%
SPD East Midlands (1994)	195,2	66,2	38,4	70,1	106%	22,4	40,8	62%
SPD Eastern Scotland (1994)	287,0	117,9	40,8	119,3	101%	71,6	97,4	83%
SPD Gibraltar (1994)	13,5	5,1	0,1	5,1	100%	1,5	4,0	80%
SPD Greater Manchester, Lancashire, Cheshire (1994)	818,8	332,2	196,4	333,7	100%	44,9	124,8	38%
SPD Industrial South Wales (1994)	400,9	151,1	75,2	150,5	100%	32,3	76,7	51%
SPD North East England (1994)	729,0	291,9	104,6	298,1	102%	87,0	173,3	59%
SPD Plymouth (1994)	61,6	27,1	-0,4	28,6	106%	8,7	23,2	86%
SPD Thanet (1994)	25,2	8,9	-2,3	11,7	131%	0,6	7,6	85%
SPD West Cumbria and Furness (1994)	62,2	24,2	-0,3	24,7	102%	5,4	17,9	74%
SPD West Midlands (1994)	983,8	372,8	134,1	375,0	101%	79,2	157,2	42%
SPD Western Scotland (1994)	759,8	262,1	78,8	264,5	101%	147,5	211,4	81%
SPD Yorkshire and Humberside (1994)	738,0	284,8	101,7	306,2	108%	50,9	120,6	42%
Total	5.262,7	2.017,4	810,6	2.060,7	102%	571,3	1.090,3	54%
Objective 3								
SPD United Kingdom (1996)	3.662,0	1.655,4	529,7	529,7	32%	0,0	0,0	0%
SPD United Kingdom (1994)	4.012,4	1.522,1	547,1	1.522,1	100%	581,7	1.400,3	92%
Total	7.674,4	3.177,5	1.076,8	2.051,8	65%	581,7	1.400,3	44%
Objective 5(a) agriculture								
Forecst U.K. Reg. 2328/91 (1994)	625,7	134,5	15,2	61,8	46%	22,4	44,9	33%
SPD U.K. Reg. 866 and 867/90 (1994)	204,7	51,2	0,0	38,6	75%	11,6	30,9	60%
Total	830,4	185,7	15,2	100,4	54%	34,0	75,7	41%
Objective 5(a) fisheries								
SPD United Kingdom (1994)	240,8	88,7	29,6	44,3	50%	8,3	20,1	23%
Objective 5(b)								
SPD Borders Region (1995)	76,6	30,4	1,1	8,8	29%	4,0	7,2	24%
SPD Central Scotland / Tayside (1995)	64,0	25,4	0,9	4,7	18%	1,9	3,9	15%
SPD Dumfries and Galloway (1995)	125,3	47,7	7,6	14,3	30%	5,9	9,5	20%
SPD Grampian (1995)	96,2	39,5	5,6	11,2	28%	5,6	8,5	21%
SPD Lincolnshire (1995)	133,6	53,7	1,4	9,0	17%	1,2	5,1	10%
SPD Wales (1995)	483,4	184,0	22,9	50,0	27%	19,2	34,5	19%
SPD East Anglia (1994)	132,4	60,0	0,0	8,6	14%	0,1	4,6	8%
SPD English Northern Uplands (1994)	262,3	108,0	12,7	27,8	26%	8,7	16,8	16%
SPD South West England (1994)	514,5	219,0	24,6	55,8	25%	20,6	42,4	19%
SPD English Midland Uplands (1995)	33,3	12,2	0,6	2,0	17%	0,6	1,4	11%
SPD The Marches (1995)	90,8	40,6	5,4	11,5	28%	3,6	7,0	17%
Total	2.012,3	820,5	82,9	203,6	25%	71,4	140,9	17%
TOTAL	21.721,2	8.659,1	2.521,0	5.499,0	64%	1.751,4	3.543,2	41%

15.2. Implementation of the Community Initiatives in 1996

Background

The United Kingdom is involved in all the Community Initiatives except Regis, to which should be added the 'Peace' programme for Northern Ireland. In all, 28 Community Initiative programmes for the UK were approved in 1994 and 1995, joining three Interreg programmes adopted in 1995. There were 13 other programmes still to be adopted, one for SMEs, one under Resider, nine under Urban and two under Interreg shared with France. All these Initiative programmes except the SME programme for England were adopted in 1996. Regarding Northern Ireland, which is eligible under Objective 1, all the regionalised programmes covering it were adopted in 1995, i.e. those under Urban, Peace, Retex, SMEs, Employment, Adapt and Leader. The programmes under Konver and Pesca cover the United Kingdom as a whole.

Support for development of technology potential in the United Kingdom

The four SME Initiative programmes already approved give priority to the use of advanced telecommunications and to RTD in increasing the competitiveness of businesses. In the case of telecommunications, ECU 3 million (total volume: ECU 6.7 million) are going to Northern Ireland to assist small businesses in identifying their advanced telecommunications needs and doubling their use. In the Lowlands region, an awareness campaign in advanced telecommunications is being funded (ECU 1.6 million,

total volume: ECU 3.8 million), while in the Highlands and Islands a scheme is being supported to develop information sources by satellite using advanced telecommunications as a means of creating networks among businesses. In the field of RTD, the stress is on cooperation among businesses (Northern Ireland) or between businesses and research centres in order to strengthen technology transfers (Highlands and Islands, Lowlands, Wales), and on innovation (Lowlands).

The national programme under *Konver* also makes provision for encouraging technology transfers and cooperation between small businesses, centres of research, universities and centres of technology transfer with a view to reinforcing the quality and flexibility of the links between firms and their suppliers and to help create networks among small businesses. Technology is to be used to enhance the competitiveness of businesses and to make various areas less dependent on defence activities and other traditional industries by developing civilian applications for advanced military technologies. Turning to the Community Initiatives dealing with human resources, the *Adapt* programmes aim to facilitate technology transfers towards the sectors most affected by changes in employment patterns. Staff of research bodies are being assisted in training firms to solve detailed technical problems, and support is also going to research connected with industrial change (innovative technologies, new production systems, IT and communications systems). The *Adapt* programmes also include schemes to disseminate information, raise technology awareness, develop databases on employment and set up infrastructure for transmitting data. Under the *Employment Initiative*, the *Horizon* schemes are targeted on adapting workplaces for the handicapped using new technologies (e.g. telecommuting for the handicapped), on using information technologies and interactive video for training purposes, and on training teachers how to adapt new technologies for handicapped users.

The programmes under *Leader* also contain several schemes to support technology development, in particular data transmission services and information on technology. Support is being given for distance learning, distance working, Internet connections between businesses and 'telecottage' centres for use by small businesses, craft firms and service companies in order to improve access to services and cooperation among distributors, producers and suppliers.

The main developments in 1996 were the approval of ten new programmes and allocations from the Community Initiatives reserve fund. Nine of the new programmes approved come under the Urban Initiative. The largest covers three urban areas on Merseyside (North Huyton, Liverpool Central and Netherton). By the end of the year, practically all the Monitoring Committees responsible for implementing this Initiative in each city area had been set up and a series of discussions had taken place with a view to creating or further developing local urban partnerships and preparing the first urban action plans. The Resider operational programme for England was also approved. Implementation of this Initiative was subsequently delayed by a disagreement, now resolved, over the participation of local elected politicians on the Monitoring Committee. All of the additional funding available from the Community Initiatives reserve fund, totalling ECU 188.8 million for the United Kingdom, was allocated among the Initiatives with the exception of the SMEs Initiative and Peace, most of the money going to Employment, Konver, Urban and Adapt⁸¹. A proposal setting out how to employ these resources was submitted by the UK authorities in July but no decision has been taken.

Turning to programmes adopted in previous years, and first of all the *Leader* programmes, 31 of the 33 intended local action groups had been selected by the end of the year. Progress has varied considerably, with the groups which benefited from experience of *Leader I* being the most advanced (Wales, South West England, Dumfries and Galloway in Scotland). However, the new groups have also made progress, although major efforts had to be devoted to getting the groups up and running and developing programmes. The national network of *Leader* groups, for which the Commission has proposed part-finance of ECU 0.7 million up to the end of 1999, has still to be formed. In the case of the programme under *Pesca*, which was adopted in June 1995, progress has been slow but most of the difficulties encountered in setting up its management and procedures have been overcome.

Under the *Employment Initiative*, a total of 262 projects has been approved and launched in 1996. The number of projects in Great Britain (i.e. excl. Northern Ireland) is 239 projects (81 projects under *Now*, 104 under *Horizon* and 54 under *Youthstart*). The projects under *Now* mainly concern the certification of skills acquired and financial support for child-minding facilities. The projects under *Youthstart* are aimed for the most part at enhancing the basic qualifications of young people and

⁸¹ See also Chapter I.B.1. Community Initiatives.

developing less formal training pathways. In the case of Horizon, the projects for handicapped people focus on the use of new technologies, transition to non-sheltered employment and awareness campaigns, while the projects for deprived groups also aim at less formal training pathways, with special attention given to single parents and migrant workers. In both strands, the majority of projects are based on, or include, direct training schemes and about a quarter seek to develop systems of training, guidance, counselling and employment. In Northern Ireland, the number of projects selected under Employment is 23 (7 projects under Now, 11 under Horizon, 5 under Youthstart). Examples of Now projects are training for trade-union staff and women in rural areas, the acquisition of management skills and training in new technologies. Among the Horizon projects are programmes for the pre-vocational and vocational integration of the mentally handicapped, while under Youthstart there is a programme of training in new technologies based on multimedia products.

Under Adapt, a total of 87 projects have been approved. In Great Britain (excl. Northern Ireland) most of the 83 projects, as under Employment, involve training schemes, counselling and guidance, followed by projects to adjust support structures and systems. All the projects focus on strengthening the structure of local small businesses and improving their competitiveness. The main topics are the information society, teleworking, the creation of new jobs and flexible forms of training. In Northern Ireland, four projects have been selected and involve, for example, the introduction of technologies for exchanging data within small businesses and training in the craft industries leading to qualifications meeting industry standards. As part of the preparations for a second series of calls for proposals under Employment and Adapt in 1997, about twenty events within and between various sectors were organised with the cooperation of regional and industry bodies, helping potential applicants to learn about the priorities for the Initiatives, the timetable and procedures.

As regards the Initiatives dealing with industrial conversion, above all Rechar, the first part of the year was devoted to setting up Monitoring Committees and making administrative arrangements for each regional programme. Implementation of these programmes has been without major problems, and as an example it is worth noting the approach taken in North East of England, namely an action plan and strategic plans for each county in the eligible area. The Konver programme has made satisfactory progress, although payments have been a little slower. The same applies to Retex. In the case of the SMEs Initiative, as under the other Initiatives a part of the year was spent setting up the Monitoring Committees. Calls for project proposals were issued under the programmes for the Lowlands of Scotland and Wales. The UK authorities have still not submitted a proposed programme for England..

As for Interreg, finally, 1996 was the first full year of implementation of the Wales-Ireland programme. Major development work and frequent exchanges of experience were necessary to get the programme up and running, but all the projects except those for transport infrastructure in Ireland are joint projects with participation from Ireland and Wales. The programme involving Gibraltar and Morocco, which was approved in December 1995, saw its implementation held up in 1996 by difficulties over detailing the administrative arrangements required.

Table V-60: United Kingdom - Community Initiatives - 1996 in the context of programming for 1994-99 (ECU million)

Initiative (number of programmes)	Total volume	S.F. assistance* (1)	Commitments 1996	Commitments 1994-96 (2)	% (2)/(1)	Payments 1996	Payments 1994-96 (3)	% (3)/(1)
Adapt (2)	650,6	286,6	18,7	72,2	25%	0,8	27,5	10%
Employment (2)	338,1	146,5	18,4	49,8	34%	21,6	37,3	25%
Leader (5)	160,4	66,2	10,0	66,2	100%	14,8	19,6	30%
Pesca (1)	84,7	37,4	26,2	31,3	84%	1,9	4,5	12%
SMEs (4)	43,0	20,1	0,4	20,1	100%	0,1	7,4	37%
Rechac (8)	364,6	163,2	5,6	87,1	53%	5,7	43,6	27%
Konver (1)	230,6	101,9	2,5	12,5	12%	6,2	6,2	6%
Resider (3)	101,3	45,5	19,0	42,2	93%	9,5	21,1	46%
Retex (2)	78,2	36,6	6,2	36,1	99%	4,0	18,1	49%
Urban (10)	206,4	98,8	72,3	89,2	90%	36,1	43,0	43%
Total (38)	2.257,7	1.002,9	179,2	506,7	51%	100,8	228,3	23%
<i>INTERREGIÖGEN (3)**</i>								
<i>PEACE (1)</i>								
<i>of which programmes adopted in 1996:</i>								
Resider England	48,9	22,3	19,0	19,0	85%	9,5	9,5	43%
Urban - London (Park Royal)	16,3	7,7	6,1	6,1	80%	3,1	3,1	40%
Urban - Wales (Swansea)	11,7	5,6	5,6	5,6	100%	2,8	2,8	50%
Urban - Western Scotland (Glasgow Paisley)	32,7	13,6	10,0	10,0	73%	5,0	5,0	37%
Urban - Yorkshire and Humberside (Sheffield)	14,8	6,8	6,8	6,8	100%	3,4	3,4	50%
Urban - East Midlands (Nottingham)	14,9	6,8	5,6	5,6	82%	2,8	2,8	41%
Urban - Greater Manchester, Lancashire and Cheshire (Manchester)	17,7	8,0	8,0	8,0	100%	4,0	4,0	50%
Urban - East London and the Lee Valley (Hackney Towers)	17,3	8,0	6,4	6,4	80%	3,2	3,2	40%
Urban - West Midlands (Birmingham)	20,6	8,0	6,4	6,4	80%	3,2	3,2	40%
Urban - Merseyside (North Huyton, Liverpool, Netherton)	35,7	17,3	17,3	17,3	100%	8,6	8,6	50%
Total (10)	230,7	104,2	91,2	91,2	88%	45,6	45,6	44%
<i>INTERREG (2)***</i>								

* Excluding reserve

** For programme details see Chapter VII. Table 2.2.

*** For programme details see Chapter I.B.1. Community Initiatives

CHAPTER VI

FINANCIAL IMPLEMENTATION 1996

TABLE 1: FINANCIAL IMPLEMENTATION BY OBJECTIVE IN 1996 *
TABLE 1.1: OBJECTIVE 1 - CSF

		ECU million			
Member State	Fund	Commitments (1994-1999)		Payments (1994-1999)	
		Excluding carryovers and appropriations made available again	Including commitments, carryovers and appropriations made available again	Excluding carryovers and appropriations made available again	Including carryovers
BELGIUM	ERDF	74,25	74,25	59,99	59,99
	ESF	40,44	40,44	28,27	28,27
	EAGGF	8,00	8,00	3,50	3,50
	FIFG	0,00	0,00	0,00	0,00
	TOTAL	122,69	122,69	91,77	91,77
GERMANY	ERDF	897,35	897,35	1.213,40	1.213,40
	ESF	609,47	609,47	458,46	458,46
	EAGGF	506,65	506,65	407,41	407,41
	FIFG	27,50	27,50	15,14	15,14
	TOTAL	2.040,97	2.040,97	2.094,42	2.094,42
GREECE	ERDF	1.157,34	1.157,34	1.243,11	1.243,11
	ESF	116,74	116,74	120,43	120,43
	EAGGF	315,93	315,93	272,89	272,89
	FIFG	0,00	0,00	9,65	9,65
	TOTAL	1.590,01	1.590,01	1.646,08	1.646,08
SPAIN	ERDF	2.756,72	2.756,72	1.799,52	1.799,52
	ESF	1.160,33	1.160,33	1.230,17	1.230,17
	EAGGF	539,48	539,48	557,96	557,96
	FIFG	158,32	158,32	229,47	229,47
	TOTAL	4.614,84	4.614,84	3.817,12	3.817,12
FRANCE	ERDF	132,83	132,82	113,43	113,43
	ESF	82,80	82,80	77,94	77,94
	EAGGF	81,33	81,33	59,84	59,84
	FIFG	0,00	0,00	0,00	0,00
	TOTAL	296,96	296,95	251,21	251,21
IRELAND	ERDF	591,86	591,86	336,09	336,09
	ESF	321,20	321,20	306,01	306,01
	EAGGF	260,07	260,07	250,24	250,24
	FIFG	8,21	8,21	8,43	8,43
	TOTAL	1.181,34	1.181,34	900,76	900,76
ITALY	ERDF	1.640,22	1.640,22	1.644,14	1.644,14
	ESF	171,47	171,47	122,34	122,34
	EAGGF	227,01	227,01	140,42	140,42
	FIFG	0,00	0,00	19,23	19,23
	TOTAL	2.038,70	2.038,70	1.926,12	1.926,12
NETHERLANDS	ERDF	0,00	0,00	8,00	8,00
	ESF	0,00	0,00	0,00	0,00
	EAGGF	4,80	4,80	3,84	3,84
	FIFG	0,00	0,00	0,00	0,00
	TOTAL	4,80	4,80	11,84	11,84
AUSTRIA	ERDF	0,00	0,00	5,99	5,99
	ESF	0,00	0,00	1,51	1,51
	EAGGF	4,96	4,96	5,11	5,11
	FIFG	0,00	0,00	0,00	0,00
	TOTAL	4,96	4,96	12,61	12,61
PORTUGAL	ERDF	1.833,28	1.833,28	1.569,29	1.569,29
	ESF	737,50	737,50	524,72	524,72
	EAGGF	377,03	377,03	315,48	315,48
	FIFG	20,15	20,15	25,08	25,08
	TOTAL	2.967,97	2.967,96	2.434,57	2.434,57
UNITED KINGDOM	ERDF	247,21	247,21	277,47	277,47
	ESF	159,46	159,46	153,95	153,95
	EAGGF	91,24	91,24	48,64	48,64
	FIFG	7,97	7,97	4,45	4,45
	TOTAL	505,88	505,88	484,50	484,50
	TOTAL	15.369,13	15.369,11	13.671,00	13.671,00
	ERDF	9.331,07	9.331,05	8.270,43	8.270,43
	ESF	3.399,40	3.399,40	3.023,79	3.023,79
	EAGGF	2.416,50	2.416,50	2.065,33	2.065,33
	FIFG	222,16	222,16	311,46	311,46

* Budget headings B2-1000, B2-1100, B2-1200, B2-1300.

TABLE 1: FINANCIAL IMPLEMENTATION BY OBJECTIVE IN 1996 *

TABLE 1.2: OBJECTIVE 2 - CSF

ECU million

Member State	Fund	Commitments (1994-1996)		Payments (1994-1996)	
		Excluding carryovers and appropriations made available again	Including decommitments, carryovers and appropriations made available again	Excluding carryovers and appropriations made available again	Including carryovers
BELGIUM	ERDF	65,47	61,50	10,02	10,02
	ESF	16,94	16,94	10,67	10,67
	TOTAL	82,41	78,44	20,69	20,69
DENMARK	ERDF	19,90	19,70	2,11	2,11
	ESF	3,08	3,08	1,57	1,57
	TOTAL	22,98	22,78	3,67	3,67
GERMANY	ERDF	290,05	284,84	126,34	126,34
	ESF	94,23	94,23	56,40	56,40
	TOTAL	384,28	379,07	182,75	182,75
SPAIN	ERDF	246,03	245,32	46,39	46,39
	ESF	131,86	131,86	112,87	112,87
	TOTAL	377,89	377,18	159,26	159,26
FRANCE	ERDF	594,09	587,77	345,36	345,36
	ESF	68,00	68,00	66,80	66,80
	TOTAL	662,09	655,77	412,16	412,16
ITALY	ERDF	193,43	177,12	69,33	69,33
	ESF	36,90	36,90	25,75	25,75
	TOTAL	230,33	214,02	95,08	95,08
LUXEMBOURG	ERDF	0,00	-1,47	0,00	0,00
	ESF	0,00	0,00	0,29	0,29
	TOTAL	0,00	-1,47	0,29	0,29
NETHERLANDS	ERDF	77,02	77,02	21,01	21,01
	ESF	22,12	22,12	18,28	18,28
	TOTAL	99,14	99,14	39,29	39,29
AUSTRIA	ERDF	7,62	7,62	7,47	7,47
	ESF	3,77	3,77	4,12	4,12
	TOTAL	11,40	11,40	11,59	11,59
FINLAND	ERDF	21,32	21,32	14,24	14,24
	ESF	0,00	0,00	0,00	0,00
	TOTAL	21,32	21,32	14,24	14,24
SWEDEEN	ERDF	0,00	0,00	0,00	0,00
	ESF	0,00	0,00	0,00	0,00
	TOTAL	0,00	0,00	0,00	0,00
UNITED KINGDOM	ERDF	625,01	622,03	413,37	413,37
	ESF	188,59	188,59	158,11	158,11
	TOTAL	813,60	810,63	571,49	571,49
	TOTAL	2.705,45	2.668,28	1.510,51	1.510,51
	ERDF	2.139,95	2.102,78	1.055,64	1.055,64
	ESF	565,50	565,50	454,87	454,87

* Budget headings B2-1201, B2-1301.

TABLE 1: FINANCIAL IMPLEMENTATION BY OBJECTIVE IN 1996 *
TABLE 1.3 OBJECTIVE 3 - CSF

ECU million

Member State	Fund	Commitments (1994-1999)		Payments (1994-1999)	
		Excluding carryovers and appropriations made available again	Including decommitments, carryovers and appropriations made available again	Excluding carryovers and appropriations made available again	Including carryovers
BELGIUM	ESF	94,80	94,80	81,91	81,91
DENMARK	ESF	42,00	42,00	40,96	40,96
GERMANY	ESF	512,62	512,62	287,50	287,50
SPAIN	ESF	239,91	239,91	272,12	272,12
FRANCE	ESF	421,59	421,59	402,88	402,88
ITALY	ESF	149,87	149,87	102,44	102,44
LUXEMBOURG	ESF	3,40	3,40	3,36	3,36
NETHERLANDS	ESF	152,23	152,23	124,62	124,62
AUSTRIA	ESF	65,69	65,69	71,77	71,77
FINLAND	ESF	34,99	34,99	21,10	21,10
SUEDEN	ESF	0,00	0,00	0,00	0,00
UNITED KINGDOM	ESF	1.076,80	1.076,80	581,69	581,69
TOTAL	ESF	2.793,92	2.793,92	1.990,34	1.990,34

* Budget heading B2-1302.

TABLE 1: FINANCIAL IMPLEMENTATION BY OBJECTIVE IN 1996 *
TABLE 1.4: OBJECTIVE 4 - CSF

ECU million

Member State	Fund	Commitments (1994-1999)		Payments (1994-1999)	
		Excluding carryovers and appropriations made available again	Including commitments, carryovers and appropriations made available again	Excluding carryovers and appropriations made available again	Including carryovers
BELGIUM	ESF	11,75	11,75	5,91	5,91
DENMARK	ESF	7,00	7,00	7,68	7,68
GERMANY	ESF	26,61	26,61	8,70	8,70
SPAIN	ESF	49,54	49,54	10,02	10,02
FRANCE	ESF	91,68	91,68	49,62	49,62
ITALY	ESF	38,28	38,28	19,14	19,14
LUXEMBOURG	ESF	0,37	0,37	0,25	0,25
NETHERLANDS	ESF	0,00	0,00	0,00	0,00
AUSTRIA	ESF	0,00	0,00	3,51	3,51
FINLAND	ESF	8,77	8,77	5,50	5,50
SWEDEEN	ESF	37,50	37,50	18,75	18,75
TOTAL	FSE	271,50	271,50	129,08	129,08

* Budget heading B2-1303.

TABLE 1: FINANCIAL IMPLEMENTATION BY OBJECTIVE IN 1996 *
TABLE 1.5: OBJECTIVE 5(a) Agriculture - CSF

ECU million

Member State	Fund	Commitments (1994-1999)		Payments (1994-1999)	
		Excluding carryovers and appropriations made available again	Including decommitments, carryovers and appropriations made available again	Excluding carryovers and appropriations made available again	Including carryovers
BELGIUM	EAGGF	26,80	26,80	42,59	42,59
DENMARK	EAGGF	22,08	22,08	22,07	22,07
GERMANY	EAGGF	191,84	191,84	177,34	177,34
SPAIN	EAGGF	25,00	25,00	28,74	28,74
FRANCE	EAGGF	220,66	220,66	206,89	206,89
ITALY	EAGGF	131,69	131,69	41,08	41,08
LUXEMBOURG	EAGGF	4,31	4,31	5,21	5,21
NETHERLANDS	EAGGF	9,05	9,05	6,49	6,49
AUSTRIA	EAGGF	75,94	75,94	77,13	77,13
FINLAND	EAGGF	53,32	53,32	26,60	26,60
SWEDEEN	EAGGF	26,50	26,50	27,86	27,86
UNITED KINGDOM	EAGGF	15,23	15,23	34,01	34,01
TOTAL	EAGGF	802,43	802,43	696,00	696,00

* Budget headings B2-1001, B2-1002.

TABLE 1: FINANCIAL IMPLEMENTATION BY OBJECTIVE IN 1996 *

TABLE 1.6 : OBJECTIVE 5(a) Fisheries - CSF

ECU million

Member State	Fund	Commitments (1994-1999)		Payments (1994-1999)	
		Excluding carryovers and appropriations made available again	Including commitments, carryovers and appropriations made available again	Excluding carryovers and appropriations made available again	Including carryovers
BELGIUM	FIFG	20,42	20,42	16,50	16,50
DENMARK	FIFG	23,28	23,28	0,00	0,00
GERMANY	FIFG	12,77	12,77	3,88	3,88
SPAIN	FIFG	19,89	19,89	32,74	32,74
FRANCE	FIFG	0,00	0,00	0,00	0,00
ITALY	FIFG	0,00	0,00	11,93	11,93
LUXEMBOURG	FIFG	0,00	0,00	0,00	0,00
NETHERLANDS	FIFG	6,36	6,36	6,46	6,46
AUSTRIA	FIFG	0,00	0,00	0,80	0,80
FINLAND	FIFG	0,00	0,00	0,00	0,00
SUEDEN	FIFG	0,00	0,00	0,00	0,00
UNITED KINGDOM	FIFG	29,55	29,55	8,27	8,27
TOTAL	FIFG	112,27	112,27	80,58	80,58

* Budget heading B2-1101 excluding measures under Article 4 of the FIFG Regulation.

TABLE 1: FINANCIAL IMPLEMENTATION BY OBJECTIVE IN 1996 *
TABLE 1.7: OBJECTIVE 5(b) - CSF

Member State	Fund	Commitments (1994-1999)		Payments (1994-1999)	
		Excluding carryovers and appropriations made available again	Including decommitments, carryovers and appropriations made available again	Excluding carryovers and appropriations made available again	Including carryovers
BELGIUM	FEDER	0,00	0,00	0,00	0,00
	FSE	2,71	2,71	2,07	2,07
	FEOGA	4,16	4,16	1,40	1,40
	TOTAL	6,86	6,86	3,47	3,47
DENMARK	FEDER	0,00	0,00	0,00	0,00
	FSE	0,00	0,00	0,14	0,14
	FEOGA	3,73	3,73	0,00	0,00
	TOTAL	3,73	3,73	0,14	0,14
GERMANY	FEDER	72,65	72,65	99,21	99,21
	FSE	15,39	15,39	11,46	11,46
	FEOGA	99,68	99,68	101,90	101,90
	TOTAL	187,71	187,71	212,57	212,57
SPAIN	FEDER	37,33	37,33	33,49	33,49
	FSE	9,28	9,28	6,24	6,24
	FEOGA	125,69	125,69	84,67	84,67
	TOTAL	172,30	172,30	124,40	124,40
FRANCE	FEDER	127,16	127,16	117,63	117,63
	FSE	28,41	28,41	37,01	37,01
	FEOGA	180,33	180,33	145,57	145,57
	TOTAL	335,91	335,91	300,20	300,20
ITALY	FEDER	0,00	0,00	0,00	0,00
	FSE	0,42	0,42	0,27	0,27
	FEOGA	33,17	33,17	30,89	30,89
	TOTAL	33,59	33,59	31,15	31,15
LUXEMBOURG	FEDER	0,00	0,00	0,00	0,00
	FSE	0,00	0,00	0,00	0,00
	FEOGA	0,00	0,00	0,00	0,00
	TOTAL	0,00	0,00	0,00	0,00
NETHERLANDS	FEDER	2,09	2,09	5,03	5,03
	FSE	0,25	0,25	0,38	0,38
	FEOGA	13,21	13,21	7,28	7,28
	TOTAL	15,56	15,56	12,70	12,70
AUSTRIA	FEDER	8,33	8,33	11,17	11,17
	FSE	13,85	13,85	12,96	12,96
	FEOGA	29,45	29,45	15,20	15,20
	TOTAL	51,62	51,62	39,34	39,34
FINLAND	FEDER	15,16	15,16	4,46	4,46
	FSE	1,11	1,11	0,08	0,08
	FEOGA	0,00	0,00	3,13	3,13
	TOTAL	16,27	16,27	7,67	7,67
SWEDEEN	FEDER	34,09	34,09	11,71	11,71
	FSE	12,83	12,83	4,59	4,59
	FEOGA	17,99	17,99	6,34	6,34
	TOTAL	64,91	64,91	22,64	22,64
UNITED KINGDOM	FEDER	64,17	64,17	53,36	53,36
	FSE	17,76	17,76	15,38	15,38
	FEOGA	1,00	1,00	2,70	2,70
	TOTAL	82,93	82,93	71,44	71,44
	TOTAL	971,38	971,38	825,72	825,72
	FEDER	360,98	360,98	336,07	336,07
	FSE	102,00	102,00	90,58	90,58
	FEOGA	508,40	508,40	399,07	399,07

* Budget headings B2-1003, B2-1202, B2-1304.

TABLE 1: FINANCIAL IMPLEMENTATION BY OBJECTIVE IN 1996 *
TABLE 1.8: OBJECTIVE 6 - CSF

ECU million

Member State	Fund	Commitments (1995-1999)		Payments (1995-1999)	
		Excluding carryovers and appropriations made available again	Including decommitments, carryovers and appropriations made available again	Excluding carryovers and appropriations made available again	Including carryovers
FINLAND	ERDF	30,50	30,50	6,72	6,72
	ESF	13,48	13,48	7,76	7,76
	EAGGF	33,20	33,20	27,64	27,64
	FIFG	0,00	0,00	0,00	0,00
	TOTAL	77,18	77,18	42,12	42,12
SUEDEN	ERDF	0,00	0,00	0,00	0,00
	ESF	0,00	0,00	0,00	0,00
	EAGGF	11,47	11,47	9,02	9,02
	FIFG	0,00	0,00	0,00	0,00
	TOTAL	11,47	11,47	9,02	9,02
	TOTAL	88,65	88,65	51,14	51,14
	ERDF	30,50	30,50	6,72	6,72
	ESF	13,48	13,48	7,76	7,76
	EAGGF	44,67	44,67	36,66	36,66
	FIFG	0,00	0,00	0,00	0,00

* Budget headings B2-1004, B2-1102, B2-1203, B2-1305.

TABLE 2: FINANCIAL IMPLEMENTATION OF THE COMMUNITY INITIATIVES*

Community Initiatives	Fund	Commitments (1994-99)		Payments (1994-99)	
		Excluding carryovers and appropriations made available again	Including decommitments, carryovers and appropriations made available again	Excluding carryovers and appropriations made available again	Including carryovers
millions d'Ecus					
ADAPT		222,43	222,43	86,96	86,96
	ERDF	0,00	0,00	0,00	0,00
	ESF	222,43	222,43	86,96	86,96
EMPLOYMENT		246,70	263,14	170,35	170,35
	ERDF	3,39	3,39	1,69	1,69
	ESF	243,31	259,75	168,66	168,66
LEADER		251,68	251,60	133,61	133,61
	ERDF	99,93	99,93	50,94	50,94
	ESF	68,64	68,64	25,36	25,36
	EAGGF	83,11	83,09	57,30	57,30
PESCA		130,59	134,56	20,64	20,64
	ERDF	78,25	79,05	1,22	1,22
	ESF	7,95	8,94	2,85	2,85
	FIFG	44,39	46,57	16,56	16,56
PME		181,92	181,92	88,71	88,71
	ERDF	167,38	167,38	83,40	83,40
	ESF	14,54	14,54	5,32	5,32
RECHAR		119,93	119,93	61,63	61,63
	ERDF	103,77	103,77	53,54	53,54
	ESF	16,17	16,17	8,08	8,08
REGIS		157,96	157,96	135,55	135,55
	ERDF	128,27	128,27	123,13	123,13
	ESF	11,89	11,89	5,10	5,10
	EAGGF	17,00	17,00	7,03	7,03
	FIFG	0,80	0,80	0,30	0,30
KONVER		133,00	133,00	95,07	95,07
	ERDF	90,91	90,91	74,02	74,02
	ESF	42,09	42,09	21,05	21,05
RESIDER		134,37	134,37	79,59	79,59
	ERDF	118,62	118,62	70,69	70,69
	ESF	15,75	15,75	8,89	8,89
RETEX		154,43	154,43	67,81	67,81
	ERDF	142,81	142,81	62,00	62,00
	ESF	11,62	11,62	5,81	5,81
URBAN		215,00	215,00	108,11	108,11
	ERDF	187,94	187,94	96,72	96,72
	ESF	27,06	27,06	11,39	11,39
INTERREG/PEACE		847,59	847,59	465,19	465,19
	ERDF	737,09	737,09	418,26	418,26
	ESF	70,66	70,66	30,21	30,21
	EAGGF	39,38	39,38	16,50	16,50
	FIFG	0,46	0,46	0,23	0,23
TOTAL		2.795,59	2.815,98	1.513,22	1.513,22
	ERDF	1.858,34	1.859,14	1.035,62	1.035,62
	ESF	752,10	769,53	379,68	379,68
	EAGGF	139,49	139,48	80,83	80,83
	FIFG	45,65	47,83	17,09	17,09

* Budget headings B2-1400, B2-1410, B2-1412, B2-1420, B2-1421, B2-1422, B2-1423, B2-1424, B2-1430, B2-1431, B2-1432, B2-1433, B2-1440, B2-1450, B2-1460, B2-1470

TABLE 3: FINANCIAL IMPLEMENTATION OF TRANSITIONAL AND INNOVATIVE MEASURES *

		ECU million			
Member State	Fund	Commitments		Payments	
		Excluding carryovers and appropriations made available again	Including decommitments, carryovers and appropriations made available again	Excluding carryovers and appropriations made available again	Including carryovers
BELGIUM		27,28	28,54	23,40	23,40
	ERDF	0,00	0,00	0,04	0,04
	ESF	26,53	27,79	21,90	21,90
	EAGGF	0,49	0,49	1,34	1,34
	FIFG	0,26	0,26	0,12	0,12
DENMARK		3,38	7,13	4,04	4,04
	ERDF	0,20	0,20	0,90	0,90
	ESF	0,80	4,55	2,91	2,91
	EAGGF	0,00	0,00	0,00	0,00
	FIFG	2,38	2,38	0,24	0,24
GERMANY		4,91	7,84	8,56	8,56
	ERDF	1,32	1,31	5,26	5,26
	ESF	1,95	4,88	2,68	2,68
	EAGGF	0,79	0,79	0,49	0,49
	FIFG	0,86	0,86	0,14	0,14
GREECE		1,94	2,79	2,35	2,35
	ERDF	0,00	0,00	0,00	0,00
	ESF	0,08	0,94	0,55	0,55
	EAGGF	0,54	0,54	1,01	1,01
	FIFG	1,32	1,31	0,78	0,78
SPAIN		12,31	14,46	25,57	25,57
	ERDF	2,24	2,24	17,48	17,48
	ESF	2,57	4,78	3,70	3,70
	EAGGF	2,55	2,54	2,61	2,61
	FIFG	4,95	4,90	1,78	1,78
FRANCE		6,86	8,99	17,49	17,49
	ERDF	0,06	0,06	9,53	9,53
	ESF	0,34	2,46	3,43	3,43
	EAGGF	5,27	5,27	3,46	3,46
	FIFG	1,20	1,20	1,07	1,07
IRELAND		23,25	25,14	24,36	24,36
	ERDF	21,38	21,38	21,65	21,65
	ESF	0,79	2,68	2,33	2,33
	EAGGF	1,08	1,08	0,01	0,01
	FIFG	0,00	0,00	0,36	0,36
ITALY		13,48	17,83	22,90	22,90
	ERDF	1,20	1,20	0,75	0,75
	ESF	1,87	6,32	8,83	8,83
	EAGGF	9,48	9,38	12,51	12,51
	FIFG	0,93	0,93	0,80	0,80
LUXEMBOURG		0,09	0,51	0,52	0,52
	ERDF	0,00	0,00	0,00	0,00
	ESF	0,09	0,51	0,52	0,52
	EAGGF	0,00	0,00	0,00	0,00
	FIFG	0,00	0,00	0,00	0,00
NETHERLANDS		1,67	3,18	4,46	4,46
	ERDF	0,00	0,00	2,35	2,35
	ESF	0,23	1,75	1,19	1,19
	EAGGF	0,27	0,27	0,00	0,00
	FIFG	1,17	1,17	0,92	0,92

* Budget headings B2-1800, B2-1810, B2-1820, B2-1830.

TABLE 3: FINANCIAL IMPLEMENTATION OF TRANSITIONAL AND INNOVATIVE MEASURES * (CONTINUED)

		ECU million			
Member State	Fund	Commitments		Payments	
		Excluding carryovers and appropriations made available again	Including decommitments, carryovers and appropriations made available again	Excluding carryovers and appropriations made available again	Including carryovers
AUSTRIA		0,37	1,12	0,49	0,49
	ERDF	0,25	0,25	0,00	0,00
	ESF	0,01	0,76	0,44	0,44
	EAGGF	0,11	0,11	0,06	0,06
	FIFG	0,00	0,00	0,00	0,00
PORTUGAL		3,74	4,57	12,48	12,48
	ERDF	0,00	-0,18	9,66	9,66
	ESF	0,25	1,26	0,86	0,86
	EAGGF	1,44	1,44	1,14	1,14
	FIFG	2,04	2,04	0,81	0,81
FINLAND		1,66	2,43	0,52	0,52
	ERDF	0,25	0,25	0,00	0,00
	ESF	0,23	1,00	0,51	0,51
	EAGGF	0,59	0,59	0,01	0,01
	FIFG	0,59	0,59	0,00	0,00
SUEDEN		1,26	3,27	1,17	1,17
	ERDF	0,25	0,25	0,00	0,00
	ESF	0,18	2,30	1,02	1,02
	EAGGF	0,00	0,00	0,02	0,02
	FIFG	0,83	0,83	0,14	0,14
UNITED KINGDOM		8,67	8,94	7,10	7,10
	ERDF	3,51	3,51	3,64	3,64
	ESF	0,83	1,16	1,54	1,54
	EAGGF	0,43	0,43	0,29	0,29
	FIFG	3,90	3,85	1,62	1,62
COMMUNITY		50,18	59,62	32,62	32,62
	ERDF	50,01	59,48	31,68	31,68
	ESF	0,17	0,17	0,94	0,94
	EAGGF	0,00	-0,03	0,00	0,00
	FIFG	0,00	0,00	0,00	0,00
TOTAL		161,05	196,36	188,03	188,03
	ERDF	80,67	89,95	102,93	102,93
	ESF	36,93	63,20	53,34	53,34
	EAGGF	23,03	22,90	22,97	22,97
	FIFG	20,42	20,31	8,79	8,79

* Budget headings B2-1800, B2-1810, B2-1820, B2-1830.

CHAPTER VII

FINANCIAL IMPLEMENTATION 1994-96

TABLE 1: FINANCIAL IMPLEMENTATION 1994-96 BY OBJECTIVE*
TABLE 1.1 : OBJECTIVE 1 - CSF

		millions d' Ecus				
Member State	Fund	Commitments (1994-99)		Payments (1994-99)		% (2)/(1)
		Excluding carryovers and appropriations made available again	Including decommissions, carryovers and appropriations made available again (1)	Excluding carryovers and appropriations made available again	Including carryovers (2)	
BELGIUM	ERDF	142,18	142,18	113,74	113,74	80%
	ESF	65,14	65,14	40,62	48,03	74%
	EAGGF	22,00	22,00	9,58	9,58	44%
	FIFG	0,37	0,37	0,19	0,19	50%
	TOTAL	229,69	229,69	164,13	171,54	75%
GERMANY	ERDF	2.742,32	2.742,32	2.240,46	2.240,46	82%
	ESF	1.775,98	1.775,98	1.311,18	1.311,18	74%
	EAGGF	1.368,25	1.368,25	986,08	986,08	72%
	FIFG	46,50	46,50	26,74	26,74	58%
	TOTAL	5.933,05	5.933,05	4.564,47	4.564,47	77%
GREECE	ERDF	4.308,56	4.308,56	3.090,88	3.090,88	72%
	ESF	801,44	801,44	531,96	531,96	66%
	EAGGF	1.015,12	1.015,12	791,01	791,01	78%
	FIFG	37,10	37,10	23,89	23,89	64%
	TOTAL	6.162,22	6.162,22	4.437,74	4.437,74	72%
SPAIN	ERDF	8.123,91	8.123,91	5.381,87	5.381,87	66%
	ESF	2.826,42	2.826,42	2.397,11	2.397,11	85%
	EAGGF	1.519,15	1.519,15	1.226,58	1.249,04	82%
	FIFG	462,78	462,78	338,69	338,69	73%
	TOTAL	12.932,26	12.932,26	9.344,25	9.366,72	72%
FRANCE	ERDF	369,52	369,51	221,32	221,32	60%
	ESF	268,27	268,27	179,79	208,59	78%
	EAGGF	150,53	150,53	97,49	97,49	65%
	FIFG	6,30	6,30	3,46	3,46	55%
	TOTAL	794,62	794,61	502,06	530,87	67%
IRELAND	ERDF	1.340,46	1.340,46	904,54	904,54	67%
	ESF	940,51	940,51	845,59	845,77	90%
	EAGGF	592,63	592,63	535,70	535,70	90%
	FIFG	17,41	17,41	13,93	13,93	80%
	TOTAL	2.891,00	2.891,00	2.299,75	2.299,93	80%
ITALY	ERDF	3.658,36	3.658,36	2.731,71	2.731,71	75%
	ESF	633,82	633,82	308,36	322,60	51%
	EAGGF	704,79	704,79	392,06	392,06	56%
	FIFG	66,54	66,54	35,21	35,21	53%
	TOTAL	5.063,50	5.063,50	3.467,34	3.481,59	69%
NETHERLANDS	ERDF	24,30	24,30	19,44	19,44	80%
	ESF	8,20	8,20	5,06	5,06	62%
	EAGGF	6,70	6,70	5,39	5,39	80%
	FIFG	2,80	2,80	1,58	1,58	56%
	TOTAL	42,00	42,00	31,47	31,47	75%
AUSTRIA	ERDF	19,96	19,96	15,97	15,97	80%
	ESF	5,04	5,04	4,03	4,03	80%
	EAGGF	8,76	8,76	7,01	7,01	80%
	FIFG	0,00	0,00	0,00	0,00	0%
	TOTAL	33,76	33,76	27,01	27,01	80%
PORTUGAL	ERDF	4.758,66	4.758,65	3.730,38	3.730,38	78%
	ESF	1.533,39	1.533,39	1.149,09	1.174,90	77%
	EAGGF	1.153,17	1.153,17	735,11	735,11	64%
	FIFG	72,16	72,16	58,22	58,22	81%
	TOTAL	7.517,37	7.517,37	5.672,80	5.698,61	76%
UNITED KINGDOM	ERDF	548,45	548,45	446,88	446,88	81%
	ESF	321,57	321,57	258,84	258,84	80%
	EAGGF	151,15	151,15	101,33	101,33	67%
	FIFG	17,03	17,03	8,82	8,82	52%
	TOTAL	1.038,20	1.038,20	815,86	815,86	79%
	TOTAL	42.637,69	42.637,67	31.326,88	31.425,80	74%
	ERDF	26.036,67	26.036,65	18.897,19	18.897,19	73%
	ESF	9.179,78	9.179,78	7.031,63	7.108,08	77%
	EAGGF	6.692,25	6.692,25	4.887,33	4.909,80	73%
	FIFG	728,99	728,99	510,73	510,73	70%

* Budget headings B2-1000, B2-1100, B2-1200, B2-1300.

TABLE 1: FINANCIAL IMPLEMENTATION 1994-96 BY OBJECTIVE *
TABLE 1.2: OBJECTIVE 2 - CSF

Member State	Fund	Commitments (1994-96)		Payments (1994-96)		% (2)/(1)
		Excluding carryovers and appropriations made available again	Including decommitments, carryovers and appropriations made available again (1)	Excluding carryovers and appropriations made available again	Including carryovers (2)	
BELGIUM	ERDF	114,59	110,62	34,41	34,41	31%
	ESF	25,35	29,98	13,28	15,59	52%
	TOTAL	139,94	140,60	47,69	50,00	36%
DENMARK	ERDF	44,74	44,54	19,87	19,87	43%
	ESF	8,53	8,53	3,79	3,79	44%
	TOTAL	53,27	53,07	23,67	23,67	45%
GERMANY	ERDF	488,10	482,89	230,83	230,83	48%
	ESF	183,03	183,03	102,25	108,85	59%
	TOTAL	671,13	665,92	333,09	339,68	51%
SPAIN	ERDF	791,13	790,42	442,25	442,25	56%
	ESF	245,97	245,97	164,97	164,97	67%
	TOTAL	1.037,10	1.036,39	607,21	607,21	59%
FRANCE	ERDF	1.345,77	1.339,46	671,80	671,80	50%
	ESF	220,71	220,71	160,71	163,65	74%
	TOTAL	1.566,48	1.560,16	832,52	835,46	54%
ITALY	ERDF	432,74	416,41	188,98	188,98	43%
	ESF	97,56	97,56	56,08	56,08	57%
	TOTAL	530,30	513,97	245,06	245,06	48%
LUXEMBOURG	ERDF	6,03	4,56	3,01	3,01	66%
	ESF	1,94	1,94	1,26	1,26	65%
	TOTAL	7,97	6,50	4,28	4,28	66%
NETHERLANDS	ERDF	143,97	143,97	54,48	54,48	38%
	ESF	60,18	60,18	37,31	37,31	62%
	TOTAL	204,15	204,15	91,80	91,80	45%
AUSTRIA	ERDF	46,53	46,53	21,27	21,27	46%
	ESF	19,01	19,01	11,74	11,74	62%
	TOTAL	65,55	65,55	33,01	33,01	50%
FINLAND	ERDF	46,12	46,12	26,64	26,64	58%
	ESF	6,30	6,30	3,15	3,15	50%
	TOTAL	52,42	52,42	29,79	29,79	57%
SWEDEN	ERDF	83,22	83,22	26,78	26,78	32%
	ESF	22,56	22,56	11,28	11,28	50%
	TOTAL	105,78	105,78	38,06	38,06	36%
UNITED KINGDOM	ERDF	1.528,53	1.525,56	711,03	711,03	47%
	ESF	535,12	535,12	371,79	379,31	71%
	TOTAL	2.063,65	2.060,68	1.082,82	1.090,34	53%
	TOTAL	6.497,73	6.465,19	3.368,98	3.388,35	52%
	ERDF	5.071,47	5.034,30	2.431,36	2.431,36	48%
	ESF	1.426,26	1.430,89	937,62	956,99	67%

* Budget headings B2-1201, B2-1301.

TABLE 1: FINANCIAL IMPLEMENTATION 1994-96 BY OBJECTIVE *
TABLE 1.3 OBJECTIVE 3 - CSF

ECU million

Member State	Fund	Commitments (1994-99)		Payments (1994-99)		% (2)/(1)
		Excluding carryovers and appropriations made available again	Including decommitments, carryovers and appropriations made available again (1)	Excluding carryovers and appropriations made available again	Including carryovers (2)	
BELGIUM	ESF	192,56	192,56	148,34	156,42	81%
DENMARK	ESF	127,00	127,00	88,46	115,19	91%
GERMANY	ESF	820,40	820,40	513,77	521,77	64%
SPAIN	ESF	666,50	666,50	516,66	516,66	78%
FRANCE	ESF	1.199,99	1.199,99	906,56	906,56	76%
ITALY	ESF	350,34	350,34	202,67	202,67	58%
LUXEMBOURG	ESF	9,86	9,86	8,45	8,95	91%
NETHERLANDS	ESF	434,50	434,50	377,93	377,93	87%
AUSTRIA	ESF	129,75	129,75	103,80	103,80	80%
FINLAND	ESF	95,32	95,32	51,26	51,26	54%
SWEDEN	ESF	73,00	73,00	36,50	36,50	50%
UNITED KINGDOM	ESF	2.051,80	2.051,80	1.400,26	1.400,26	68%
TOTAL	ESF	6.151,03	6.151,03	4.354,66	4.397,97	71%

* Budget heading B2-1302.

TABLE 1: FINANCIAL IMPLEMENTATION 1994-96 BY OBJECTIVE *

TABLE 1.4: OBJECTIVE 4 - CSF

ECU million

Member State	Fund	Commitments (1994-99)		Payments (1994-99)		% (2)/(1)
		Excluding carryovers and appropriations made available again	Including decommitments, carryovers and appropriations made available again (1)	Excluding carryovers and appropriations made available again	Including carryovers (2)	
BELGIUM	ESF	16,38	16,38	8,23	8,23	50%
DENMARK	ESF	13,00	13,00	10,68	10,68	82%
GERMANY	ESF	56,22	56,22	23,51	23,51	42%
SPAIN	ESF	167,64	167,64	75,85	75,85	45%
FRANCE	ESF	187,07	187,07	97,32	97,32	52%
ITALY	ESF	98,90	98,90	49,45	49,45	50%
LUXEMBOURG	ESF	0,90	0,90	0,59	0,59	66%
NETHERLANDS	ESF	22,23	22,23	11,12	11,12	50%
AUSTRIA	ESF	11,70	11,70	9,36	9,36	80%
FINLAND	ESF	21,60	21,60	12,92	12,92	55%
SWEDEN	ESF	37,50	37,50	18,75	18,75	50%
TOTAL	ESF	635,13	635,13	317,76	317,76	50%

* Budget heading B2-1303.

TABLE 1: FINANCIAL IMPLEMENTATION 1994-96 BY OBJECTIVE *

TABLE 1.5: OBJECTIVE 5(a) Agriculture - CSF

ECU million

Member State	Fund	Commitments (1994-99)		Payments (1994-99)		% (2)/(1)
		Excluding carryovers and appropriations made available again	Including decommitments, carryovers and appropriations made available again (1)	Excluding carryovers and appropriations made available again	Including carryovers (2)	
BELGIUM	EAGGF	79,83	79,83	59,10	59,10	74%
DENMARK	EAGGF	60,75	60,75	41,26	41,26	68%
GERMANY	EAGGF	514,56	514,56	387,16	387,16	75%
SPAIN	EAGGF	102,41	102,41	84,55	84,55	83%
FRANCE	EAGGF	739,39	739,39	449,86	449,86	61%
ITALY	EAGGF	249,16	249,16	99,81	99,81	40%
LUXEMBOURG	EAGGF	16,53	16,53	10,58	10,58	64%
NETHERLANDS	EAGGF	34,32	34,32	18,64	18,64	54%
AUSTRIA	EAGGF	137,44	137,44	107,88	107,88	78%
FINLAND	EAGGF	114,74	114,74	57,31	57,31	50%
SWEDEN	EAGGF	40,22	40,22	34,72	34,72	86%
UNITED KINGDOM	EAGGF	100,40	100,40	75,74	75,74	75%
TOTAL	EAGGF	2.189,75	2.189,75	1.426,60	1.426,60	65%

* Budget headings B2-1001, B2-1002 (i.e. excluding budget headings B2-1000 - Structural measures directly related to market policies (1994 only - ECU 43.65 million in both commitments and payments), and refunds under Regulation (EEC) No 2328/91 for 1993 (ECU 356.6 million in commitments and ECU 417.02 million in payments).

TABLE 1: FINANCIAL IMPLEMENTATION 1994-96 BY OBJECTIVE *
TABLE 1.6 : OBJECTIVE 5(a) Fisheries - CSF

Member State	Fund	ECU million				% (2)/(1)
		Commitments (1994-99)		Payments (1994-99)		
		Excluding carryovers and appropriations made available again	Including commitments, carryovers and appropriations made available again (1)	Excluding carryovers and appropriations made available again	Including carryovers (2)	
BELGIUM	FIFG	24,50	24,50	19,83	19,83	81%
DENMARK	FIFG	69,87	69,87	30,29	30,29	43%
GERMANY	FIFG	37,64	37,64	20,02	20,02	53%
SPAIN	FIFG	59,72	59,72	42,71	42,71	72%
FRANCE	FIFG	63,27	63,27	41,13	41,13	65%
ITALY	FIFG	44,77	44,77	23,13	23,13	52%
LUXEMBOURG	FIFG	1,10	1,10	0,11	0,11	10%
NETHERLANDS	FIFG	15,52	15,52	12,66	12,66	82%
AUSTRIA	FIFG	2,00	2,00	1,00	1,00	50%
FINLAND	FIFG	23,00	23,00	6,90	6,90	30%
SWEDEN	FIFG	40,00	40,00	12,00	12,00	30%
UNITED KINGDOM	FIFG	44,33	44,33	20,10	20,10	45%
TOTAL	FIFG	425,72	425,72	229,86	229,86	54%

* Budget heading B2-1101 excluding measures under Article 4 of the FIFG Regulation.

TABLE 1: FINANCIAL IMPLEMENTATION 1994-96 BY OBJECTIVE *
TABLE 1.7 : OBJECTIVE 5(b) - CSF

Member State	Fund	Commitments (1994-99)		Payments (1994-99)		ECU million % (2)/(1)
		Excluding carryovers and appropriations made available again	Including decommitments, carryovers and appropriations made available again (1)	Excluding carryovers and appropriations made available again	Including carryovers (2)	
BELGIUM	ERDF	4,82	4,82	2,41	2,41	50%
	ESF	4,25	4,25	2,85	2,85	67%
	EAGGF	6,95	6,95	2,79	2,79	40%
	TOTAL	16,03	16,03	8,05	8,05	50%
DENMARK	ERDF	5,93	5,93	3,74	3,74	63%
	ESF	1,29	1,29	0,78	0,78	61%
	EAGGF	6,30	6,30	1,29	1,29	20%
	TOTAL	13,51	13,51	5,80	5,80	43%
GERMANY	ERDF	171,69	171,69	139,53	139,53	81%
	ESF	42,84	42,84	26,90	26,90	63%
	EAGGF	234,92	234,92	180,34	180,34	77%
	TOTAL	449,45	449,45	346,77	346,77	77%
SPAIN	ERDF	81,97	81,97	69,21	69,21	84%
	ESF	22,57	22,57	13,44	13,44	60%
	EAGGF	229,84	229,84	160,19	160,19	70%
	TOTAL	334,39	334,39	242,84	242,84	73%
FRANCE	ERDF	284,28	284,28	201,44	201,44	71%
	ESF	93,12	93,12	72,70	72,70	78%
	EAGGF	331,69	331,69	233,99	233,99	71%
	TOTAL	709,09	709,09	508,14	508,14	72%
ITALY	ERDF	43,86	43,86	21,93	21,93	50%
	ESF	14,78	14,78	7,44	7,44	50%
	EAGGF	81,95	81,95	55,28	55,28	67%
	TOTAL	140,59	140,59	84,65	84,65	60%
LUXEMBOURG	ERDF	0,43	0,43	0,21	0,21	50%
	ESF	0,11	0,11	0,05	0,05	50%
	EAGGF	0,30	0,30	0,15	0,15	50%
	TOTAL	0,84	0,84	0,42	0,42	50%
NETHERLANDS	ERDF	16,11	16,11	12,44	12,44	77%
	ESF	2,46	2,46	1,49	1,49	60%
	EAGGF	22,58	22,58	11,33	11,33	50%
	TOTAL	41,16	41,16	25,25	25,25	61%
AUSTRIA	ERDF	41,67	41,67	27,84	27,84	67%
	ESF	27,53	27,53	19,80	19,80	72%
	EAGGF	60,75	60,75	30,85	30,85	51%
	TOTAL	129,95	129,95	78,50	78,50	60%
FINLAND	ERDF	31,19	31,19	12,24	12,24	39%
	ESF	6,29	6,29	2,67	2,67	42%
	EAGGF	11,60	11,60	8,69	8,69	75%
	TOTAL	49,08	49,08	23,61	23,61	48%
SWEDEN	ERDF	34,09	34,09	11,71	11,71	34%
	ESF	12,83	12,83	4,59	4,59	36%
	EAGGF	17,99	17,99	6,34	6,34	35%
	TOTAL	64,91	64,91	22,64	22,64	35%
UNITED KINGDOM	ERDF	130,54	130,54	90,84	90,84	70%
	ESF	54,23	54,23	38,41	38,41	71%
	EAGGF	18,86	18,86	11,63	11,63	62%
	TOTAL	203,63	203,63	140,88	140,88	69%
	TOTAL	2.152,63	2.152,63	1.487,58	1.487,58	69%
	ERDF	846,58	846,58	593,55	593,55	70%
	ESF	282,31	282,31	191,15	191,15	68%
	EAGGF	1.023,74	1.023,74	702,88	702,88	69%

* Budget headings B2-1003, B2-1202, B2-1304.

TABLE 1: FINANCIAL IMPLEMENTATION 1994-96 BY OBJECTIVE *
TABLE 1.8 : OBJECTIVE 6 - CSF

ECU million

Member State	Fund	Commitments (1995-99)		Payments (1995-99)		% (2)/(1)
		Excluding carryovers and appropriations made available again	Including decommitments, carryovers and appropriations made available again (1)	Excluding carryovers and appropriations made available again	Including carryovers (2)	
FINLAND	ERDF	52,90	52,90	17,92	17,92	34%
	ESF	34,58	34,58	18,31	18,31	53%
	EAGGF	70,00	70,00	46,04	46,04	66%
	FIFG	0,70	0,70	0,35	0,35	50%
	TOTAL	158,18	158,18	82,62	82,62	52%
SWEDEN	ERDF	21,86	21,86	10,93	10,93	50%
	ESF	11,39	11,39	5,70	5,70	50%
	EAGGF	22,41	22,41	14,49	14,49	65%
	FIFG	0,73	0,73	0,37	0,37	50%
	TOTAL	56,39	56,39	31,48	31,48	56%
	TOTAL	214,57	214,57	114,10	114,10	53%
	ERDF	74,76	74,76	28,85	28,85	39%
	ESF	45,97	45,97	24,01	24,01	52%
	EAGGF	92,41	92,41	60,53	60,53	65%
	FIFG	1,43	1,43	0,72	0,72	65%

* Budget headings B2-1004, B2-1102, B2-1203, B2-1305.

TABLE 2 : FINANCIAL IMPLEMENTATION 1994-96 OF THE COMMUNITY INITIATIVES*

TABLE 2.1: OVERALL IMPLEMENTATION

Community Initiatives	Fund	Commitments (1994-99)		Payments (1994-99)		ECU million % (2)/(1)
		excluding carryovers and appropriations made available again	including commitments, carryovers and appropriations made available again (1)	excluding carryovers and appropriations made available again	including carryovers (2)	
ADAPT		530,09	530,09	239,58	239,58	45%
	ERDF	10,04	10,04	5,02	5,02	50%
	ESF	520,05	520,05	234,56	234,56	45%
EMPLOYMENT		555,57	572,01	324,58	324,58	57%
	ERDF	9,59	9,59	4,59	4,59	48%
	ESF	545,98	562,42	319,99	319,99	57%
LEADER		693,04	720,42	266,32	266,32	37%
	ERDF	316,95	326,75	113,66	113,66	35%
	ESF	71,60	74,46	28,24	28,24	38%
	EAGGF	304,48	319,26	124,41	124,41	39%
PESCA		182,54	187,66	37,80	37,80	20%
	ERDF	84,80	85,60	4,50	4,50	5%
	ESF	8,91	9,90	3,34	3,34	34%
	FIFG	88,83	92,16	29,97	29,97	33%
SMEs		379,25	385,45	156,42	156,42	41%
	ERDF	350,77	356,97	144,14	144,14	40%
	ESF	28,48	28,48	12,28	12,28	43%
RECHAR		291,60	292,46	136,80	137,23	47%
	ERDF	252,43	253,29	117,21	117,64	46%
	ESF	39,17	39,17	19,58	19,58	50%
REGIS		194,73	216,78	157,57	157,57	73%
	ERDF	165,04	187,09	145,15	145,15	78%
	ESF	11,89	11,89	5,10	5,10	43%
	EAGGF	17,00	17,00	7,03	7,03	41%
	FIFG	0,80	0,80	0,30	0,30	38%
KONVER		371,22	371,22	182,40	182,40	49%
	ERDF	318,48	318,48	156,03	156,03	49%
	ESF	52,75	52,75	26,37	26,37	50%
RESIDER		293,37	311,47	157,89	157,89	51%
	ERDF	266,36	281,06	143,36	143,36	51%
	ESF	27,01	30,41	14,52	14,52	48%
RETEX		319,55	319,55	143,31	143,31	45%
	ERDF	305,59	305,59	136,33	136,33	45%
	ESF	13,96	13,96	6,98	6,98	50%
URBAN		350,90	372,37	161,83	166,25	45%
	ERDF	309,55	321,07	143,30	143,30	45%
	ESF	41,35	51,29	18,53	22,95	45%
INTERREG/PEACE		1.121,19	1.432,90	703,55	706,62	49%
	ERDF	1.086,56	1.290,31	644,02	644,02	50%
	ESF	86,37	88,55	38,06	39,08	44%
	EAGGF	47,66	53,45	21,16	23,22	43%
	FIFG	0,60	0,60	0,30	0,30	50%
TOTAL		5.383,04	5.712,38	2.668,06	2.675,98	47%
	ERDF	3.476,16	3.745,84	1.757,32	1.757,75	47%
	ESF	1.447,51	1.483,27	727,57	733,01	49%
	EAGGF	369,15	389,71	152,60	154,66	40%
	FIFG	90,23	93,56	30,57	30,57	33%

* Budget headings B2-1400, B2-1410, B2-1412, B2-1420, B2-1421, B2-1422, B2-1423, B2-1424, B2-1430, B2-1431, B2-1432, B2-1433, B2-1440, B2-1450, B2-1460, B2-1470.

TABLE 2: FINANCIAL IMPLEMENTATION 1994-96 OF THE COMMUNITY INITIATIVES
TABLE 2.2: IMPLEMENTATION BY MEMBER STATE and BY PROGRAMME

Community Initiatives (number of CIPs)	SF assistance (1)	Commitments 1996	Commitments 1994-96 (2)	% (2)/(1)	Payments 1996	Payments 1994-96 (3)	% (3)/(1)
ADAPT (17)	1,444,87	222,43	522,74	36%	86,96	239,58	17%
Belgium	31,20	25,51	31,20	100%	6,51	9,36	30%
Flanders	14,96	12,30	14,96	100%	3,16	4,49	30%
Wallonia	16,24	13,20	16,24	100%	3,35	4,87	30%
Denmark	29,50	24,19	29,50	100%	6,20	8,85	30%
Germany	228,80	33,77	76,69	34%	17,29	38,75	17%
Greece	30,10	20,27	27,41	91%	4,82	8,39	28%
Spain	256,60	33,69	81,79	32%	18,70	42,75	17%
France	249,70	0,00	46,94	19%	0,00	23,47	9%
Ireland	21,20	3,46	-	35%	4,00	5,95	28%
Italy	190,00	45,60	81,70	43%	23,08	41,13	22%
Luxembourg	0,30	0,25	0,30	100%	0,06	0,09	30%
Netherlands	57,55	0,00	11,51	20%	0,00	5,76	10%
Austria	11,57	0,00	11,57	100%	0,00	5,79	50%
Portugal	21,00	17,01	21,00	100%	4,31	6,30	30%
Finland	19,70	0,00	19,70	100%	1,21	9,85	50%
Sweden	11,25	0,00	11,25	100%	0,00	5,63	50%
United Kingdom	286,60	18,68	72,17	25%	0,77	27,52	10%
Great Britain	283,50	15,89	69,07	24%	0,00	26,59	9%
Northern Ireland	3,10	2,79	3,10	100%	0,77	0,93	30%
EMPLOYMENT (17)	1,524,15	263,14	572,01	38%	170,35	324,58	21%
Belgium	32,10	10,41	32,10	100%	5,20	16,05	50%
Flanders	12,21	10,41	12,21	100%	5,20	6,11	50%
Wallonia	19,89	0,00	19,89	100%	0,00	9,95	50%
Denmark	10,56	8,95	10,56	100%	2,37	3,17	30%
Germany	156,80	26,84	49,98	32%	29,47	41,04	26%
Greece	64,40	4,59	12,62	20%	2,34	6,35	10%
Spain	386,60	56,05	114,67	30%	35,33	64,64	17%
France	146,50	27,31	49,58	34%	15,57	26,70	18%
Ireland	76,10	21,73	29,34	39%	13,35	16,95	22%
Italy	348,70	82,69	134,16	38%	41,91	67,64	19%
Luxembourg	0,30	0,00	0,30	100%	0,00	0,15	50%
Netherlands	42,44	2,21	6,45	15%	1,11	3,23	8%
Austria	23,01	0,00	23,01	100%	0,00	11,51	50%
Portugal	40,30	3,92	9,58	24%	2,14	4,97	12%
Finland	29,15	0,00	29,15	100%	0,00	14,58	50%
Sweden	20,69	0,00	20,69	100%	0,00	10,35	50%
United Kingdom	146,50	18,44	49,80	34%	21,58	37,26	25%
Great Britain	134,60	17,43	37,90	28%	21,27	31,51	23%
Northern Ireland	11,90	1,02	11,90	100%	0,30	5,75	48%
LEADER (102)	1,511,86	251,66	720,42	48%	133,61	266,32	18%
Denmark	8,16	6,53	6,53	80%	1,98	1,96	24%
Germany	177,43	15,89	140,46	79%	14,25	53,07	30%
Baden-Wuerttemberg	5,68	0,00	5,67	100%	0,00	1,70	30%
Lower Saxony	18,84	0,63	18,84	100%	0,19	5,65	30%
Bavaria	43,05	0,00	6,08	14%	0,00	3,04	7%
Eastern Berlin	0,24	0,00	0,24	100%	0,00	0,07	30%
Brandenburg	18,93	1,62	18,83	100%	6,08	11,30	60%
Hesse	6,20	0,51	6,20	100%	0,14	1,86	30%
Mecklenburg-Western Pomerania	15,56	0,30	15,56	100%	0,08	4,67	30%
North Rhine-Westphalia	3,54	0,00	3,54	100%	0,00	1,06	30%
Rhineland-Palatinate	8,55	0,00	8,55	100%	0,00	2,57	30%
Sarland	1,82	0,61	1,82	100%	0,18	0,55	30%
Saxony	18,01	0,00	18,01	100%	0,00	5,40	30%
Saxony-Anhalt	15,56	3,93	15,56	100%	5,02	8,63	55%
Schleswig-Holstein	6,64	6,64	6,64	100%	1,99	1,99	30%
Thuringia	13,92	0,66	13,92	100%	0,17	4,18	30%
Networks	1,00	1,00	1,00	100%	0,40	0,40	40%

TABLE 2: FINANCIAL IMPLEMENTATION 1994-96 OF THE COMMUNITY INITIATIVES
TABLE 2.2: IMPLEMENTATION BY MEMBER STATE and BY PROGRAMME (continued)

Community Initiatives (number of CIPs)	SF assistance (1)	Commitments 1996	Commitments 1994-96 (2)	% (2)/(1)	Payments 1996	Payments 1994-96 (3)	% (3)/(1)
Greece	148,00	0,00	22,56	15%	0,00	11,28	8%
Spain	354,79	9,52	121,62	34%	9,83	44,69	13%
Andalusia	68,81	0,47	10,12	15%	0,23	5,16	8%
Aragon	27,48	3,30	27,48	100%	3,74	8,24	30%
Asturias	13,00	0,48	13,00	100%	1,45	3,90	30%
Balearic Islands	3,13	0,06	3,13	100%	0,03	1,25	40%
Canary Islands	12,33	0,23	2,07	17%	0,11	1,04	8%
Cantabria	6,41	0,09	1,06	16%	0,04	0,53	8%
Castile-La Mancha	41,00	0,45	4,92	12%	0,22	2,46	6%
Castile-León	53,50	0,41	10,00	19%	0,20	5,00	9%
Catalonia	13,62	0,13	2,25	16%	0,06	1,12	8%
Extremadura	24,00	1,56	24,00	100%	2,81	7,20	30%
Galicia	43,80	0,60	3,50	8%	0,30	1,75	4%
La Rioja	3,68	0,25	3,68	100%	0,07	1,10	30%
Madrid	3,60	0,24	3,60	100%	0,07	1,08	30%
Murcia	9,52	0,05	1,79	19%	0,03	0,90	9%
Navarre	4,81	0,64	4,81	100%	0,19	1,44	30%
Basque Country	2,47	0,16	2,47	100%	0,05	0,74	30%
Valencia	23,63	0,42	3,54	15%	0,21	1,77	7%
France	190,00	92,73	188,29	99%	45,60	61,13	32%
Alsace	3,67	3,22	3,22	88%	1,61	1,61	44%
Aquitaine	17,23	2,17	17,23	100%	3,92	5,17	30%
Auvergne	12,78	0,82	12,78	100%	1,88	4,02	31%
Lower Normandy	10,13	1,01	10,13	100%	2,74	3,24	32%
Burgundy	8,53	1,05	8,52	100%	1,30	2,81	33%
Brittany	14,09	9,83	14,09	100%	2,95	4,23	30%
Centre	6,42	6,42	6,42	100%	1,93	1,93	30%
Champagne-Ardenne	2,24	2,24	2,24	100%	0,67	0,67	30%
Corsica	3,05	0,00	3,05	100%	0,42	0,97	32%
Douai, Valenciennes...	2,04	0,79	0,79	39%	0,24	0,24	12%
Franche-Comté	5,78	0,81	5,78	100%	0,24	1,73	30%
Upper Normandy	0,82	0,82	0,82	100%	0,24	0,24	10%
Languedoc-Roussillon	14,39	1,44	14,39	100%	3,42	4,32	30%
Limousin	15,04	0,54	15,04	100%	1,53	4,65	31%
Lorraine	7,44	7,44	7,44	100%	3,18	3,18	43%
Midi-Pyrénées	22,03	22,03	22,03	100%	6,61	6,61	30%
Loire Region	9,28	9,28	9,28	100%	4,64	4,64	50%
Poitou-Charentes	9,83	1,82	9,83	100%	1,78	3,31	34%
Provence-Alpes-Côte d'Azur	12,06	7,84	12,06	100%	2,35	3,62	30%
Rhône-Alpes	13,15	13,15	13,15	100%	3,95	3,95	30%
Ireland	67,92	0,00	7,50	11%	0,00	3,75	6%
Italy	288,72	49,29	77,91	27%	22,30	36,29	13%
Abruzzi	15,97	9,33	15,36	96%	4,67	7,68	48%
Basilicata	19,55	0,66	2,38	12%	0,33	1,19	6%
Bolzano	4,80	0,54	4,80	100%	0,16	2,03	42%
Calabria	23,15	0,99	6,95	30%	0,50	3,48	15%
Campania	25,82	0,77	3,54	14%	0,38	1,77	7%
Emilia-Romagna	6,35	1,05	1,74	27%	0,53	0,87	14%
Friuli-Venezia Giulia	4,90	1,17	1,47	30%	0,58	0,74	15%
Lazio	16,34	3,57	3,57	22%	0,94	0,94	6%
Liguria	3,95	3,95	3,95	100%	1,61	1,61	41%
Lombardy	4,53	4,53	4,53	100%	1,89	1,89	42%
Marche	8,45	1,11	1,11	13%	0,56	0,56	7%
Molise	9,85	0,27	0,27	3%	0,13	0,13	1%
Umbria	8,41	1,58	1,58	19%	0,62	0,62	7%
Piedmont	9,25	1,23	1,23	13%	0,61	0,61	7%
Apulia	26,60	0,54	6,58	25%	0,27	3,29	12%
Sardinia	32,37	0,52	1,09	3%	0,26	0,54	2%

TABLE 2: FINANCIAL IMPLEMENTATION 1994-96 OF THE COMMUNITY INITIATIVES
TABLE 2.2: IMPLEMENTATION BY MEMBER STATE and BY PROGRAMME (continued)

Community Initiatives (number of CIPs)	SF assistance (1)	Commitments 1996	Commitments 1994-96 (2)	% (2)/(1)	Payments 1996	Payments 1994-96 (3)	% (3)/(1)
<i>Sicily</i>	32,58	7,23	7,23	22%	3,62	3,62	11%
<i>Tuscany</i>	14,81	0,72	0,72	5%	0,36	0,36	2%
<i>Trento</i>	2,24	1,38	1,38	62%	0,41	0,41	19%
<i>Valle d'Aosta</i>	0,47	0,19	0,47	100%	0,27	0,16	33%
<i>Veneto</i>	16,34	5,98	5,98	37%	2,99	2,99	18%
<i>Networks</i>	2,00	2,00	2,00	100%	0,80	0,80	40%
Luxembourg	1,01	0,00	1,01	100%	0,00	0,41	40%
Netherlands	8,46	0,00	8,18	97%	0,00	2,45	29%
<i>Drenthe</i>	1,05	0,00	1,05	100%	0,00	0,32	30%
<i>Flevoland</i>	2,11	0,00	2,02	96%	0,00	0,60	29%
<i>Noordwest Friesland/Noordwest Groningen</i>	2,64	0,00	2,50	95%	0,00	0,75	28%
<i>Noordwest Friesland</i>	2,65	0,00	2,61	98%	0,00	0,78	29%
Austria	23,39	18,11	20,12	86%	5,73	6,06	26%
<i>Lower Austria</i>	5,58	4,47	4,47	80%	1,34	1,34	24%
<i>Burgenland</i>	2,57	0,88	2,01	78%	0,27	0,60	23%
<i>Carinthia</i>	2,90	2,46	2,46	85%	0,74	0,74	25%
<i>Upper Austria</i>	4,93	4,48	4,48	91%	1,35	1,35	27%
<i>Salzburg</i>	0,80	0,64	0,64	80%	0,19	0,19	24%
<i>Styria</i>	4,27	4,07	4,07	95%	1,22	1,22	29%
<i>Tyrol</i>	1,72	1,38	1,38	80%	0,41	0,41	24%
<i>Vorarlberg</i>	0,36	0,36	0,36	100%	0,11	0,11	30%
<i>Networks</i>	0,25	0,25	0,25	100%	0,10	0,10	40%
Portugal	117,59	4,01	10,74	9%	4,85	8,44	7%
Finland	28,09	28,09	28,09	100%	8,43	8,43	30%
<i>Obj. 5(b) areas</i>	16,15	16,15	16,15	100%	4,85	4,85	30%
<i>Obj. 6 areas</i>	11,94	11,94	11,94	100%	3,58	3,58	30%
Sweden	16,11	13,37	13,37	83%	4,01	4,01	25%
<i>Obj. 5(b) areas</i>	12,09	10,03	10,03	83%	3,01	3,01	25%
<i>Obj. 6 areas</i>	4,02	3,34	3,34	83%	1,00	1,00	25%
United Kingdom	66,20	10,03	66,20	100%	14,81	15,63	30%
<i>England</i>	25,85	3,45	25,85	100%	6,07	7,34	29%
<i>Scotland</i>	8,41	0,77	8,41	100%	1,89	2,52	30%
<i>Highlands and Islands</i>	11,96	3,12	11,96	100%	2,45	3,59	30%
<i>Northern Ireland</i>	11,35	1,66	11,35	100%	2,37	3,13	28%
<i>Wales</i>	8,62	1,04	8,62	100%	2,03	2,84	33%
<i>Networks</i>	16,00	4,09	7,83	49%	1,84	4,73	30%
PFSCA (13)	265,80	134,56	187,66	71%	20,64	37,80	14%
Belgium	2,00	1,67	2,00	100%	0,44	0,60	30%
Denmark	16,40	9,54	12,27	75%	0,82	2,18	13%
Germany	23,00	19,38	23,21	101%	0,00	1,92	8%
Greece	27,10	22,25	26,76	99%	0,31	2,56	9%
Spain	41,50	0,00	6,91	17%	0,00	3,46	8%
France	28,30	9,52	28,30	100%	8,49	8,49	30%
Ireland	7,84	6,06	7,17	91%	0,74	1,30	17%
Italy	34,17	0,00	4,42	13%	0,00	2,21	6%
Netherlands	10,63	9,34	10,49	99%	1,14	1,72	16%
Portugal	29,26	23,22	27,48	94%	4,46	6,59	23%
Finland	3,41	3,41	3,41	100%	1,13	1,13	33%
Sweden	3,97	3,97	3,97	100%	1,19	1,19	30%
United Kingdom	37,42	26,20	31,27	84%	1,94	4,48	12%
SMEs (35)	1,004,31	181,92	385,45	38%	88,71	156,42	16%
Belgium	12,10	4,61	12,10	100%	1,77	4,01	33%
<i>Flanders</i>	2,69	2,69	2,69	100%	0,81	0,81	30%
<i>Wallonia</i>	9,41	1,92	9,41	100%	0,96	3,21	34%
Denmark	2,55	2,55	2,55	100%	0,77	0,77	30%
Germany	184,25	41,72	142,92	78%	26,28	57,13	31%
<i>Baden-Württemberg</i>	0,85	0,85	0,85	100%	0,43	0,43	50%
<i>Lower Saxony</i>	4,74	4,74	4,74	100%	1,42	1,42	30%

TABLE 2: FINANCIAL IMPLEMENTATION 1994-96 OF THE COMMUNITY INITIATIVES
TABLE 2.2: IMPLEMENTATION BY MEMBER STATE and BY PROGRAMME (continued)

Community Initiatives (number of CIPs)	SF assistance	Commitments	Commitments	%	Payments	Payments	%
	(1)	1996	1994-96	(2)/(1)	1996	1994-96	(3)/(1)
Bavaria	6,97	0,00	6,97	100%	0,00	2,09	30%
Berlin	14,61	0,00	14,61	100%	0,00	4,48	31%
Brandenburg	14,90	14,90	14,90	100%	4,47	4,47	30%
Bremen	0,97	0,00	0,97	100%	0,00	0,49	50%
Hesse	1,16	0,00	1,16	100%	0,00	0,35	30%
Mecklenburg-Western Pomerania	18,67	0,37	15,02	80%	0,11	4,77	26%
North Rhine-Westphalia	7,92	0,00	7,92	100%	0,00	3,96	50%
Rhineland-Palatinate	2,32	2,32	2,32	100%	1,16	1,16	50%
Sarland	1,54	1,54	1,54	100%	0,77	0,77	50%
Saxony	43,67	1,60	3,99	14%	2,45	4,64	11%
Saxony-Anhalt	35,10	13,58	35,10	100%	14,57	17,55	50%
Schleswig-Holstein	1,82	1,82	1,82	100%	0,91	0,91	50%
Thuringia	29,00	0,00	29,00	100%	0,00	9,65	33%
Greece	83,33	18,32	28,77	35%	9,16	14,39	17%
Spain	251,10	35,28	35,28	14%	17,64	17,64	7%
France	58,49	0,30	15,79	27%	0,19	4,81	8%
Corsica	3,04	0,00	2,60	85%	0,00	0,78	26%
Nord/Pas-de-Calais/Hautmont	6,29	0,00	6,29	100%	0,00	1,89	30%
Obj 2 and 5(b) areas	49,17	0,38	6,91	14%	0,19	2,15	4%
Ireland	28,81	2,30	28,79	100%	0,69	8,64	30%
Italy	191,66	44,73	44,73	23%	22,37	22,37	12%
Luxembourg	0,35	0,25	0,25	72%	0,08	0,08	22%
Netherlands	10,34	0,80	10,34	100%	0,24	3,10	30%
Austria	8,98	8,98	8,98	100%	2,69	2,69	30%
Portugal	123,98	1,20	14,42	12%	0,60	7,21	6%
Finland	11,09	7,39	7,39	67%	2,23	2,22	20%
Sweden	17,21	13,04	13,04	76%	3,91	3,91	23%
United Kingdom	20,09	0,35	20,09	100%	0,11	7,45	37%
Scotland	8,52	0,00	8,52	100%	0,00	2,69	32%
Highlands	3,04	0,00	3,04	100%	0,00	0,96	31%
Northern Ireland	6,20	0,00	6,20	100%	0,00	3,10	50%
Wales	2,33	0,35	2,33	100%	0,11	0,70	30%
REGIS (6)	607,01	157,06	216,78	36%	135,58	157,27	26%
Spain Canary Islands	216,93	47,44	75,43	35%	59,85	59,85	28%
France	266,08	52,18	60,94	23%	20,41	24,80	9%
Guadeloupe	61,31	8,05	8,05	13%	4,02	4,02	7%
French Guiana	28,38	28,38	28,38	100%	8,52	8,52	30%
Martinique	60,82	8,28	8,28	14%	4,14	4,14	7%
Réunion	115,56	7,47	16,24	14%	3,74	8,12	7%
Portugal	124,00	58,34	80,39	65%	55,29	72,92	59%
RECHAR (30)	411,22	119,93	292,46	71%	61,63	137,23	33%
Belgium	15,68	0,00	15,68	100%	0,00	7,84	50%
Chdtelet	0,93	0,00	0,93	100%	0,00	0,47	50%
Linduz	14,75	0,00	14,75	100%	0,00	7,38	50%
Germany	158,63	62,60	118,48	75%	23,18	49,98	32%
Lower Saxony	1,65	0,00	1,65	100%	0,00	0,83	50%
Brandenburg	30,25	30,25	30,25	100%	15,13	15,13	50%
North Rhine-Westphalia	66,45	21,86	29,60	45%	1,67	5,54	8%
Sarland	6,26	0,00	4,56	73%	1,14	2,28	36%
Saxony	29,80	9,99	29,80	100%	5,05	14,90	50%
Saxony-Anhalt	19,22	0,50	17,62	92%	0,25	8,81	46%
Thuringia	5,00	0,00	5,00	100%	0,00	2,50	50%
Greece	1,52	0,15	1,52	100%	0,08	0,76	50%
Spain	34,21	32,65	32,65	95%	16,33	16,33	48%
France	33,54	17,85	33,34	99%	14,89	16,67	50%
Burgundy	1,54	0,00	1,54	100%	0,00	0,77	50%
Languedoc-Roussillon	1,01	0,00	0,81	80%	0,41	0,41	40%
Lorraine	10,93	0,85	10,93	100%	5,47	5,47	50%

TABLE 2: FINANCIAL IMPLEMENTATION 1994-96 OF THE COMMUNITY INITIATIVES
TABLE 2.2: IMPLEMENTATION BY MEMBER STATE and BY PROGRAMME (continued)

Community Initiatives (number of CIPs)	SF assistance	Commitments	Commitments	%	Payments	Payments	%
	(1)	1996	1994-96	(2)/(1)	1996	1994-96	(3)/(1)
<i>Midi-Pyrénées</i>	1,15	0,11	1,15	100%	0,57	0,57	50%
<i>Nord/Pas-de-Calais</i>	16,89	16,89	16,89	100%	8,44	8,44	50%
<i>Provence-Alpes-Côte d'Azur</i>	1,01	0,00	1,01	100%	0,00	0,51	50%
<i>Rhône-Alpes</i>	1,01	0,00	1,01	100%	0,00	0,51	50%
<i>Italy</i>	1,68	0,00	1,68	100%	0,45	0,84	50%
<i>Sardinia</i>	0,78	0,00	0,78	100%	0,00	0,39	50%
<i>Tuscany</i>	0,90	0,00	0,90	100%	0,45	0,45	50%
<i>Austria Styria, Upper Austria</i>	1,85	1,11	1,11	60%	0,55	0,55	30%
<i>Portugal</i>	0,86	0,00	0,86	100%	0,43	0,69	80%
<i>United Kingdom</i>	163,25	5,57	87,14	53%	5,72	43,57	27%
<i>East Midlands</i>	42,15	0,92	5,16	12%	0,46	2,58	6%
<i>Eastern Scotland</i>	10,00	0,00	10,00	100%	0,00	5,00	50%
<i>North East England</i>	23,46	0,00	23,46	100%	0,00	11,73	50%
<i>North West England</i>	6,90	1,03	6,90	100%	3,45	3,45	50%
<i>Wales</i>	20,46	0,00	20,46	100%	0,00	10,23	50%
<i>West Midlands</i>	12,66	2,53	12,66	100%	1,27	6,33	50%
<i>Western Scotland</i>	3,04	0,00	3,04	100%	0,00	1,52	50%
<i>Yorkshire</i>	44,57	1,09	5,46	12%	0,55	2,73	6%
KONVER (43)	502,97	133,00	371,22	74%	95,07	182,40	36%
<i>Belgium</i>	11,45	0,00	11,45	100%	0,00	5,73	50%
<i>Brussels</i>	1,73	0,00	1,73	100%	0,00	0,86	50%
<i>Flanders</i>	4,80	0,00	4,80	100%	0,00	2,40	50%
<i>Wallonia</i>	4,92	0,00	4,92	100%	0,00	2,46	50%
<i>Denmark</i>	2,38	0,00	2,38	100%	0,00	1,19	50%
<i>Germany</i>	233,85	89,01	219,62	94%	70,81	109,55	47%
<i>Baden-Württemberg</i>	12,67	12,67	12,67	100%	6,34	6,34	50%
<i>Lower Saxony</i>	12,92	0,00	12,92	100%	0,00	6,45	50%
<i>Bavaria</i>	12,67	4,22	12,67	100%	2,11	6,34	50%
<i>Barin</i>	11,76	1,50	11,76	100%	1,99	5,88	50%
<i>Brandenburg</i>	37,10	37,10	37,10	100%	18,55	18,55	50%
<i>Bremen</i>	4,47	0,00	4,47	100%	0,00	2,24	50%
<i>Hamburg</i>	1,24	0,00	1,24	100%	0,37	0,37	30%
<i>Hesse</i>	12,64	0,22	12,64	100%	5,39	6,32	50%
<i>Mecklenburg-Western Pomerania</i>	33,69	0,00	19,45	58%	9,73	9,73	29%
<i>North Rhine-Westphalia</i>	14,90	0,00	14,90	100%	0,00	7,45	50%
<i>Rhineland-Palatinate</i>	13,91	4,87	13,91	100%	5,60	6,96	50%
<i>Saarland</i>	1,24	0,59	1,24	100%	0,58	0,62	50%
<i>Saxony</i>	25,09	25,09	25,09	100%	12,55	12,55	50%
<i>Saxony-Anhalt</i>	11,16	0,00	11,16	100%	4,97	5,58	50%
<i>Schleswig-Holstein</i>	8,94	2,75	8,94	100%	2,64	4,47	50%
<i>Thuringia</i>	19,45	0,00	19,45	100%	0,00	9,73	50%
<i>Greece</i>	12,91	0,00	11,48	89%	0,00	5,74	44%
<i>France</i>	71,02	6,28	70,70	100%	3,14	35,13	49%
<i>Alsace</i>	4,25	0,21	4,25	100%	0,11	2,13	50%
<i>Aquitaine</i>	13,16	1,30	13,16	100%	0,65	6,58	50%
<i>Auvergne</i>	1,52	0,30	1,52	100%	0,15	0,76	50%
<i>Lower Normandy</i>	2,33	0,00	2,02	87%	0,00	1,01	43%
<i>Brittany</i>	5,16	0,70	5,16	100%	0,35	2,58	50%
<i>Centre</i>	4,15	0,23	4,15	100%	0,12	2,08	50%
<i>Champagne-Ardenne</i>	2,43	0,47	2,43	100%	0,24	1,22	50%
<i>Ile-de-France</i>	5,52	0,78	5,52	100%	0,39	2,76	50%
<i>Languedoc-Roussillon</i>	3,14	0,38	3,14	100%	0,19	1,57	50%
<i>Limousin</i>	4,05	0,00	4,05	100%	0,00	2,02	50%
<i>Lorraine</i>	1,11	0,00	1,11	100%	0,00	0,33	30%
<i>Midi-Pyrénées</i>	4,05	0,40	4,05	100%	0,20	2,02	50%
<i>Nord/Pas-de-Calais</i>	1,11	0,00	1,11	100%	0,00	0,56	50%
<i>Picardy</i>	9,42	1,01	9,42	100%	0,51	4,71	50%
<i>Poitou-Charente</i>	1,52	0,00	1,52	100%	0,00	0,76	50%

TABLE 2: FINANCIAL IMPLEMENTATION 1994-96 OF THE COMMUNITY INITIATIVES
TABLE 2.2: IMPLEMENTATION BY MEMBER STATE and BY PROGRAMME (continued)

Community Initiatives (number of CIPs)	SF assistance (1)	Commitments 1996	Commitments 1994-96 (2)	% (2)/(1)	Payments 1996	Payments 1994-96 (3)	% (3)/(1)
<i>Provence-Alpes-Côte d'Azur</i>	5,87	0,50	5,87	100%	0,25	2,94	50%
<i>Rhône-Alpes</i>	2,23	0,00	2,23	100%	0,00	1,11	50%
<i>Italy</i>	46,09	21,58	21,58	47%	10,79	10,79	23%
<i>Netherlands</i>	12,05	11,02	11,02	91%	3,31	3,31	27%
<i>Portugal</i>	7,94	0,00	7,90	100%	0,00	3,95	50%
<i>Sweden Karlskoga, Karlsborg</i>	3,35	2,62	2,62	78%	0,79	0,79	24%
<i>United Kingdom & Gibraltar</i>	101,94	2,49	12,48	12%	6,24	6,24	6%
RESIDER (27)	518,94	104,37	311,47	60%	79,59	157,89	30%
<i>Belgium</i>	24,43	0,00	23,68	97%	6,27	11,84	48%
<i>Charleroi</i>	11,00	0,00	11,15	94%	0,00	5,58	47%
<i>Liège</i>	12,53	0,00	12,53	100%	6,27	6,27	50%
<i>Germany</i>	192,77	36,56	99,05	51%	20,80	52,04	27%
<i>Lower Saxony</i>	17,07	2,26	17,07	100%	1,13	8,53	50%
<i>Bavaria</i>	5,39	0,00	5,39	100%	0,00	2,70	50%
<i>Brandenburg</i>	26,24	26,24	26,24	100%	13,12	13,12	50%
<i>Brunen</i>	3,28	0,00	3,28	100%	0,00	1,64	50%
<i>North Rhine-Westphalia</i>	101,89	3,30	11,69	11%	4,17	8,36	8%
<i>Sarriand</i>	12,90	0,00	9,39	73%	0,00	4,69	36%
<i>Saxony</i>	14,88	4,76	14,88	100%	2,38	7,44	50%
<i>Saxony-Anhalt</i>	5,00	0,00	5,00	100%	0,00	2,50	50%
<i>Thuringia</i>	6,12	0,00	6,12	100%	0,00	3,06	50%
<i>Greece</i>	4,69	0,56	4,69	100%	0,28	2,34	50%
<i>Spain</i>	73,64	7,62	7,62	10%	3,81	3,81	5%
<i>France</i>	62,10	23,50	62,10	100%	11,75	29,30	47%
<i>Lower Normandy</i>	5,13	5,13	5,13	100%	2,57	2,57	50%
<i>Burgundy</i>	1,84	0,00	1,84	100%	0,00	0,92	50%
<i>Lorraine</i>	31,11	3,58	31,11	100%	1,79	15,55	50%
<i>Nord/Pas-de-Calais</i>	14,35	14,35	14,35	100%	7,18	7,18	50%
<i>Picardy</i>	2,31	0,00	2,31	100%	0,00	0,79	34%
<i>Provence-Alpes-Côte d'Azur</i>	5,18	0,00	5,18	100%	0,00	1,55	30%
<i>Rhône-Alpes</i>	2,18	0,44	2,18	100%	0,22	0,74	34%
<i>Italy</i>	85,60	42,75	42,75	50%	21,38	21,38	25%
<i>Netherlands</i>	18,10	0,00	18,10	100%	1,02	8,37	46%
<i>Austria Styria, Lower Austria, Upper Austria</i>	5,24	4,39	4,39	84%	2,20	2,20	42%
<i>Portugal</i>	6,91	0,00	6,91	100%	2,60	5,53	80%
<i>United Kingdom</i>	45,46	18,98	42,17	93%	9,49	21,08	46%
<i>England</i>	22,28	18,98	18,98	85%	9,49	9,49	43%
<i>Wales</i>	12,96	0,00	12,96	100%	0,00	6,48	50%
<i>Western Scotland</i>	10,23	0,00	10,23	100%	0,00	5,11	50%
RETEX (21)	606,96	154,43	398,99	66%	67,81	211,90	35%
<i>Belgium</i>	4,40	1,40	4,40	100%	0,70	2,20	50%
<i>Flanders</i>	1,40	1,40	1,40	100%	0,70	0,70	50%
<i>Wallonia</i>	3,00	0,00	3,00	100%	0,00	1,50	50%
<i>Germany</i>	70,32	9,47	32,33	46%	8,59	16,71	24%
<i>Baden-Württemberg*</i>	2,07	1,84	2,07	100%	0,92	1,03	50%
<i>Lower Saxony</i>	1,81	0,60	1,81	100%	0,30	0,90	50%
<i>Bavaria*</i>	8,81	0,00	8,81	100%	3,78	4,78	54%
<i>Brandenburg</i>	3,29	3,29	3,29	100%	1,65	1,65	50%
<i>Hesse*</i>	1,36	0,00	0,55	40%	0,00	0,44	32%
<i>North Rhine-Westphalia*</i>	1,57	1,05	1,22	78%	0,53	0,61	39%
<i>Saxony</i>	41,85	1,36	5,02	12%	0,68	2,51	6%
<i>Thuringia</i>	9,56	1,32	9,56	100%	0,66	4,78	50%
<i>Greece*</i>	87,52	50,21	62,00	71%	25,89	35,04	40%
<i>Spain*</i>	90,39	0,00	38,53	43%	0,00	34,16	38%
<i>France*</i>	28,89	0,00	7,04	24%	0,00	3,42	12%
<i>Ireland*</i>	11,45	1,15	8,08	71%	0,00	4,06	35%

* CIP adopted in 1993, assistance 1993-97, commitments and payments 1993-96

TABLE 2: FINANCIAL IMPLEMENTATION 1994-96 OF THE COMMUNITY INITIATIVES
TABLE 2.2: IMPLEMENTATION BY MEMBER STATE and BY PROGRAMME (continued)

Community Initiatives (number of CIPs)	SF assistance (1)	Commitments 1996	Commitments 1994-96 (2)	% (2)/(1)	Payments 1996	Payments 1994-96 (3)	% (3)/(1)
Italy	78,99	0,00	12,05	15%	0,00	6,03	8%
Objective 1 regions *	39,37	0,00	7,90	20%	0,00	3,95	10%
Obj 2 and 5(h) areas *	39,62	0,00	4,16	10%	0,00	2,08	5%
Netherlands Twente	1,01	0,00	1,01	100%	0,00	0,51	50%
Austria Lower Austria, Styria and Vorarlberg	2,59	2,59	2,59	100%	1,29	1,29	50%
Portugal*	194,81	83,45	194,81	100%	27,36	90,42	46%
United Kingdom	36,60	6,18	36,15	99%	3,97	18,07	49%
Northern Ireland	4,20	0,00	3,75	89%	0,00	1,88	45%
United Kingdom	32,40	6,18	32,40	100%	3,97	16,20	50%
URBAN (44)	681,85	215,00	372,37	55%	108,11	166,25	24%
Belgium	10,43	2,20	10,43	100%	1,10	5,22	50%
Antwerp	2,58	0,00	2,58	100%	0,00	1,29	50%
Brussels	2,20	2,20	2,20	100%	1,10	1,10	50%
Charleroi	5,66	0,00	5,66	100%	0,00	2,83	50%
Denmark	1,52	0,18	1,52	100%	0,09	0,49	32%
Germany	97,35	12,00	91,00	93%	11,27	34,46	35%
Berlin	16,10	0,00	16,10	100%	3,81	5,51	34%
Brandenburg	7,20	0,00	7,20	100%	0,00	2,41	34%
Bremen	8,00	0,00	8,00	100%	3,26	4,00	50%
Chemnitz	9,20	0,00	9,20	100%	0,00	2,99	33%
Duisburg	8,10	1,29	8,10	100%	0,39	2,43	30%
Erfurt	12,89	0,00	12,89	100%	0,00	3,91	30%
Halle	2,73	2,73	2,73	100%	1,37	1,37	50%
Magdeburg	12,88	0,24	9,16	71%	0,12	4,58	36%
Rostock	12,25	2,12	12,00	98%	0,63	5,58	46%
Saxony-Anhalt	8,00	5,62	5,62	70%	1,69	1,69	21%
Greece	45,20	1,11	5,63	12%	0,56	2,26	5%
Spain	162,60	33,19	56,04	34%	22,68	34,10	21%
France	55,75	53,77	53,77	96%	17,14	17,14	31%
Auvergne	7,00	7,00	7,00	100%	2,10	2,10	30%
Artois-sous-Bois	8,88	8,88	8,88	100%	2,66	2,66	30%
Les Marais	7,00	7,00	7,00	100%	2,10	2,10	30%
Lyon-Est	7,00	7,00	7,00	100%	2,21	2,21	32%
Marseille	7,00	7,00	7,00	100%	2,10	2,10	30%
Mulhouse	7,00	7,00	7,00	100%	2,10	2,10	30%
Rhône-Alpes	7,00	5,42	5,42	77%	1,62	1,62	23%
Valenciennes	4,37	4,48	4,48	92%	2,24	2,24	46%
Ireland	15,32	1,81	1,81	11%	0,91	0,91	6%
Italy	117,65	26,36	26,36	22%	13,18	13,18	11%
Luxembourg	0,51	0,00	0,51	100%	0,21	0,25	50%
Netherlands	9,30	0,00	7,89	85%	0,00	2,37	25%
Amsterdam	4,65	0,00	3,67	79%	0,00	1,10	24%
The Hague	4,65	0,00	4,22	91%	0,00	1,27	27%
Austria	13,36	5,82	12,66	95%	2,33	5,75	43%
Graz	3,59	2,89	2,89	81%	0,87	0,87	24%
Vienna	9,77	2,93	9,77	100%	1,47	4,89	50%
Portugal Lisbon and Oporto	44,39	0,00	9,22	21%	0,00	4,61	10%
Finland Jämsä	3,96	3,15	3,15	80%	1,57	1,57	40%
Sweden Malmö	4,97	3,14	3,14	63%	0,94	0,94	19%
United Kingdom	98,84	72,26	89,21	90%	36,13	42,98	43%
Birmingham	8,04	6,43	6,43	80%	3,21	3,21	40%
Glasgow	13,65	9,99	9,99	73%	4,99	4,99	37%
Hackney	8,04	6,43	6,43	80%	3,21	3,21	40%
Northern Ireland	16,95	0,00	16,95	100%	0,00	6,85	40%
Manchester	8,04	8,04	8,04	100%	4,02	4,02	50%
North Hutton, Liverpool, Northern	17,30	17,30	17,30	100%	8,65	8,65	50%
Nottingham	6,79	5,56	5,56	82%	2,78	2,78	41%
Park Royal	7,62	6,12	6,12	80%	3,06	3,06	40%

* CIP adopted in 1993, assistance 1993-97, commitments and payments 1993-96

TABLE 2: FINANCIAL IMPLEMENTATION 1994-96 OF THE COMMUNITY INITIATIVES
TABLE 2.2: IMPLEMENTATION BY MEMBER STATE and BY PROGRAMME (continued)

Community Initiatives (number of CIPs)	SF assistance (1)	Commitments 1996	Commitments 1994-96 (2)	% (2)/(1)	Payments 1996	Payments 1994-96 (3)	% (3)/(1)
<i>Sheffield</i>	6,79	6,79	6,79	100%	3,39	3,39	50%
<i>Swansea</i>	5,61	5,61	5,61	100%	2,81	2,81	50%
INTERREG/PEACE (60)	3.170,50	847,59	1.432,90	45%	465,19	706,61	22%
<i>Germany/Austria</i>	24,60	24,60	24,60	100%	7,38	7,38	30%
<i>Germany/France/Switzerland: Upper central and southern Rhine</i>	24,58	0,00	23,35	95%	0,00	7,01	29%
<i>Germany/France: Rhineland/Palatinate/Saarland/Lorraine</i>	23,27	1,00	23,27	100%	0,50	7,18	31%
<i>Germany/Luxembourg: Euregio</i>	8,04	0,00	8,04	100%	0,00	2,41	30%
<i>Germany/Netherlands/Belgium: Euregio Meuse-Rhine</i>	35,71	0,00	33,46	94%	0,00	10,04	28%
<i>Germany/Netherlands: Ems-Dollard</i>	22,47	0,00	22,47	100%	0,00	6,74	30%
<i>Germany/Netherlands: Euregio</i>	22,01	0,00	22,01	100%	0,00	6,60	30%
<i>Germany/Netherlands: Euregio Rhine-Meuse-North</i>	6,38	0,00	6,38	100%	0,00	1,91	30%
<i>Germany/Netherlands: Euregio Rhine-Waal</i>	11,53	0,00	11,53	100%	0,00	3,46	30%
<i>Germany/Poland/Czech Republic: Saxony</i>	149,44	3,08	19,68	13%	1,54	9,84	7%
<i>Germany/Poland: Brandenburg</i>	73,49	0,00	10,08	14%	0,00	5,04	7%
<i>Germany/Poland: Mecklenburg-Western Pomerania</i>	63,07	0,87	8,83	14%	0,43	4,41	7%
<i>Germany/Czech Republic: Bavaria</i>	16,80	0,00	16,80	100%	0,00	5,43	32%
<i>Germany/Switzerland: Lake Constance</i>	6,90	2,05	6,90	100%	0,55	2,98	43%
<i>Austria/Hungary</i>	11,00	0,00	8,80	80%	0,00	2,64	24%
<i>Austria/Czech Republic</i>	4,50	0,56	4,50	100%	0,17	1,35	30%
<i>Austria/Slovakia</i>	5,50	0,64	5,50	100%	0,19	1,65	30%
<i>Austria/Slovenia</i>	9,00	3,12	9,00	100%	0,93	2,70	30%
<i>Belgium/France/Luxembourg: Wallonia-Lorraine-Luxembourg</i>	30,20	26,23	26,23	87%	12,18	12,18	40%
<i>Belgium/France: Ardennes</i>	12,45	12,45	12,45	100%	3,74	3,74	30%
<i>Belgium/Netherlands: Euregio Scheldemond</i>	11,09	1,29	11,09	100%	0,39	3,33	30%
<i>Belgium/Netherlands: Middengebiet</i>	32,41	3,20	32,41	100%	0,96	9,72	30%
<i>Denmark/Germany: Fyn Amt/K.F.R.N.</i>	1,80	0,36	1,80	100%	0,11	0,54	30%
<i>Denmark/Germany: Storstram/Ustholsten/Libeck</i>	5,20	1,08	5,20	100%	0,32	1,56	30%
<i>Denmark/Germany: South Jutland/Planungsraum V</i>	11,10	2,85	11,10	100%	0,86	3,33	30%
<i>Denmark/Baltic Sea</i>	2,00	0,20	2,00	100%	0,00	0,60	30%
<i>Denmark/Sweden</i>	13,00	10,60	10,60	82%	3,18	3,18	24%
<i>Spain/Morocco</i>	101,37	14,08	14,08	14%	7,04	7,04	7%
<i>Spain/Portugal</i>	552,00	165,14	240,19	44%	59,21	103,85	19%
<i>Spain/Portugal (Regen Natural gas)</i>	220,00	131,43	193,36	88%	118,99	162,53	74%
<i>Finland/Baltic States: Coastal Southern Finland</i>	6,08	4,04	4,04	66%	1,21	1,21	20%
<i>Finland/Russia: Karelia</i>	13,88	10,52	10,52	76%	3,16	3,16	23%
<i>Finland/Russia: South-east Finland</i>	9,63	7,69	7,69	80%	2,31	2,31	24%
<i>Finland/Sweden/Norway: North Cape</i>	12,21	8,80	8,80	72%	0,33	0,33	3%
<i>Finland/Sweden/Norway: Kvarken and Mittskandia</i>	6,62	4,98	4,98	75%	0,21	0,21	3%
<i>Finland/Sweden: Islands</i>	4,04	3,65	3,65	90%	1,00	1,00	25%
<i>France/Germany: PAMINA</i>	11,06	0,00	10,09	91%	0,00	3,03	27%
<i>France/Belgium: Nord/Pas-de-Calais/Maniers</i>	17,99	16,91	16,91	94%	8,46	8,46	47%
<i>France/Belgium: Wallonia/Nord/Pas-de-Calais/Picardy</i>	71,52	10,05	10,05	14%	5,02	5,02	7%
<i>France/Spain</i>	62,44	8,77	8,77	14%	4,56	4,56	7%
<i>France/Italy: Corsica/Sardinia</i>	33,68	32,51	32,51	97%	9,89	9,89	29%
<i>France/Italy: Corsica/Tuscany</i>	18,59	18,19	18,19	98%	5,46	5,46	29%
<i>France/United Kingdom: Upper Normandy, Picardy and East Sussex</i>	34,06	34,06	34,06	100%	10,22	10,22	30%
<i>France/United Kingdom: Nord/Pas-de-Calais/Kent</i>	45,10	6,96	6,96	15%	3,48	3,48	8%
<i>France/Switzerland: Franche-Comté</i>	7,10	0,00	7,10	100%	0,00	2,22	31%
<i>France/Switzerland: Rhône-Alpes</i>	5,37	0,00	0,00	0%	0,00	0,18	3%
<i>Greece/Albania/Bulgaria</i>	314,04	38,23	66,30	21%	34,96	48,99	15%
<i>Greece/Italy (Regen Electricity)</i>	75,77	17,77	22,02	29%	8,89	11,01	15%
<i>Greece: Completion of energy networks (Regen)</i>	183,67	58,20	103,20	56%	78,06	82,56	45%
<i>Ireland/United Kingdom: Northern Ireland</i>	156,96	1,22	28,08	18%	0,61	14,04	9%
<i>Ireland/United Kingdom: Wales</i>	84,64	0,90	11,81	14%	0,45	5,91	7%
<i>Italy/Albania: Apulia</i>	81,53	15,52	15,52	19%	7,76	7,76	10%
<i>Italy/France</i>	56,97	15,07	15,07	26%	7,53	7,53	13%
<i>Italy/Switzerland</i>	20,20	15,63	15,63	78%	7,82	7,82	39%
<i>United Kingdom/Morocco: Gibraltar</i>	0,71	0,24	0,71	100%	0,21	0,21	30%
<i>Sweden/Finland/Norway/Russia: Barents Sea</i>	10,46	6,68	6,68	64%	0,00	0,00	0%
<i>Sweden/Norway: Nordic green belt</i>	5,50	3,07	3,07	56%	0,92	0,92	17%
<i>Sweden/Norway: Cattenburg/Bohus/Ålvsborg</i>	5,50	4,45	4,45	81%	1,34	1,34	24%
<i>Sweden/Norway: Inner Scandinavia</i>	4,50	3,08	3,08	68%	0,92	0,92	21%
<i>PEACE: Ireland/Northern Ireland</i>	300,00	95,56	126,66	42%	41,68	56,49	19%
TOTAL (415)	12.249,65	2.815,98	5.784,47	47%	1.513,22	2.744,56	23%

TABLE 3: FINANCIAL IMPLEMENTATION 1994-96 OF TRANSITIONAL AND INNOVATIVE MEASURES *

		ECU million			
Member State	Fund	Commitments		Payments	
		Excluding carryovers and appropriations made available again	Including commitments, carryovers and appropriations made available again	Excluding carryovers and appropriations made available again	Including carryovers
BELGIUM		75,64	77,05	79,24	79,69
	ERDF	0,00	0,00	6,65	6,65
	ESF	71,42	72,52	70,14	70,42
	EAGGF	3,68	3,68	2,14	2,14
	FIFG	0,53	0,85	0,31	0,48
DENMARK		6,22	10,92	9,17	9,17
	ERDF	0,20	0,20	3,30	3,30
	ESF	1,61	6,31	4,11	4,11
	EAGGF	0,00	0,00	0,21	0,21
	FIFG	4,42	4,42	1,55	1,55
GERMANY		10,18	17,94	38,26	40,68
	ERDF	2,59	2,58	30,14	30,14
	ESF	3,73	11,50	5,84	8,27
	EAGGF	2,12	2,12	1,50	1,50
	FIFG	1,74	1,74	0,78	0,78
GREECE		34,11	36,45	35,54	35,54
	ERDF	2,11	2,11	7,59	7,59
	ESF	27,77	30,13	18,77	18,77
	EAGGF	0,56	0,56	6,48	6,48
	FIFG	3,67	3,65	2,70	2,70
SPAIN		80,16	82,46	72,62	78,11
	ERDF	57,24	57,24	50,45	50,45
	ESF	4,02	6,38	6,85	12,35
	EAGGF	8,09	8,09	9,43	9,43
	FIFG	10,80	10,75	5,87	5,87
FRANCE		17,34	20,36	70,25	71,38
	ERDF	0,06	0,06	31,79	32,79
	ESF	3,22	6,11	11,77	11,77
	EAGGF	9,98	9,98	23,58	23,58
	FIFG	4,09	4,22	3,11	3,25
IRELAND		25,70	31,45	36,55	36,55
	ERDF	21,38	21,38	22,53	22,53
	ESF	1,80	7,55	8,02	8,02
	EAGGF	1,65	1,65	5,23	5,23
	FIFG	0,88	0,88	0,77	0,77
ITALY		44,40	49,48	116,24	118,35
	ERDF	1,20	1,20	33,14	33,14
	ESF	9,41	15,12	19,00	21,11
	EAGGF	30,45	29,82	60,21	60,21
	FIFG	3,34	3,34	3,89	3,89
LUXEMBOURG		0,32	1,62	0,71	1,16
	ERDF	0,00	0,00	0,00	0,00
	ESF	0,32	1,62	0,71	1,15
	EAGGF	0,00	0,00	0,00	0,00
	FIFG	0,00	0,00	0,00	0,00
NETHERLANDS		6,08	7,66	14,93	15,50
	ERDF	1,06	0,00	10,64	10,64
	ESF	1,06	3,70	1,87	2,43
	EAGGF	0,27	0,27	0,44	0,44
	FIFG	3,69	3,69	1,99	1,99

* Budget headings B2-1800, B2-1810, B2-1820, B2-1830.

TABLE 3: FINANCIAL IMPLEMENTATION 1994-96 OF TRANSITIONAL AND INNOVATIVE MEASURES (continued) *

		ECU million			
Member State	Fund	Commitments		Payments	
		Excluding carryovers and appropriations made available again	Including decommitments, carryovers and appropriations made available again	Excluding carryovers and appropriations made available again	Including carryovers
AUSTRIA		0,63	1,38	1,23	0,64
	ERDF	0,25	0,25	0,58	0,00
	ESF	0,25	1,00	0,58	0,58
	EAGGF	0,13	0,13	0,06	0,06
	FIFG	0,00	0,00	0,00	0,00
PORTUGAL		79,49	80,88	78,59	79,05
	ERDF	59,01	58,76	62,17	62,17
	ESF	7,60	9,25	6,12	6,58
	EAGGF	7,77	7,77	7,58	7,58
	FIFG	5,10	5,10	2,72	2,72
FINLAND		1,96	2,73	1,23	0,62
	ERDF	0,25	0,25	0,61	0,00
	ESF	0,51	1,28	0,61	0,61
	EAGGF	0,61	0,61	0,01	0,01
	FIFG	0,59	0,59	0,00	0,00
SWEDEN		1,83	3,85	2,40	1,27
	ERDF	0,25	0,25	1,12	0,00
	ESF	0,40	2,41	1,12	1,12
	EAGGF	0,02	0,02	0,02	0,02
	FIFG	1,17	1,17	0,14	0,14
UNITED KINGDOM		18,23	20,89	23,22	23,22
	ERDF	3,51	3,51	6,52	6,52
	ESF	3,70	6,41	9,62	9,62
	EAGGF	0,70	0,70	2,88	2,88
	FIFG	10,32	10,26	4,19	4,19
COMMUNITY		96,69	106,19	110,56	110,66
	ERDF	96,29	105,67	107,59	107,59
	ESF	0,18	0,17	2,97	2,97
	EAGGF	0,21	0,18	0,00	0,00
	FIFG	0,01	0,16	0,00	0,00
TOTAL		498,98	551,30	690,74	701,60
	ERDF	245,40	253,46	374,83	373,62
	ESF	137,00	181,46	168,11	179,88
	EAGGF	66,23	65,57	119,78	119,78
	FIFG	50,35	50,81	28,02	28,33

* Budget headings B2-1800, B2-1810, B2-1820, B2-1830.

CHAPTER VIII

REGIONAL BREAKDOWN OF FINANCIAL IMPLEMENTATION

TABLE 1 : REGIONAL BREAKDOWN OF FINANCIAL IMPLEMENTATION 1996
TABLE 1.1 : COMMITMENTS

Member State/ Region	Assistance (1)	Objective								ECU million		
		1	2	3	4	5(a) (ngr.)	5(a) (fisheries)	5(b)	6	Cf	Total (2)	% (2)/(1)
BELGIUM	1,762,59	122,69	78,44	94,80	11,75	26,80	20,42	6,86	-	45,80	407,56	23%
Brussels	19,72	-	-	1,97	-	-	-	-	-	2,20	4,17	21%
Flanders	445,82	-	19,91	59,17	5,39	11,75	-	0,44	-	26,80	123,47	28%
Wallonia	1,165,51	122,69	58,53	27,80	1,01	4,46	-	6,43	-	15,13	236,04	20%
Multiregional	131,53	-	-	5,86	5,34	10,59	20,42	-	-	1,67	43,88	33%
DENMARK	753,82	-	22,78	42,00	7,00	22,08	23,28	3,73	-	51,95	172,81	23%
East of the Great Belt	6,96	-	-0,20	-	-	-	-	-	-	-	-0,20	-3%
West of the Great Belt	48,66	-	22,98	-	-	-	-	-	-	0,18	23,16	48%
Multiregional	698,20	-	-	42,00	7,00	22,08	23,28	3,73	-	51,77	149,45	21%
GERMANY	20,246,39	2,040,97	379,07	512,62	26,61	191,84	12,77	187,71	-	347,23	3,698,82	18%
Saarbrücken	8,10	-	-	-	-	-	-	-	-	5,62	5,62	70%
Mecklenburg-Western Pomerania	1,924,19	319,28	-	-	-	-	-	-	-	2,79	322,07	17%
Brandenburg	2,304,39	290,43	-	-	-	-	-	-	-	113,40	403,83	18%
Saxony-Anhalt	2,466,53	196,43	-	-	-	-	-	-	-	20,98	217,41	9%
Saxony	3,545,05	614,48	-	-	-	-	-	-	-	42,80	657,28	19%
Thuringia	2,135,45	302,72	-	-	-	-	-	-	-	1,97	304,69	14%
Berlin	992,06	118,88	67,01	8,34	-	-	-	-	-	1,50	195,73	20%
Schleswig-Holstein	156,28	-	0,22	11,31	-	-	-	20,21	-	11,21	42,95	27%
Hamburg	44,64	-	-	11,58	-	-	-	-	-	-	11,58	26%
Lower Saxony	496,32	-	29,60	37,19	-	5,08	-	32,97	-	8,23	113,66	23%
Bremen	104,44	-	32,64	6,48	-	0,13	-	-	-	-	39,25	38%
North Rhine-Westphalia	902,35	-	225,41	55,82	-	9,99	-	6,16	-	27,51	324,89	36%
Hesse	189,29	-	-4,69	8,14	-	6,27	-	10,88	-	0,73	21,32	11%
Rhineland-Palatinate	208,15	-	0,22	4,62	-	3,56	-	22,40	-	7,19	37,98	18%
Baden-Württemberg	170,33	-	-	8,60	-	5,13	-	14,25	-	15,36	43,34	25%
Bavaria	791,46	-	0,54	16,32	-	16,23	-	79,66	-	4,22	116,99	15%
Sarland	140,45	-	28,12	6,08	-	1,53	-	1,17	-	2,74	39,64	28%
Multiregional	3,666,91	198,75	-	338,23	26,61	143,31	12,77	-	-	80,99	800,66	22%
GREECE	14,349,65	1,590,81	-	-	-	-	-	-	-	117,46	1,707,47	12%
Anal. Stereos kai Nisia (1)	685,70	3,18	-	-	-	-	-	-	-	-	3,38	0%
Kent. Ke Dit. Makedonias	832,50	193,72	-	-	-	-	-	-	-	-	193,72	23%
Pelop. & Dit. Ster. Ell. (2)	968,50	97,97	-	-	-	-	-	-	-	-	97,97	10%
Thessalias	175,80	71,23	-	-	-	-	-	-	-	-	71,23	19%
Kritias	312,30	9,52	-	-	-	-	-	-	-	-	9,52	3%
Ipirou (3)	407,20	56,86	-	-	-	-	-	-	-	-	56,86	14%
Tirakis (4)	494,16	73,13	-	-	-	-	-	-	-	-	73,13	15%
Nisou Anadolikou Egeou (5)	434,30	31,09	-	-	-	-	-	-	-	-	31,09	8%
Multiregional	9,819,05	1,051,21	-	-	-	-	-	-	-	117,46	1,168,68	12%
SPAIN	31,214,16	4,614,84	377,48	239,91	49,54	25,00	19,89	172,30	-	255,45	5,754,42	18%
Castile-La Mancha	1,308,03	249,80	-	-	-	-	-	-	-	0,45	250,25	19%
Galicia	2,073,34	385,09	-	-	-	-	-	-	-	0,60	385,69	19%
Asturias	934,44	234,53	-	-	-	-	-	-	-	0,48	235,01	25%
Cantabria	517,72	125,08	-	-	-	-	-	-	-	0,09	125,17	24%
Basque Country	466,82	-	130,58	21,00	-	-	-	7,62	-	0,16	159,35	34%
Navarre	126,57	-	-	10,33	-	-	-	24,95	-	0,64	35,92	28%
La Rioja	56,22	-	-0,50	-	-	-	-	13,51	-	0,25	13,26	24%
Aragon	386,84	-	38,99	0,27	-	-	-	80,53	-	3,30	123,09	32%
Madrid	293,71	-	49,15	6,94	-	-	-	7,96	-	0,24	64,19	22%
Castile-León	2,196,03	492,15	-	-	-	-	-	-	-	0,41	492,56	22%
Extremadura	1,373,63	226,38	-	-	-	-	-	-	-	1,56	227,94	17%
Catalonia	704,41	-	159,18	15,79	-	-	-	27,77	-	0,13	202,87	29%
Valencia	1,648,21	286,57	-	-	-	-	-	-	-	0,42	286,99	17%
Balearic Islands	71,23	-	-0,21	-	-	-	-	10,06	-	0,06	9,91	14%
Andalusia	4,177,44	858,84	-	-	-	-	-	-	-	0,47	859,31	21%
Murcia	676,19	33,80	-	-	-	-	-	-	-	0,05	33,85	5%
Ceuta and Melilla	102,57	32,20	-	-	-	-	-	-	-	-	32,20	31%
Canary Islands	1,190,16	146,89	-	-	-	-	-	-	-	47,66	194,55	16%
Multiregional	12,909,87	1,543,42	-	185,58	49,54	25,00	19,89	-	-	198,49	2,021,93	16%

(1) Including the OP for Attica

(2) Including the OPs for continental Greece, western Greece and the Peloponnese

(3) Including the OPs for Epirus and the Ionian Islands

(4) Including the OPs for Thrace and Eastern Macedonia

(5) Including the OPs for the islands in the northern and southern Aegean

TABLE 1 : REGIONAL BREAKDOWN OF FINANCIAL IMPLEMENTATION 1996
 TABLE 1.1 : COMMITMENTS (continued)

Member State / Region	Assistance (1)	Objective								CI	Total (2)	% (2)/(1)	
		1	2	3	4	5(a) (fisheries)	5(b)	6					
FRANCE	12,368,21	296,96	655,77	421,59	91,68	220,66	-	-	335,91	-	283,53	2,306,09	19%
Ile-de-France	21,40	-	-	-	-	-	-	-	-	-	16,66	16,66	78%
Upper Normandy	161,91	-	45,21	-	-	-	-	-	1,17	-	0,82	47,19	29%
Lower Normandy	290,21	-	10,41	-	-	-	-	-	11,89	-	6,15	28,44	14%
Picardy	141,12	-	45,91	-	-	-	-	-	-	-	8,01	53,93	38%
Champagne-Ardenne	89,66	-	25,73	-	-	-	-	-	2,47	-	2,71	30,91	34%
Burgundy	161,14	-	7,97	-	-	-	-	-	19,68	-	1,05	28,69	18%
Centre	110,97	-	-6,32	-	-	-	-	-	17,04	-	6,66	17,38	16%
Nord/Pas-de-Calais	795,56	113,51	188,88	-	-	-	-	-	-	-	41,92	344,30	43%
Brittany	288,42	-	54,35	-	-	-	-	-	32,97	-	10,53	97,85	34%
Loire Region	261,46	-	43,23	-	-	-	-	-	2,43	-	9,28	54,94	21%
Poitou-Charentes	195,51	-	20,02	-	-	-	-	-	21,68	-	1,82	43,52	22%
Lorraine	245,53	-	20,89	-	-	-	-	-	20,93	-	11,87	53,69	22%
Alsace	83,56	-	0,28	-	-	-	-	-	11,52	-	10,43	23,23	27%
Franche-Comté	132,37	-	31,19	-	-	-	-	-	17,25	-	0,81	49,25	37%
Linnais	147,08	-	-	-	-	-	-	-	21,90	-	0,54	22,44	15%
Aquitaine	360,47	-	62,32	-	-	-	-	-	49,68	-	3,47	115,46	32%
Midi-Pyrénées	151,70	-	14,20	-	-	-	-	-	38,83	-	22,54	75,57	21%
Auvergne	231,92	-	12,97	-	-	-	-	-	17,67	-	1,13	31,76	14%
Rhône-Alpes	262,50	-	35,71	-	-	-	-	-	30,86	-	20,59	77,16	29%
Languedoc-Roussillon	194,55	-	13,84	-	-	-	-	-	15,61	-	1,82	31,27	16%
Provence-Alpes-Côte d'Azur	225,52	-	28,98	-	-	-	-	-	11,06	-	15,34	55,37	25%
Corse	258,97	29,49	-	-	-	-	-	-	-	-	-	29,49	11%
Martinique	190,66	40,80	-	-	-	-	-	-	-	-	8,28	49,07	13%
Guyane	413,28	12,50	-	-	-	-	-	-	-	-	8,05	20,55	5%
French Guiana	193,29	24,16	-	-	-	-	-	-	-	-	28,38	52,55	27%
Réunion	775,33	76,51	-	-	-	-	-	-	-	-	7,47	83,98	11%
Multiregional	5,675,10	-0,01	-	421,59	91,68	220,66	-	-	1,29	-	37,21	772,42	14%
IRELAND	5,901,15	1,181,34	-	-	-	-	-	-	-	-	36,51	1,217,85	21%
Multiregional	5,901,15	1,181,34	-	-	-	-	-	-	-	-	36,51	1,217,85	21%
ITALY	19,339,08	2,038,71	214,02	149,87	38,28	131,69	-	-	33,59	-	313,01	2,919,18	15%
Emilia-Romagna	268,67	-	-	46,94	-	8,85	-	-	-	-	1,05	56,84	21%
Piedmont	174,92	-	63,68	36,65	-	16,41	-	-	-	-	1,33	117,97	31%
Ville d'Azio	17,82	-	-2,77	2,91	-	0,18	-	-	-	-	0,19	0,52	3%
Lombardy	268,79	-	0,12	-	-	27,77	-	-	-	-	-4,53	32,42	12%
Trentino	138,28	-	-	11,48	-	14,98	-	-	8,23	-	1,92	36,60	25%
Veneto	334,54	-	26,37	16,80	-	15,33	-	-	9,80	-	5,98	74,29	22%
Friuli-Venezia Giulia	120,23	-	-2,72	5,88	-	3,90	-	-	6,76	-	1,17	14,99	12%
Liguria	166,16	-	34,75	13,51	-	2,54	-	-	2,08	-	3,95	56,83	34%
Tuscany	338,97	-	33,27	10,18	-	11,06	-	-	6,40	-	0,72	101,62	30%
Umbria	136,26	-	-6,49	5,31	-	4,50	-	-	-	-	1,58	4,92	4%
Marche	151,16	-	-4,35	0,19	-	17,42	-	-	0,31	-	1,11	14,69	10%
Lazio	352,02	-	32,16	-	-	8,75	-	-	-	-	3,57	44,47	13%
Abruzzi	275,37	108,50	-	-	-	-	-	-	-	-	9,33	117,83	43%
Molise	301,85	21,95	-	-	-	-	-	-	-	-	0,27	22,22	7%
Campania	1,353,72	-	-	-	-	-	-	-	-	-	0,77	0,77	0%
Apulia	1,200,00	25,00	-	-	-	-	-	-	-	-	0,54	25,54	2%
Basilicata	602,75	65,36	-	-	-	-	-	-	-	-	0,66	66,02	11%
Calabria	919,48	86,08	-	-	-	-	-	-	-	-	0,99	87,07	9%
Sicily	1,369,80	130,90	-	-	-	-	-	-	-	-	7,23	138,13	10%
Sardinia	1,050,25	98,56	-	-	-	-	-	-	-	-	0,53	99,08	10%
Multiregional	9,648,14	1,502,36	-	-	-	38,28	-	-	-	-	265,72	1,806,36	19%
LUXEMBOURG	76,22	-	-1,47	3,40	0,37	4,31	-	-	-	-	0,58	7,11	9%
Multiregional	76,22	-	-1,47	3,40	0,37	4,31	-	-	-	-	0,58	7,11	9%
NETHERLANDS	1,950,15	5,80	99,14	155,23	4,00	9,05	6,36	15,56	-	-	23,37	310,51	16%
Noord-Nederland	164,70	-	-	16,65	-	-	-	-	-	-	-	24,81	15%
Oost-Nederland	263,15	4,80	45,81	-	-	-	-	-	1,63	-	-	52,23	20%
West-Nederland	79,20	-	-	-	-	-	-	-	0,76	-	-	8,76	2%
Zuid-Nederland	93,94	-	36,68	-	-	-	-	-	5,01	-	-	41,69	44%
Multiregional	1,389,16	-	-	152,23	-	9,05	6,36	-	-	-	23,37	191,02	14%

TABLE 1 : REGIONAL BREAKDOWN OF FINANCIAL IMPLEMENTATION 1996
TABLE 1.1 : COMMITMENTS (continued)

Member State / Region	Assistance (1)	Objective								ECU million		
		1	2	3	4	5(a) (agr.)	5(b) (fisheries)	5(b)	6	CI	Total (2)	% (2)/(1)
AUSTRIA	1,557,42	4,96	11,40	65,69	-	75,94	-	51,62	-	40,99	250,61	16%
East Austria	117,54	4,96	-	-	-	-	-	12,67	-	7,40	25,03	8%
South Austria	212,03	-	11,40	-	-	-	-	21,31	-	9,42	42,12	20%
West Austria	184,53	-	-	-	-	-	-	17,65	-	6,86	24,51	13%
Multiregional	843,32	-	-	65,69	-	75,94	-	-	-	17,31	158,95	19%
PORTUGAL	14,758,71	2,967,06	-	-	-	-	-	-	-	191,13	3,159,16	21%
North	541,10	107,50	-	-	-	-	-	-	-	-	107,50	20%
Centre	362,00	71,45	-	-	-	-	-	-	-	-	71,45	20%
Lisbon and Tagus Valley	426,59	75,50	-	-	-	-	-	-	-	-	75,50	18%
Alentejo	182,00	29,82	-	-	-	-	-	-	-	-	29,82	16%
Algarve	76,00	16,03	-	-	-	-	-	-	-	-	16,03	21%
Azores	621,00	156,97	-	-	-	-	-	-	-	-	156,97	25%
Madeira	369,30	124,08	-	-	-	-	-	-	-	-	124,08	34%
Multiregional	12,180,72	2,386,02	-	-	-	-	-	-	-	191,13	2,577,15	21%
FINLAND	1,598,40	-	21,32	34,99	8,77	53,32	-	16,27	77,18	42,04	253,98	17%
Manner-Suomi	195,16	-	-	-	-	-	-	16,00	-	3,15	19,15	10%
Åland Islands	2,60	-	-	-	-	-	-	-	0,28	-	0,28	11%
Multiregional	1,310,45	-	21,32	34,99	8,77	53,32	-	-	77,18	38,90	234,48	18%
SWEDEN	1,282,70	-	-	-	37,50	26,50	-	64,91	11,47	36,15	176,52	14%
Småland med Öarna	11,24	-	-	-	-	-	-	11,24	-	-	11,24	100%
Västsvetige	24,00	-	-	-	-	-	-	-	-	-	-	0%
Sydsvetige	19,97	-	-	-	-	-	-	-	-	1,14	3,14	16%
Mellersta Norrland	18,00	-	-	-	-	-	-	-	-	-	-	0%
Övre Norrland	103,00	-	-	-	-	-	-	-	-	-	-	0%
Multiregional	1,106,49	-	-	-	37,50	26,50	-	53,66	11,47	33,01	162,14	15%
UNITED KINGDOM	9,662,03	505,88	810,63	1,076,80	-	15,23	29,55	82,92	-	179,49	2,780,21	29%
North	447,60	-	104,27	-	-	-	-	12,75	-	-	117,02	26%
Yorkshire and Humberside	336,12	-	101,73	-	-	-	-	-	-	7,88	109,61	33%
East Midlands	168,88	-	38,44	-	-	-	-	1,44	-	6,48	46,36	27%
East Anglia	60,00	-	-	-	-	-	-	-	-	-	-	0%
South East	97,85	-	41,24	-	-	-	-	-	-	12,55	53,79	55%
South West	246,12	-	-0,57	-	-	-	-	24,62	-	-	24,25	10%
West Midlands	393,46	-	134,08	-	-	-	-	-	-	8,96	143,04	36%
North West	1,180,39	124,27	196,43	-	-	-	-	-	-	26,36	347,06	29%
Wales	385,04	-	75,20	-	-	-	-	22,94	-	7,00	105,13	27%
Scotland	902,84	42,93	119,56	-	-	-	-	15,18	-	13,88	191,55	21%
Northern Ireland	1,295,91	338,56	-	-	-	-	-	-	-	5,46	344,02	27%
Gibraltar	5,07	-	0,06	-	-	-	-	-	-	-	0,05	1%
Multiregional	4,142,74	0,12	-	1,076,80	-	15,23	29,55	6,00	-	90,62	1,218,33	29%
COMMUNITY	3,186,50	-	-	-	-	-	-	-	-	851,67	851,67	27%
TOTAL	139,917,40	15,370,13	2,668,28	2,796,92	275,50	802,43	112,27	971,38	88,65	2,815,98	25,893,53	19%

TABLE 1 : REGIONAL BREAKDOWN OF FINANCIAL IMPLEMENTATION 1996
TABLE 1.2 : PAYMENTS

Member State / Region	Assistance (1)	Objective								CI	Total (2)	% (2)/(1)
		1	2	3	4	5(a) (agr.)	5(a) (fisheries)	5(b)	6			
BELGIUM	1,762,59	91,77	20,69	81,91	5,91	42,59	16,31	3,47	-	21,99	284,67	16%
Brussels	19,72	-	-	1,30	-	-	-	-	-	1,10	2,60	13%
Flanders	445,82	-	4,70	45,27	2,70	11,81	-	0,25	-	9,87	74,61	17%
Wallonia	1,165,51	91,77	15,99	27,67	0,54	4,64	-	3,22	-	10,58	154,41	13%
Multiregional	131,53	-	-	7,46	2,67	26,14	16,31	-	-	0,44	52,05	40%
DENMARK	753,82	-	3,67	40,96	7,68	22,07	-	0,14	-	12,19	86,71	12%
East of the Great Belt	6,96	-	2,11	-	-	-	-	-	-	-	2,11	30%
West of the Great Belt	48,66	-	1,57	-	-	-	-	-	-	0,09	1,66	3%
Multiregional	698,20	-	-	40,90	7,68	22,07	-	0,14	-	12,10	82,94	12%
GERMANY	20,246,39	2,094,42	182,75	287,58	8,70	177,34	3,88	212,57	-	221,94	3,189,11	16%
Saarbrücken	8,00	-	-	-	-	-	-	-	-	1,69	1,69	21%
Mecklenburg-Western Pomerania	1,924,19	299,17	-	-	-	-	-	-	-	10,55	309,72	16%
Brandenburg	2,304,39	282,02	-	-	-	-	-	-	-	58,99	341,02	15%
Saxony-Anhalt	2,466,53	766,65	-	-	-	-	-	-	-	26,29	286,94	16%
Saxony	3,545,03	618,47	-	-	-	-	-	-	-	23,05	641,51	18%
Thuringia	2,135,45	339,11	-	-	-	-	-	-	-	0,83	339,94	16%
Berlin	992,06	93,22	15,83	6,67	-	-	-	-	-	5,80	122,52	12%
Schleswig-Holstein	156,38	-	1,69	9,57	-	-	-	19,27	-	5,55	36,08	23%
Hamburg	44,64	-	-	9,36	-	-	-	-	-	0,37	9,73	22%
Lower Saxony	496,32	-	7,19	36,90	-	1,42	-	16,76	-	3,04	83,31	17%
Bremen	104,44	-	6,67	4,16	-	0,12	-	-	-	3,26	14,21	14%
North Rhine-Westphalia	902,33	-	127,11	50,61	-	7,68	-	5,01	-	6,76	197,17	22%
Hesse	189,29	-	0,89	8,58	-	3,96	-	10,83	-	5,61	29,87	16%
Rhineland-Palatinate	208,15	-	2,57	3,82	-	2,84	-	15,04	-	6,76	31,04	15%
Baden-Württemberg	170,33	-	-	8,10	-	4,95	-	6,78	-	7,60	27,51	16%
Bavaria	791,46	-	2,36	8,16	-	12,19	-	118,14	-	5,89	146,94	19%
Saarland	140,45	-	18,44	7,31	-	1,20	-	0,54	-	2,67	30,16	21%
Multiregional	3,666,91	100,77	-	134,25	8,70	142,97	3,88	-	-	47,17	437,74	12%
GREECE	14,349,65	1,646,08	-	-	-	-	-	-	-	43,43	1,689,51	12%
Anat. Stercs kai Nisia (1)	685,70	121,24	-	-	-	-	-	-	-	-	121,24	18%
Kent. Ke Dii. Makedonias	832,50	111,14	-	-	-	-	-	-	-	-	111,14	13%
Pelop. & Dil. Str. Ell. (2)	968,50	106,46	-	-	-	-	-	-	-	-	106,46	11%
Thessalias	375,80	44,18	-	-	-	-	-	-	-	-	44,18	12%
Kriti	112,30	46,40	-	-	-	-	-	-	-	-	46,40	15%
Epiron (3)	407,25	79,68	-	-	-	-	-	-	-	-	79,68	20%
Tarankis (4)	494,30	55,48	-	-	-	-	-	-	-	-	55,48	11%
Nison Anatolikou Egeon (5)	434,30	61,59	-	-	-	-	-	-	-	-	61,59	14%
Multiregional	9,839,05	1,019,92	-	-	-	-	-	-	-	43,43	1,063,35	11%
SPAIN	31,214,16	3,833,62	159,26	272,12	10,02	28,74	32,74	124,40	-	184,17	4,645,06	15%
Castile-La Mancha	1,308,03	149,85	-	-	-	-	-	-	-	0,22	150,08	11%
Galicia	2,073,34	407,40	-	-	-	-	-	-	-	0,30	407,70	20%
Asturias	934,44	144,78	-	-	-	-	-	-	-	1,45	146,23	16%
Cantabria	512,72	73,06	-	-	-	-	-	-	-	0,64	73,10	14%
Basque Country	466,82	-	10,32	20,26	-	-	-	4,67	-	0,05	55,30	12%
Navarre	126,57	-	-	9,81	-	-	-	-	-	21,32	31,33	25%
La Rioja	56,22	-	3,15	0,24	-	-	-	10,99	-	0,07	14,45	26%
Aragon	386,84	-	16,75	2,82	-	-	-	53,30	-	3,74	76,61	20%
Madrid	293,71	-	38,31	9,58	-	-	-	6,11	-	0,07	54,07	18%
Castile-León	2,196,03	323,50	-	-	-	-	-	-	-	0,20	323,70	15%
Extremadum	1,373,63	162,56	-	-	-	-	-	-	-	2,81	165,37	12%
Catalonia	704,41	-	55,26	8,88	-	-	-	21,33	-	0,06	85,55	12%
Valencia	1,648,91	251,44	-	-	-	-	-	-	-	0,21	251,65	15%
Balearic Islands	71,23	-	2,64	1,98	-	-	-	-	-	0,03	11,31	16%
Audalusia	4,177,44	434,34	-	-	-	-	-	-	-	0,23	434,57	10%
Murcia	676,19	106,65	-	-	-	-	-	-	-	0,03	106,67	16%
Ceuta and Melilla	102,57	16,90	-	-	-	-	-	-	-	-	16,90	16%
Canary Islands	1,190,16	78,67	-	-	-	-	-	-	-	59,97	138,64	12%
Multiregional	12,909,87	1,684,88	12,83	218,55	10,02	28,74	32,74	-	-	114,49	2,101,84	16%

(1) Including the OP for Attica

(2) Including the OPs for continental Greece, western Greece and the Peloponnese

(3) Including the OPs for Epirus and the Ionian Islands

(4) Including the OPs for Thessaly and Eastern Macedonia

(5) Including the OPs for the islands in the northern and southern Aegean

TABLE 1 : REGIONAL BREAKDOWN OF FINANCIAL IMPLEMENTATION 1996
TABLE 1.2 : PAYMENTS (continued)

Member State / Region	Assistance (1)	Objective								CT	ECU million		
		1	2	3	4	5(a) (agr.)	5(a) (fisheries)	5(b)	6		Total (2)	% (2)/(1)	
FRANCE	12,368,31	251,21	412,16	402,88	49,61	206,89	-	-	300,20	-	137,18	1,760,15	14%
Ile-de-France	21,40	-	-	-	-	-	-	-	-	-	5,15	5,15	24%
Upper Normandy	161,01	-	64,33	-	-	-	-	-	-	-	0,29	64,86	40%
Lower Normandy	200,21	-	6,65	-	-	-	-	-	14,86	-	5,31	26,82	13%
Picardy	141,12	-	12,58	-	-	-	-	-	-	-	2,61	15,19	11%
Champagne-Ardenne	89,66	-	24,24	-	-	-	-	-	3,71	-	0,91	28,86	32%
Burgundy	161,14	-	16,04	-	-	-	-	-	16,79	-	1,30	14,12	21%
Centre	110,97	-	1,10	-	-	-	-	-	9,18	-	2,04	12,32	11%
Nord-Pas-de-Calais	795,56	65,19	39,88	-	-	-	-	-	-	-	19,72	124,79	16%
Brittany	288,42	-	32,23	-	-	-	-	-	31,80	-	3,30	67,33	23%
Loire Region	261,46	-	35,95	-	-	-	-	-	12,20	-	4,64	52,79	20%
Poitou-Charentes	195,51	-	15,20	-	-	-	-	-	19,51	-	1,78	36,49	19%
Lorraine	245,53	-	27,32	-	-	-	-	-	15,53	-	10,43	53,28	22%
Alsace	83,56	-	6,10	-	-	-	-	-	7,35	-	3,82	17,27	21%
Franche-Comté	132,37	-	24,89	-	-	-	-	-	8,09	-	0,24	33,22	25%
Limousin	147,08	-	-	-	-	-	-	-	24,68	-	1,53	26,21	18%
Aquitaine	360,47	-	63,70	-	-	-	-	-	32,34	-	4,57	103,61	28%
Midi-Pyrénées	351,70	-	11,34	-	-	-	-	-	39,64	-	7,38	58,76	17%
Auvergne	231,92	-	3,66	-	-	-	-	-	19,93	-	2,03	25,63	11%
Rhône-Alpes	262,50	-	-	-	-	-	-	-	17,02	-	6,38	23,40	9%
Languedoc-Roussillon	194,55	-	17,12	-	-	-	-	-	16,13	-	4,01	37,26	19%
Provence-Alpes-Côte d'Azur	225,52	-	9,83	-	-	-	-	-	10,37	-	4,70	24,91	11%
Corsica	258,97	33,02	-	-	-	-	-	-	-	-	0,42	33,44	13%
Martinique	390,66	22,13	-	-	-	-	-	-	-	-	4,14	26,27	7%
Guadeloupe	413,28	22,33	-	-	-	-	-	-	-	-	4,02	26,35	6%
French Guiana	193,29	20,48	-	-	-	-	-	-	-	-	8,52	28,99	15%
Réunion	775,33	88,05	-	-	-	-	-	-	-	-	3,74	91,78	12%
Multi-regional	5,675,10	0,02	-	402,88	49,62	206,89	-	-	0,80	-	24,25	684,45	12%
IRELAND	5,991,15	900,76	-	-	-	-	-	-	-	-	19,69	920,45	16%
Multi-regional	5,991,15	900,76	-	-	-	-	-	-	-	-	19,69	920,45	16%
ITALY	19,339,08	1,926,12	95,88	102,44	19,14	41,08	11,93	31,15	-	-	155,45	2,382,39	12%
Emilia-Romagna	268,67	-	-	45,63	-	2,65	-	-	-	-	0,53	48,81	18%
Piedmont	374,82	-	13,99	24,28	-	4,92	-	-	-	-	0,61	43,80	12%
Valle d'Aosta	17,82	-	-	0,27	-	0,05	-	-	-	-	0,07	0,40	2%
Lombardy	268,79	-	0,06	-	-	8,33	-	0,65	-	-	1,89	10,91	4%
Trentino	138,28	-	-	10,56	-	5,90	-	5,20	-	-	0,57	22,23	16%
Veneto	334,54	-	13,19	8,40	-	4,60	-	11,42	-	-	2,99	40,60	12%
Friuli-Venezia Giulia	120,23	-	-	2,94	-	1,17	-	3,39	-	-	0,58	8,08	7%
Liguria	166,16	-	34,23	2,52	-	0,76	-	0,47	-	-	1,61	39,59	24%
Tuscany	338,97	-	17,53	5,09	-	3,32	-	9,88	-	-	0,81	36,62	11%
Umbria	136,26	-	-	2,66	-	1,35	-	-	-	-	0,62	4,64	3%
Marche	151,16	-	-	0,10	-	5,38	-	0,16	-	-	0,56	6,19	4%
Lazio	352,02	-	16,08	-	-	2,62	-	-	-	-	0,94	19,65	6%
Abruzzi	275,37	44,87	-	-	-	-	-	-	-	-	4,67	49,53	18%
Molise	301,85	19,78	-	-	-	-	-	-	-	-	0,13	19,92	7%
Campania	1,353,72	-	-	-	-	-	-	-	-	-	0,38	0,38	0%
Apulia	1,200,00	12,50	-	-	-	-	-	-	-	-	0,27	12,77	1%
Basilicata	602,75	41,99	-	-	-	-	-	-	-	-	0,33	42,32	7%
Calabria	919,48	63,81	-	-	-	-	-	-	-	-	0,50	64,31	7%
Sicily	1,369,80	132,70	-	-	-	-	-	-	-	-	3,62	136,32	10%
Sardinia	1,000,25	49,94	-	-	-	-	-	-	-	-	0,26	50,20	5%
Multi-regional	9,648,14	1,560,52	-	-	19,14	-	11,93	-	-	-	133,50	1,725,10	18%
LUXEMBOURG	76,32	-	0,29	3,36	0,25	5,21	-	-	-	-	0,35	9,62	13%
Multi-regional	76,32	-	0,29	3,36	0,25	5,21	-	-	-	-	0,35	9,62	13%
NETHERLANDS	1,950,15	11,84	39,89	124,62	-	6,49	6,46	12,70	-	-	6,81	208,20	11%
Noord-Nederland	164,70	-	13,27	-	-	-	-	6,13	-	-	-	19,39	12%
Oost-Nederland	267,13	11,84	12,02	-	-	-	-	2,29	-	-	-	26,16	10%
West-Nederland	39,20	-	-	-	-	-	-	0,94	-	-	1,02	1,96	5%
Zuid-Nederland	93,94	-	14,00	-	-	-	-	3,34	-	-	-	17,34	18%
Multi-regional	1,389,16	-	-	124,62	-	6,49	6,46	-	-	-	5,79	143,35	10%

TABLE 1 : REGIONAL BREAKDOWN OF FINANCIAL IMPLEMENTATION 1996
TABLE 1.2 : PAYMENTS (continued)

Member State / Region	Assistance (1)	Objective								ECU million			
		1	2	3	4	5(a) (agr.)	5(a) (fisheries)	5(b)	6	C1	Total (2)	% (2)/(1)	
AUSTRIA	1,557,42	12,61	11,59	71,77	3,51	77,13	0,80	39,34	-	14,80	231,55	15%	
East Austria	117,54	12,61	-	-	-	-	-	8,33	-	3,08	24,02	8%	
South Austria	212,03	-	10,17	-	-	-	-	16,96	-	2,83	29,95	14%	
West Austria	184,53	-	1,43	-	-	-	-	14,03	-	2,06	17,54	10%	
Multiregional	843,32	-	-	71,77	3,51	77,13	0,80	-	-	6,84	160,04	19%	
PORTUGAL	14,758,71	2,434,57	-	-	-	-	-	-	-	102,03	2,536,59	17%	
North	541,10	97,96	-	-	-	-	-	-	-	-	97,96	18%	
Centre	362,00	82,83	-	-	-	-	-	-	-	-	82,83	23%	
Lisbon-Tagus Valley	426,59	61,95	-	-	-	-	-	-	-	-	61,95	15%	
Alentejo	182,00	29,01	-	-	-	-	-	-	-	-	29,01	16%	
Algarve	76,00	19,38	-	-	-	-	-	-	-	-	19,38	25%	
Azores	62,00	137,43	-	-	-	-	-	-	-	-	137,43	22%	
Madeira	369,30	85,17	-	-	-	-	-	-	-	-	85,17	23%	
Multiregional	12,180,72	1,920,84	-	-	-	-	-	-	-	102,03	2,022,87	17%	
FINLAND	1,508,49	-	14,24	21,10	5,50	26,60	-	7,57	42,12	14,56	131,71	9%	
Manus-Suomi	195,36	-	-	-	-	-	-	7,59	-	1,57	9,16	5%	
Åland Islands	2,60	-	-	-	-	-	-	0,08	-	-	0,08	3%	
Multiregional	1,310,45	-	14,24	21,10	5,50	26,60	-	-	42,12	12,98	122,53	9%	
SWEDEN	1,281,70	-	-	-	18,75	27,86	-	22,64	9,02	10,84	89,13	7%	
Småland med Öarna	11,24	-	-	-	-	-	-	3,37	-	-	3,37	30%	
Västsvrige	24,00	-	-	-	-	-	-	-	-	-	-	0%	
Sydsvrige	19,97	-	-	-	-	-	-	-	-	0,94	0,94	5%	
Mellersta Norrland	18,00	-	-	-	-	-	-	-	-	-	-	0%	
Övre Norrland	103,00	-	-	-	-	-	-	-	-	-	-	0%	
Multiregional	1,106,49	-	-	-	18,75	27,86	-	19,27	9,02	9,90	84,80	8%	
UNITED KINGDOM	9,662,03	484,50	571,49	581,69	-	34,01	-	8,27	71,44	100,76	1,852,15	19%	
North	447,60	-	92,44	-	-	-	-	-	8,73	-	191,17	23%	
Yorkshire and Humberside	336,12	-	50,94	-	-	-	-	-	-	3,94	54,88	16%	
East Midlands	168,88	-	22,38	-	-	-	-	-	1,16	3,24	26,79	16%	
East Anglia	60,00	-	-	-	-	-	-	-	0,06	-	0,06	0%	
South East	97,85	-	19,85	-	-	-	-	-	-	6,28	26,13	27%	
South West	246,12	-	8,70	-	-	-	-	-	20,61	-	29,31	12%	
West Midlands	393,46	-	79,17	-	-	-	-	-	-	4,48	83,65	21%	
North West	1,180,39	131,11	44,95	-	-	-	-	-	-	16,12	192,18	16%	
Wales	183,04	-	32,48	-	-	-	-	-	19,23	-	4,94	56,65	15%
Scotland	902,84	53,89	219,03	-	-	-	-	-	17,39	-	9,33	299,65	33%
Northern Ireland	1,295,93	299,49	-	-	-	-	-	-	-	-	3,45	302,94	23%
Gibraltar	5,07	-	1,55	-	-	-	-	-	-	-	1,55	30%	
Multiregional	4,142,74	0,01	-	581,69	-	34,01	-	8,27	4,26	-	48,98	677,22	16%
COMMUNITY	3,186,50	-	-	-	-	-	-	-	-	-	467,04	467,04	15%
TOTAL	139,917,40	13,687,51	1,510,51	1,990,34	129,08	696,00	80,58	825,72	51,14	1,513,22	20,484,10	15%	

TABLE 2 : REGIONAL BREAKDOWN OF FINANCIAL IMPLEMENTATION 1994-96

TABLE 2.1 : COMMITMENTS

Member State / Region	Assistance (1)	Objective								ECU million		
		1	2	3	4	5(a) (agr.)	5(a) (fisheries)	5(b)	6	Ct	Total (2)	% (2)/(1)
BELGIUM	1,762.59	229.69	140.60	192.57	16.38	79.83	24.50	16.83	-	143.06	842.66	48%
Brussels	19.72	-	-	-	5.70	0.29	0.27	-	-	3.91	10.19	52%
Flanders	445.82	-	58.23	89.57	8.83	27.85	-	4.74	-	51.39	242.64	54%
Wallonia	1,165.51	229.69	82.37	80.53	1.28	14.09	-	11.28	-	83.74	502.98	43%
Multiregional	131.51	-	-	16.77	3.96	37.62	24.50	-	-	2.00	86.85	66%
DENMARK	753.82	-	53.07	127.00	13.00	60.75	69.87	13.51	-	65.31	482.52	63%
East of the Great Belt	6.96	-	9.32	-	-	-	-	-	-	-	9.32	134%
West of the Great Belt	48.66	-	43.75	-	-	-	-	-	-	1.52	45.27	93%
Multiregional	698.20	-	-	127.00	13.00	60.75	69.87	13.51	-	63.79	347.92	50%
GERMANY	20,246.39	5,933.05	665.92	828.40	56.22	514.55	37.64	449.45	-	994.73	9,478.97	47%
Saarbrücken	8.00	-	-	-	-	-	-	-	-	5.62	5.62	70%
Mecklenburg-Western Pomerania	1,924.19	944.62	-	-	-	-	-	-	-	62.03	1,006.65	52%
Brandenburg	2,304.39	858.82	-	-	-	-	-	-	-	137.81	996.63	43%
Saxony-Anhalt	2,466.53	879.04	-	-	-	-	-	-	-	96.33	966.37	39%
Saxony	3,545.05	1,530.58	-	-	-	-	-	-	-	108.00	1,638.57	46%
Thuringia	2,135.45	874.25	-	-	-	-	-	-	-	95.93	970.18	45%
Berlin	992.06	330.30	116.20	24.22	-	-	-	-	-	42.72	513.44	52%
Schleswig-Holstein	156.38	-	15.61	23.51	-	-	0.49	41.13	-	17.40	98.13	63%
Hamburg	44.64	-	-	17.49	-	-	0.68	-	-	1.24	19.42	43%
Lower Saxony	496.32	-	43.12	55.76	-	10.41	-	77.39	-	57.02	243.71	49%
Bremen	104.44	-	47.58	18.81	-	0.23	-	-	-	16.72	83.34	80%
North Rhine-Westphalia	902.35	-	340.41	98.84	-	-	14.84	11.65	-	76.97	542.71	60%
Hesse	189.29	-	16.57	23.65	-	9.60	-	34.54	-	20.53	104.90	55%
Rhineland-Palatinate	208.15	-	23.67	14.79	-	6.57	-	42.57	-	24.78	112.39	54%
Baden-Württemberg	170.33	-	-	24.97	-	8.63	-	23.04	-	21.26	77.90	46%
Bavaria	791.46	-	14.18	24.98	-	29.81	-	215.15	-	39.92	324.03	41%
Saarland	140.45	-	48.59	19.09	-	2.03	-	1.99	-	18.55	92.25	66%
Multiregional	3,666.91	524.45	-	474.28	56.22	431.26	37.64	-	-	150.89	1,674.74	46%
GREECE	14,349.65	6,127.63	-	-	-	-	-	-	-	203.45	6,331.08	44%
Anat. Steres and Nisia (1)	685.70	302.10	-	-	-	-	-	-	-	-	302.10	44%
Cent. Ke Dir. Makedonias	832.50	472.95	-	-	-	-	-	-	-	-	432.95	52%
Pelop. & Dir. Ster. Ell. (2)	968.50	382.37	-	-	-	-	-	-	-	-	382.37	39%
Thessalias	175.80	182.84	-	-	-	-	-	-	-	-	182.84	104%
Kentris	112.30	1,052	-	-	-	-	-	-	-	-	140.52	125%
Ipirou (3)	407.20	205.41	-	-	-	-	-	-	-	-	205.41	50%
Thrakia (4)	494.30	119.84	-	-	-	-	-	-	-	-	219.84	44%
Nison Anaplikou Egeou (5)	434.30	189.49	-	-	-	-	-	-	-	-	189.49	44%
Multiregional	9,839.05	4,077.12	-	-	-	-	-	-	-	203.45	4,280.57	44%
SPAIN	31,214.16	12,987.26	1,036.39	666.50	167.80	102.41	59.72	334.39	-	570.57	15,925.04	51%
Castile-La Mancha	1,308.03	556.80	-	-	-	-	-	-	-	4.92	661.72	51%
Galicia	2,973.34	1,323.02	-	-	-	-	-	-	-	3.50	1,326.52	44%
Asturias	934.44	573.17	-	-	-	-	-	-	-	13.00	586.17	63%
Cantabria	517.72	281.06	-	-	-	-	-	-	-	1.06	282.11	54%
Basque Country	466.82	-	127.01	62.33	-	-	-	14.05	-	2.47	401.85	86%
Navarre	126.57	-	22.83	23.77	-	-	-	41.38	-	4.81	92.78	73%
La Rioja	56.22	-	11.37	4.34	-	-	-	19.71	-	3.68	39.10	70%
Aragon	786.84	-	52.84	20.32	-	-	-	159.37	-	27.48	260.01	33%
Madrid	293.71	-	128.28	43.70	-	-	-	19.18	-	3.60	194.76	66%
Castile-León	2,195.03	1,030.02	-	-	-	-	-	-	-	10.00	1,040.02	47%
Extremadura	1,373.61	511.34	-	-	-	-	-	-	-	24.00	535.34	39%
Catalonia	704.41	-	448.16	46.91	-	-	-	62.44	-	2.25	559.75	79%
Valencia	1,648.91	1,172.59	-	-	-	-	-	-	-	3.54	1,176.13	71%
Balearic Islands	71.23	-	10.16	12.95	-	-	-	18.27	-	3.13	44.51	62%
Andalusia	4,177.44	2,196.17	-	-	-	-	-	-	-	10.32	2,206.49	53%
Murcia	676.19	297.71	-	-	-	-	-	-	-	1.79	299.50	44%
Canary Islands	1,190.16	599.89	-	-	-	-	-	-	-	-	76.49	78%
Multiregional	12,909.87	4,269.01	39.75	452.20	167.80	102.41	59.72	-	-	375.50	5,464.39	42%

(1) Including the OP for Attica

(2) Including the OPs for continental Greece, western Greece and the Peloponnese

(3) Including the OPs for Epirus and the Ionian Islands

(4) Including the OPs for Thrace and Eastern Macedonia

(5) Including the OPs for the islands in the northern and southern Aegean

TABLE 2 : REGIONAL BREAKDOWN OF FINANCIAL IMPLEMENTATION 1994-96
TABLE 2.1 : COMMITMENTS (continued)

Member State / Region	Assistance (1)	Objective								ECU million		
		1	2	3	4	5(a) (agr.)	5(a) (fisheries)	5(b)	6	CI	Total (2)	% (3)/(1)
FRANCE	12,368,31	794,62	1,560,16	1,199,99	187,07	738,56	63,27	709,09		616,81	5,869,57	47%
Ile-de-France	21,40	-	-	-	-	-	-	-	-	21,40	21,40	100%
Upper Normandy	161,01	-	136,81	-	-	-	-	2,26	-	0,82	139,88	87%
Lower Normandy	200,21	-	45,86	-	-	-	-	43,43	-	17,28	106,57	53%
Picardy	141,12	-	122,40	-	-	-	-	-	-	18,72	141,12	100%
Champagne-Ardenne	89,66	-	50,37	-	-	-	-	6,59	-	4,67	61,63	69%
Burgundy	161,14	-	37,58	-	-	-	-	49,76	-	11,91	98,85	61%
Centre	110,97	-	17,88	-	-	-	-	22,13	-	10,58	50,59	46%
Nord/Pas-de-Calais	795,56	183,37	302,95	-	-	-	-	-	-	49,32	535,63	67%
Brittany	288,42	-	82,87	-	-	-	-	59,16	-	19,25	161,28	56%
Loire Region	261,46	-	128,36	-	-	-	-	30,21	-	9,28	167,85	64%
Poitou-Charentes	195,51	-	54,06	-	-	-	-	42,33	-	11,35	107,94	55%
Lorraine	243,53	-	101,33	-	-	-	-	-	-	50,60	183,06	75%
Alsace	83,56	-	19,88	-	-	-	-	18,27	-	14,47	52,62	63%
Franchs-Comté	132,37	-	48,48	-	-	-	-	31,18	-	5,78	85,43	65%
Limousin	147,08	-	-	-	-	-	-	53,92	-	19,00	73,01	50%
Aquitaine	360,47	-	100,18	-	-	-	-	84,06	-	30,39	214,62	60%
Midi-Pyrénées	351,70	-	41,28	-	-	-	-	72,72	-	27,22	141,32	40%
Auvergne	231,92	-	51,64	-	-	-	-	62,34	-	14,30	128,49	55%
Rhône-Alpes	262,56	-	67,40	-	-	-	-	45,37	-	23,57	138,74	53%
LangueDoc-Rousillon	194,55	-	56,11	-	-	-	-	27,27	-	18,34	101,72	52%
Provence-Alpes-Côte d'Azur	225,52	-	94,63	-	-	-	-	25,14	-	31,12	148,90	66%
Corsica	258,97	77,98	-	-	-	-	-	-	-	5,65	83,63	32%
Martinique	390,66	98,37	-	-	-	-	-	-	-	8,28	106,64	27%
Gadeloupe	413,28	113,14	-	-	-	-	-	-	-	8,05	121,18	29%
French Guiana	193,29	51,03	-	-	-	-	-	-	-	28,38	79,41	41%
Réunion	775,33	270,72	-	-	-	-	-	-	-	16,24	286,95	37%
Multiregional	5,675,10	0,02	-	1,199,99	187,07	718,56	63,27	7,44	-	138,77	2,331,12	41%
IRELAND	5,901,15	2,861,47								90,05	2,951,52	50%
Multiregional	5,901,15	2,861,47	-	-	-	-	-	-	-	90,05	2,951,52	50%
ITALY	19,339,08	5,062,51	513,97	350,34	98,00	249,16	44,77	140,59		447,36	6,908,59	36%
Emilia-Romagna	268,67	-	12,00	74,59	-	8,85	-	6,78	-	1,74	103,95	39%
Piedmont	374,82	-	128,83	54,97	-	16,41	-	9,78	-	1,23	211,22	56%
Valle d'Aosta	17,82	-	3,23	4,78	-	0,18	-	0,59	-	0,47	9,23	52%
Lombardy	268,79	-	23,12	26,25	-	27,77	-	4,79	-	4,53	86,46	32%
Trentino	138,28	-	-	19,39	-	14,98	-	14,46	-	6,18	55,00	40%
Veneto	334,54	-	48,94	33,03	-	15,33	-	27,10	-	5,98	130,38	39%
Friuli-Venezia Giulia	120,23	-	21,28	13,88	-	3,90	-	11,98	-	1,47	52,51	44%
Liguria	166,16	-	65,28	19,84	-	2,54	-	6,26	-	3,95	97,88	59%
Tuscany	338,97	-	113,63	20,02	-	11,06	-	22,19	-	1,62	168,52	50%
Umbria	136,26	-	28,51	9,90	-	4,50	-	10,75	-	1,58	53,24	41%
Marche	151,16	-	16,65	5,70	-	17,42	-	9,24	-	1,11	50,13	33%
Lazio	352,02	-	52,50	18,30	-	8,75	-	16,66	-	3,57	99,78	28%
Abruzzi	275,37	259,40	-	-	-	-	-	-	-	15,36	274,76	100%
Molise	301,85	59,69	-	-	-	-	-	-	-	0,27	39,96	20%
Campania	1,353,72	177,22	-	-	-	-	-	-	-	3,54	180,75	13%
Apuilia	1,200,00	228,67	-	-	-	-	-	-	-	6,38	235,25	20%
Basilicata	602,75	163,41	-	-	-	-	-	-	-	2,38	165,79	28%
Calabria	919,48	275,27	-	-	-	-	-	-	-	6,95	282,22	31%
Sicily	1,369,80	320,31	-	-	-	-	-	-	-	7,23	327,54	24%
Sardinia	1,000,25	269,14	-	-	-	-	-	-	-	1,87	271,01	27%
Multiregional	5,648,14	3,310,40	-	49,71	28,90	117,47	44,77	-	-	369,76	3,991,01	41%
LUXEMBOURG	76,32		6,02	9,86	0,90	16,52	1,10	0,84		2,37	37,61	49%
Multiregional	76,32	-	6,02	9,86	0,90	16,52	1,10	0,84	-	2,37	37,61	49%
NETHERLANDS	1,950,15	42,00	204,15	434,50	22,23	34,32	15,52	41,16		85,00	878,89	45%
Noord-Nederland	164,70	-	50,03	-	-	-	-	25,02	-	6,16	81,21	49%
Oost-Nederland	263,15	42,00	82,29	-	-	-	-	4,91	-	3,03	132,22	50%
West-Nederland	39,20	-	-	-	-	-	-	3,94	-	25,99	29,93	76%
Zuid-Nederland	93,94	-	71,84	-	-	-	-	7,16	-	-	79,14	84%
Multiregional	1,389,16	-	-	474,50	22,23	34,32	15,52	-	-	49,81	556,39	40%

TABLE 2 : REGIONAL BREAKDOWN OF FINANCIAL IMPLEMENTATION 1994-96
TABLE 2.1 : COMMITMENTS (continued)

Member State / Region	Assistance (1)	Objective								ECU million		
		1	2	3	4	5(a) (agr.)	5(a) (fisheries)	5(b)	6	CI	Total (2)	% (2)/(1)
AUSTRIA	1,557.42	33.76	65.55	129.75	11.70	137.44	2.00	129.95	-	84.43	594.57	38%
East Austria	317.54	13.76	22.41	-	-	-	-	33.83	-	16.25	106.27	33%
South Austria	212.03	-	22.52	-	-	-	-	48.52	-	9.42	80.45	38%
West Austria	184.53	-	20.62	-	-	-	-	47.59	-	6.86	75.06	41%
Multiregional	843.32	-	-	129.75	11.70	137.44	2.00	-	-	51.89	332.78	39%
PORTUGAL	14,758.71	7,517.41	-	-	-	-	-	-	-	383.21	7,900.72	54%
North	541.10	317.50	-	-	-	-	-	-	-	-	317.50	59%
Centre	362.00	197.45	-	-	-	-	-	-	-	-	197.45	55%
Lisbon-Tagus Valley	426.59	200.04	-	-	-	-	-	-	-	9.22	209.26	49%
Alentejo	182.00	108.44	-	-	-	-	-	-	-	-	108.44	60%
Algarve	76.00	44.51	-	-	-	-	-	-	-	-	44.51	59%
Azores	621.00	373.18	-	-	-	-	-	-	-	-	373.18	60%
Madeira	369.20	273.32	-	-	-	-	-	-	-	-	273.32	74%
Multiregional	12,180.72	6,002.97	-	-	-	-	-	-	-	374.09	6,577.06	52%
FINLAND	1,508.40	-	52.42	95.32	23.60	114.74	23.00	49.08	158.18	90.89	607.23	40%
Manner-Suomi	195.36	-	-	-	-	-	-	46.48	-	3.15	49.63	25%
Åland Islands	2.60	-	-	-	-	-	-	2.60	-	-	2.60	100%
Multiregional	1,310.45	-	52.42	95.32	23.60	114.74	23.00	-	158.18	87.75	555.01	42%
SWEDEN	1,282.78	-	105.78	73.00	37.50	48.22	40.00	64.91	56.29	68.09	485.88	38%
Småland med Öarna	11.24	-	-	-	-	-	-	-	11.24	-	11.24	100%
Västsvetige	24.00	-	24.00	-	-	-	-	-	-	-	24.00	100%
Sydsvetige	19.97	-	15.00	-	-	-	-	-	-	1.14	18.14	91%
Mellersta Norrland	18.00	-	18.00	-	-	-	-	-	-	-	18.00	100%
Övre Norrland	103.00	-	48.78	-	-	-	-	-	-	-	48.78	47%
Multiregional	1,106.49	-	-	73.00	37.50	48.22	40.00	53.60	56.39	64.95	365.72	33%
UNITED KINGDOM	9,662.02	1,038.20	2,060.48	2,051.80	-	180.40	44.23	203.63	-	506.66	6,005.70	62%
North	447.60	-	322.83	-	-	-	-	27.75	-	23.46	374.04	84%
Yorkshire and Humberside	336.12	-	306.17	-	-	-	-	-	-	12.24	318.41	95%
East Midlands	168.88	-	70.09	-	-	-	-	-	-	10.72	89.77	53%
East Anglia	60.00	-	-	-	-	-	-	8.59	-	-	8.59	14%
South East	97.85	-	84.89	-	-	-	-	-	-	12.55	97.44	100%
South West	246.12	-	28.63	-	-	-	-	53.80	-	-	84.43	34%
West Midlands	393.46	-	374.96	-	-	-	-	-	-	19.09	394.05	100%
North West	1,180.39	286.40	333.69	-	-	-	-	-	-	32.24	652.32	55%
Wales	383.04	-	150.54	-	-	-	-	50.02	-	49.98	250.53	65%
Scotland	902.84	124.82	383.82	-	-	-	-	38.95	-	65.18	612.78	68%
Northern Ireland	1,295.93	626.86	-	-	-	-	-	-	-	53.25	680.11	52%
Gibraltar	5.07	-	5.06	-	-	-	-	-	-	-	5.06	100%
Multiregional	4,142.74	0.12	-	2,051.80	-	180.40	44.23	13.57	-	227.95	2,478.17	59%
COMMUNITY	3,186.50	-	-	-	-	-	-	-	-	1,440.73	1,440.73	45%
TOTAL	139,917.40	42,628.60	6,464.71	6,151.04	635.28	2,188.91	425.72	2,152.63	214.57	5,791.82	66,653.20	48%

TABLE 2 : REGIONAL BREAKDOWN OF FINANCIAL IMPLEMENTATION 1994-96
TABLE 2.2: PAYMENTS

Member State / Region	Assistance (1)	Objective								CI	Total (2)	% (2)/(1)
		1	2	3	4	5(a) (agr.)	5(a) (fisheries)	5(b)	6			
BELGIUM	1,762.59	171.54	50.00	156.43	8.23	59.10	19.60	8.05	-	62.85	535.81	30%
Brussels	19.72	-	-	3.91	0.15	0.13	-	-	-	1.96	6.15	31%
Flanders	445.82	-	22.27	69.86	4.42	21.92	-	2.41	-	21.17	144.05	32%
Wallonia	1,165.51	171.54	27.73	67.06	0.68	10.90	-	5.63	-	37.12	320.69	28%
Multiregional	131.53	-	-	15.60	2.98	26.14	19.60	-	-	0.60	64.92	49%
DENMARK	753.82	-	23.67	115.19	10.68	41.26	30.29	5.80	-	18.61	245.49	33%
East of the Great Belt	6.96	-	6.37	-	-	-	-	-	-	-	6.37	91%
West of the Great Belt	48.66	-	17.30	-	-	-	-	-	-	0.49	17.79	37%
Multiregional	698.20	-	-	115.19	10.68	41.26	30.29	5.80	-	18.11	221.33	32%
GERMANY	20,246.39	4,564.47	339.68	521.77	23.51	387.16	20.02	346.77	-	454.66	6,658.03	33%
Saarbrücken	8.00	-	-	-	-	-	-	-	-	1.69	1.69	21%
Mecklenburg-Western Pomerania	1,924.19	702.17	-	-	-	-	-	-	-	24.73	726.90	38%
Brandenburg	2,304.39	704.34	-	-	-	-	-	-	-	66.62	770.97	33%
Saxony-Anhalt	2,466.53	716.49	-	-	-	-	-	-	-	49.02	765.51	31%
Saxony	3,545.05	1,237.35	-	-	-	-	-	-	-	50.44	1,287.79	36%
Thuringia	2,135.45	645.16	-	-	-	-	-	-	-	37.79	682.95	32%
Berlin	992.06	201.23	45.77	19.38	-	-	-	-	-	15.95	282.32	28%
Schleswig-Holstein	156.38	-	9.39	19.33	-	0.34	-	26.22	-	7.37	62.55	40%
Hamburg	44.64	-	-	14.16	-	0.34	-	-	-	0.37	14.87	33%
Lower Saxony	496.32	-	13.95	46.19	-	3.79	-	62.47	-	23.79	150.18	30%
Bremen	104.44	-	17.05	14.03	-	0.17	-	-	-	8.36	39.61	38%
North Rhine-Westphalia	902.35	184.61	85.02	-	11.56	-	7.76	-	-	29.42	318.37	35%
Hesse	189.29	-	11.52	18.61	-	5.62	-	23.63	-	8.97	68.35	36%
Rhineland-Palatinate	288.15	14.30	10.45	-	5.26	-	27.50	-	-	10.68	68.19	33%
Baden-Württemberg	170.33	-	-	18.76	-	6.70	-	11.17	-	9.30	46.06	27%
Bavaria	791.46	-	11.73	15.09	-	18.97	-	185.77	-	18.94	230.50	32%
Saarland	140.45	-	31.37	17.72	-	1.45	-	2.26	-	8.91	61.71	44%
Multiregional	3,666.91	357.73	-	243.09	23.51	333.06	20.02	-	-	82.11	1,059.52	29%
GREECE	14,349.65	4,483.34	-	-	-	-	-	-	-	89.11	4,492.26	31%
Aegean Islands (1)	685.70	279.21	-	-	-	-	-	-	-	279.21	40%	
Central Macedonia	832.50	296.11	-	-	-	-	-	-	-	296.11	36%	
Peloponnese (2)	968.50	298.06	-	-	-	-	-	-	-	298.06	31%	
Thessaly	375.80	131.93	-	-	-	-	-	-	-	131.93	35%	
Kriti	112.30	119.48	-	-	-	-	-	-	-	119.48	106%	
Ionian (3)	407.26	160.63	-	-	-	-	-	-	-	160.63	39%	
Thrace (4)	494.30	166.95	-	-	-	-	-	-	-	166.95	34%	
Northern Aegean (5)	434.30	153.58	-	-	-	-	-	-	-	153.58	35%	
Multiregional	9,839.05	2,797.20	-	-	-	-	-	-	-	89.11	2,886.31	29%
SPAIN	31,214.16	9,403.65	607.21	516.66	76.00	84.55	42.71	242.84	-	321.42	11,295.04	36%
Castile-La Mancha	1,308.03	485.10	-	-	-	-	-	-	-	2.46	487.56	37%
Galicia	2,673.34	959.38	-	-	-	-	-	-	-	1.75	971.13	47%
Asturias	934.44	332.98	-	-	-	-	-	-	-	3.90	336.88	36%
Cantabria	517.72	139.81	-	-	-	-	-	-	-	0.53	140.33	27%
Basque Country	466.82	-	178.73	46.13	-	-	-	9.22	-	0.74	234.83	50%
Navarre	126.52	-	16.72	19.87	-	-	-	35.40	-	1.43	73.43	58%
La Rioja	36.22	-	9.08	0.87	-	-	-	14.94	-	1.10	25.99	72%
Aragon	386.84	-	23.68	5.40	-	-	-	110.07	-	8.24	147.39	38%
Madrid	293.71	-	67.76	32.20	-	-	-	13.88	-	1.08	114.92	39%
Castile-León	2,196.03	744.95	-	-	-	-	-	-	-	5.00	749.95	34%
Extremadura	1,373.63	374.90	-	-	-	-	-	-	-	7.20	382.10	28%
Catalonia	704.41	-	275.66	31.91	-	-	-	45.91	-	1.12	354.60	50%
Valencia	1,648.91	822.16	-	-	-	-	-	-	-	1.77	823.93	50%
Balearic Islands	71.23	-	7.82	3.00	-	-	-	13.42	-	1.25	25.49	36%
Andalusia	4,177.44	1,391.08	-	-	-	-	-	-	-	5.16	1,396.24	33%
Murcia	676.19	254.76	-	-	-	-	-	-	-	0.90	255.66	38%
Ceuta and Melilla	102.57	48.61	-	-	-	-	-	-	-	-	48.61	47%
Canary Islands	1,190.16	405.74	-	-	-	-	-	-	-	60.89	466.63	39%
Multiregional	12,909.87	3,434.18	27.73	377.29	76.00	84.55	42.71	-	-	216.89	4,259.36	33%

(1) Including the OP for Attica

(2) Including the OPs for continental Greece, western Greece and the Peloponnese

(3) Including the OPs for Epirus and the Ionian Islands

(4) Including the OPs for Thrace and Eastern Macedonia

(5) Including the OPs for the islands in the northern and southern Aegean

TABLE 2 : REGIONAL BREAKDOWN OF FINANCIAL IMPLEMENTATION 1994-96
TABLE 2.2: PAYMENTS (continued)

Member State / Region	Assistance (1)	Objective								CI	ECU million	
		1	2	3	4	5(a) (agr.)	5(a) (fisheries)	5(b)	6		Total (2)	% (2)/(1)
FRANCE	12,368,21	537,04	835,46	906,56	97,32	449,03	41,13	508,14		251,06	3,626,63	29%
Ile-de-France	21,40	-	-	-	-	-	-	-	-	7,32	7,32	35%
Upper Normandy	161,01	-	106,02	-	-	-	-	0,83	-	0,24	107,09	67%
Lower Normandy	200,21	-	27,99	-	-	-	-	32,00	-	6,82	66,80	33%
Picardy	141,12	-	62,50	-	-	-	-	-	-	7,59	70,09	50%
Champagne-Ardenne	89,66	-	36,56	-	-	-	-	5,77	-	1,89	44,22	49%
Burgundy	161,14	-	23,89	-	-	-	-	30,85	-	4,50	59,25	37%
Centre	110,97	-	13,20	-	-	-	-	11,68	-	4,00	28,88	26%
Nord/Pas-de-Calais	795,56	105,21	102,64	-	-	-	-	-	-	22,16	230,01	29%
Brittany	288,42	-	46,49	-	-	-	-	47,98	-	6,81	101,27	35%
Loire Region	261,46	-	62,99	-	-	-	-	23,99	-	4,64	91,61	35%
Poitou-Charentes	195,51	-	30,41	-	-	-	-	30,63	-	4,07	65,11	33%
Lorraine	245,53	-	63,05	-	-	-	-	21,15	-	24,53	108,73	44%
Alsace	83,56	-	15,90	-	-	-	-	10,62	-	5,84	32,36	39%
Franche-Comté	132,37	-	33,58	-	-	-	-	16,42	-	1,73	51,73	39%
Limousin	147,08	-	-	-	-	-	-	46,13	-	6,67	52,82	36%
Aquitaine	360,47	-	83,31	-	-	-	-	51,53	-	11,75	146,59	41%
Midi-Pyrénées	351,70	-	20,22	-	-	-	-	57,80	-	9,21	87,22	25%
Auvergne	231,92	-	29,00	-	-	-	-	48,50	-	4,78	82,28	35%
Rhône-Alpes	262,50	-	15,85	-	-	-	-	30,25	-	8,52	54,61	21%
Languedoc-Roussillon	194,55	-	34,04	-	-	-	-	21,95	-	6,29	62,28	32%
Provence-Alpes-Côte d'Azur	225,52	-	27,84	-	-	-	-	18,18	-	10,71	56,73	25%
Corcia	258,97	60,38	-	-	-	-	-	-	-	1,75	62,13	24%
Martinique	398,66	60,59	-	-	-	-	-	-	-	4,14	64,73	17%
Guyane	413,28	78,35	-	-	-	-	-	-	-	4,92	82,37	20%
French Guiana	193,29	37,48	-	-	-	-	-	-	-	8,52	46,00	24%
Réunion	775,33	195,92	-	-	-	-	-	-	-	8,12	204,04	26%
Multiregional	5,675,10	0,02	-	906,56	97,32	449,03	41,13	1,87	-	64,23	1,560,15	27%
IRELAND	5,901,15	2,270,39	-	-	-	-	-	-	-	41,56	2,311,95	39%
Multiregional	5,901,15	2,270,39	-	-	-	-	-	-	-	41,56	2,311,95	39%
ITALY	19,339,08	3,481,59	245,06	201,67	49,45	99,81	23,13	84,65		221,85	4,408,22	23%
Emilia-Romagna	268,67	-	6,00	59,45	-	2,65	-	3,39	-	0,87	72,36	27%
Piedmont	374,82	-	46,56	33,44	-	4,92	-	4,89	-	0,61	90,42	24%
Valle d'Aosta	17,82	-	3,00	1,20	-	0,05	-	0,30	-	0,16	4,71	26%
Lombardy	268,79	-	11,56	13,12	-	8,33	-	3,04	-	1,89	37,95	14%
Trentino	138,28	-	-	14,51	-	5,90	-	8,31	-	2,45	31,17	23%
Veneto	334,54	-	24,47	16,53	-	4,60	-	20,07	-	2,99	68,65	21%
Friuli-Venezia Giulia	120,23	-	12,00	6,94	-	1,17	-	6,00	-	0,74	26,84	22%
Liguria	166,16	-	49,50	5,68	-	0,76	-	2,56	-	1,61	60,11	36%
Tuscany	338,97	-	37,71	10,61	-	3,32	-	17,77	-	0,81	69,62	21%
Umbria	136,26	-	17,50	4,95	-	1,35	-	5,37	-	0,62	29,80	22%
Marche	151,16	-	10,50	2,85	-	5,38	-	4,62	-	0,56	23,91	16%
Lazio	352,02	-	26,25	9,15	-	2,62	-	8,33	-	0,94	47,30	13%
Abruzzo	275,37	121,35	-	-	-	-	-	-	-	7,68	129,03	47%
Molise	301,85	39,10	-	-	-	-	-	-	-	0,13	39,23	13%
Campania	1,353,72	89,81	-	-	-	-	-	-	-	1,77	91,58	7%
Apuia	1,200,50	105,41	-	-	-	-	-	-	-	3,29	108,70	9%
Basilicata	602,75	94,39	-	-	-	-	-	-	-	1,19	95,58	16%
Calabria	919,48	142,09	-	-	-	-	-	-	-	3,48	145,56	16%
Sicily	1,369,80	206,78	-	-	-	-	-	-	-	3,62	210,40	15%
Sardinia	1,000,25	136,84	-	-	-	-	-	-	-	0,93	137,77	14%
Multiregional	9,648,14	2,545,82	-	24,86	49,45	58,73	23,13	-	-	185,52	2,887,51	30%
LUXEMBOURG	76,32	-	4,28	8,95	0,59	10,58	0,33	0,42		0,98	26,13	34%
Multiregional	76,32	-	4,28	8,95	0,59	10,58	0,33	0,42	-	0,98	26,13	34%
NETHERLANDS	1,950,15	31,47	91,80	377,03	11,12	18,64	12,66	25,25		20,80	599,67	31%
Noord-Nederland	164,70	-	29,96	-	-	-	-	13,40	-	1,85	45,20	27%
Oost-Nederland	263,15	31,47	30,26	-	-	-	-	3,93	-	1,11	66,77	25%
West-Nederland	39,20	-	-	-	-	-	-	3,43	-	10,74	14,17	36%
Zuid-Nederland	93,94	-	31,58	-	-	-	-	4,49	-	-	36,07	38%
Multiregional	1,389,16	-	-	377,03	11,12	18,64	12,66	-	-	17,11	437,46	31%

TABLE 2 : REGIONAL BREAKDOWN OF FINANCIAL IMPLEMENTATION 1994-96
TABLE 2.2: PAYMENTS (continued)

Member State/ Region	Assistance (1)	Objective								ECU million		
		1	2	3	4	5(a) (agr.)	5(a) (fisheries)	5(b)	6	CI	Total (2)	% (2)/(1)
AUSTRIA	1,557,42	27,01	33,01	103,80	9,36	107,88	1,00	78,50	-	35,84	396,40	25%
East Austria	317,54	27,01	7,62	-	-	-	-	18,92	-	6,83	60,38	19%
South Austria	212,03	-	15,73	-	-	-	-	30,56	-	2,83	49,11	23%
West Austria	184,53	-	9,67	-	-	-	-	29,02	-	2,06	40,75	22%
Multiregional	843,32	-	-	103,80	9,36	107,88	1,00	-	-	24,13	246,16	29%
PORTUGAL	14,758,71	5,698,66	-	-	-	-	-	-	-	211,62	5,910,28	40%
North	541,10	246,24	-	-	-	-	-	-	-	-	246,24	46%
Centre	362,00	171,16	-	-	-	-	-	-	-	-	171,16	47%
Lisbon-Tagus Valley	426,59	151,48	-	-	-	-	-	-	-	4,61	156,09	37%
Alentejo	182,00	72,79	-	-	-	-	-	-	-	-	72,79	40%
Algarve	76,00	38,15	-	-	-	-	-	-	-	-	38,15	50%
Azores	621,00	318,59	-	-	-	-	-	-	-	-	318,59	51%
Madeira	369,30	208,97	-	-	-	-	-	-	-	-	208,97	57%
Multiregional	12,180,72	4,491,26	-	-	-	-	-	-	-	207,01	4,698,27	39%
FINLAND	1,508,40	-	29,79	51,26	12,92	57,31	6,90	23,61	82,62	37,77	302,17	20%
Manner-Suomi	195,36	-	-	-	-	-	-	22,83	-	1,57	24,40	12%
Åland län	2,60	-	-	-	-	-	-	0,78	-	-	0,78	30%
Multiregional	1,310,43	-	29,79	51,26	12,92	57,31	6,90	-	82,62	36,20	276,98	21%
SWEDEN	1,282,70	-	38,06	36,50	18,75	34,72	12,00	22,64	31,48	26,81	220,97	17%
Småland med Öarna	11,24	-	-	-	-	-	-	3,37	-	-	3,37	30%
Västsvrige	24,00	-	8,20	-	-	-	-	-	-	-	8,20	34%
Sydsvrige	19,97	-	5,04	-	-	-	-	-	-	0,94	5,98	30%
Mellersta Norrland	18,00	-	6,16	-	-	-	-	-	-	-	6,16	34%
Övre Norrland	103,00	-	18,66	-	-	-	-	-	-	-	18,66	18%
Multiregional	1,106,49	-	-	36,50	18,75	34,72	12,00	19,27	31,48	25,87	178,59	16%
UNITED KINGDOM	9,664,03	815,86	1,090,24	1,400,26	-	75,74	20,10	140,88	-	228,28	3,771,46	39%
North	447,60	-	191,27	-	-	-	-	16,83	-	11,73	219,82	49%
Yorkshire and Humberside	356,12	-	120,58	-	-	-	-	-	-	6,12	126,70	38%
East Midlands	168,88	-	40,79	-	-	-	-	5,13	-	5,36	51,28	30%
East Anglia	60,00	-	-	-	-	-	-	4,62	-	-	4,62	8%
South East	97,85	-	42,97	-	-	-	-	-	-	6,28	49,25	50%
South West	216,12	-	23,20	-	-	-	-	42,43	-	-	65,63	30%
West Midlands	393,46	-	157,23	-	-	-	-	-	-	9,53	166,78	42%
North West	1,180,39	231,57	124,76	-	-	-	-	-	-	16,12	372,45	32%
Wales	385,04	-	76,69	-	-	-	-	34,48	-	33,05	134,23	35%
Scotland	902,84	94,58	308,81	-	-	-	-	29,05	-	26,39	458,83	51%
Northern Ireland	1,295,93	489,70	-	-	-	-	-	-	-	21,64	511,34	39%
Gibraltar	5,07	-	4,05	-	-	-	-	-	-	-	4,05	80%
Multiregional	4,142,74	0,01	-	1,400,26	-	75,74	20,10	8,35	-	102,04	1,606,50	39%
COMMUNITY	3,186,59	-	-	-	-	-	-	-	-	711,34	711,34	22%
TOTAL	139,917,40	31,405,72	3,388,25	4,397,98	317,91	1,425,77	229,86	1,487,58	114,18	2,744,56	45,511,84	33%

CHAPTER IX

MAJOR PROJECTS

MAJOR PROJECTS*

Year of adoption/ Member State	Obj.	Total cost	ERDF assistance (1)	National public contribution	Private contribution	Commitments			Payments			ECU million
						1996	1995-96 (2)	% (2)/(1)	1996	1995-96 (3)	% (3)/(1)	
1996												
SPAIN												
Gibraltar-Cordoba gas pipeline	1	298,47	99,01	0,00	199,46	89,81	89,81	91%	71,85	71,85	73%	
Valencia-Cartagena gas pipeline	1	60,69	23,81	0,00	36,88	23,81	23,81	100%	19,05	19,05	80%	
Natural gas facilities in Huelva	1	27,40	7,28	0,00	20,12	7,28	7,28	100%	5,82	5,82	80%	
1995												
IRELAND												
Tallaght Hospital (Dublin)	1	131,33	39,37	91,96	0,00	0,00	39,37	100%	0,00	31,50	80%	
ITALY												
Port of Gioia Tauro (Calabria)	1	120,00	40,00	0,00	80,00	0,00	40,00	100%	20,00	20,00	50%	

* Major projects within the meaning of Article 16(2) of the Coordination Regulation.

CHAPTER X

ERDF and ESF PILOT PROJECTS

PILOT PROJECTS UNDER ARTICLE 10 of the ERDF REGULATION

Type of project Member State /Title /Region	Year of adoption	Total cost cost	ERDF Assistance
TECHNOLOGICAL INNOVATION			
Regional strategies for Innovation (RIS)			
Belgium: Limburg	1996	0,499	0,249
Germany: Weser-Ems	1996	0,500	0,250
Greece: Western Macedonia	1996	0,400	0,200
Spain			
Aragon	1996	0,413	0,206
Extremadura	1996	0,309	0,154
Galicia	1996	0,490	0,245
France: Auvergne	1996	0,501	0,250
Ireland: Shannon	1996	0,500	0,250
Italy: Calabria	1996	0,500	0,250
Austria: Lower Austria	1996	0,460	0,230
Portugal: Norte regional technology plan	1995	0,400	0,200
United Kingdom: Yorkshire & Humberside	1996	0,544	0,250
Regional technology plan			
Greece: Central Macedonia	1995	0,400	0,200
Spain: Castile-León	1995	0,400	0,200
Italy: Abruzzi	1995	0,400	0,200
Transfer of technology			
Castille-La Manche/Northern "IMPLACE" project	1995	3,251	1,000
Spain: "TRANSTEX" project Extremadura	1995	2,000	1,000
Italy: "REPORTING" project Apulia	1995	2,000	1,000
INFORMATION SOCIETY			
Strategy for the development of the information society (IRISI)			
Germany: Saxony	1995	0,866	0,260
Greece: Central Macedonia	1995	0,507	0,254
Spain: Valencia	1995	0,500	0,250
France: Nord/Pas-de-Calais	1995	0,497	0,249
Italy: Piedmont	1995	0,496	0,248
United Kingdom: North West England	1995	0,501	0,250
Multiregional data transmission			
WOLF project (Thessaloniki (EL), Sardinia (I), Galicia (E), Mangualde (P), Brandenburg (D), Northern Ireland (UK), Ireland)	1995	1,233	0,530
Strategy for the development of the 'information society (RISI)			
Germany			
Infosh Schleswig-Holstein	1996	0,500	0,250
Bis 2006 Brandenburg	1996	0,500	0,250
Ireland: SHIPP Shannon			
Austria: TELEKIS Styria	1996	0,577	0,250
Finland: Paraddis Tampere	1996	0,500	0,250
Sweden: AC-DIREKT Västerbotten	1996	0,500	0,250
United Kingdom: NiSTRAT North of England	1996	0,500	0,250
NEW SOURCES OF EMPLOYMENT			
Germany			
"SDL" (Regional cooperation network creating new job opportunities for women in social services for children, young people and disadvantaged persons in rural areas, Baden-Württemberg)	1996	0,509	0,250
"Contracting Büro" (Setting up and running for a pilot period of an office providing information and contacts in energy saving)	1996	0,632	0,316
Spain			
"ERNE" (Navarre)	1996	1,077	0,500
"ALEGRE" (local employment measures, Castile-León)	1996	0,818	0,500
"NYEC" (New employment initiatives, Cantabria)	1996	0,877	0,500
"NIOVALLES" (New job initiatives, Catalonia)	1996	0,887	0,430
"REVOL" (Recycling of large urban waste, Asturias)	1996	0,450	0,315
Italy			
"HOME" (A house for people: new quality for a new comfort, Apulia)	1996	0,800	0,470
"PICENUM 2000" (Active employment policy for the district of Ascoli Piceno,	1996	0,938	0,406
"SECI" (Education and child-minding, Tuscany)	1996	0,512	0,256

PILOT PROJECTS UNDER ARTICLE 10 of the ERDF REGULATION (continued)

Type of project Member State /Title /Region	Year of adoption	Total cost cost	ERDF assistance
SPATIAL PLANNING			
Netherlands			
Flood prevention: "Tungelroyschebeek"	1996	5,900	2,950
Flood prevention: "Dalemse sluis"	1996	5,600	2,800
Flood prevention: "Woolderbinnenbeek"	1996	3,300	1,650
Flood prevention: "Keersluis Haatlandhaven"	1996	4,800	2,400
Germany/Netherlands: Flood prevention "Hollandsch-Duitsche gemaal"	1996	11,600	4,200

PILOT PROJECTS UNDER ARTICLE 6 of the ESF REGULATION

Type of project Member State /Title	Year of of adoption	Total cost	ESF assistance
NEW SOURCES OF EMPLOYMENT - Managed by the Commission			
Belgium			
Advice agency for the employment of disabled people	1996	790.400	439.500
IGLOO (New forms of partnerships in areas related to housing)	1996	2.145.400	1.000.000
Trainees from SME's replaced by unemployed	1996	614.668	245.900
LEHRMAS (Social economy enterprises in the areas of environment, housing, services and cultural restoration)	1996	209.891	157.418
OLA (Training as "logistic assistant" for hospitals)	1996	875.477	377.100
Denmark			
Programme for immigrant families	1996	360.200	273.100
GREEN FUTURE (New sources of jobs in environmental activities)	1996	1.719.302	1.000.000
Incubator with experienced advisers (Business development centre)	1996	864.595	586.100
Germany			
Local network to develop innovative methods of job creation	1996	804.298	643.400
TELA-START (Regional data transmission network centres)	1996	3.112.112	1.000.000
Firm for social integration in the recycling sector	1996	240.608	192.500
Greece			
Women's Micro-Enterprise Birth and Adoption (Intermediate agency for women apprenticeships)	1996	750.800	600.640
Spain			
Assistance for the creation of very small firms by young people	1996	326.750	163.375
EVTV - FS (Feasibility study for the creation of health services)	1996	80.300	64.240
PROMETEO (Treatment of agricultural waste by marginalised youth)	1996	177.812	152.812
RESTAURA-NATURA (Local office to promote new jobs in the hotel trade)	1996	1.320.000	750.000
SARELAN (Network for protected employment for the disabled)	1996	874.062	500.000
SARELAN (Platform to solve problems of jobs offer and demand)	1996	1.200.000	720.000
SERDOM (Domestic services by marginalised people)	1996	1.533.750	720.000
New jobs in the Basque Country through teleworking and management training	1996	333.625	266.900
France			
Experiments in enterprises to reduce working time	1996	1.582.300	355.300
ARJMIEL (Platform to network competing SMEs)	1996	415.000	220.300
CITY SERVICES (Development of neighbourhood services)	1996	5.358.012	1.000.000
Training in the construction industry for disadvantaged youth	1996	304.000	173.000
Pathways to employment	1996	1.588.088	760.000
("Mediation" agents in the area of public transport)	1996	2.785.000	788.000
MERCATOR (Teleworking training centre for disabled people)	1996	600.000	192.000
PEVERE (Training of youth in environment related professions)	1996	504.571	326.200
Job creation in neighbourhood services	1996	350.200	265.400
PRESENCE (Job creation in neighbourhood services for disadvantaged young people)	1996	2.215.900	513.800
RATP-BN92 (Partnership to develop quality transport)	1996	3.584.000	1.000.000
Training of disadvantaged groups in construction related trades	1996	406.200	162.400
Ireland			
Pathways to Work (Job creation in the areas of childcare, care for the elderly, ...)	1996	365.209	276.200
RCCN (Training actions in the community/child/health care sectors)	1996	334.600	235.200
Italy			
Training and creation of employment in urban social firms	1996	1.507.943	1.000.000
Reinsertion in the labour market	1996	3.063.125	1.000.000
European Network of Agency for temporary work (Network of temporary work employment agencies)	1996	1.068.980	642.700
MARE VERDE (Creation of a Sea Agency in the harbours)	1996	300.000	200.000
Local initiatives for the creation of jobs	1996	760.120	608.100
Teleworking in privacy (Multimedia technology in SMEs)	1996	3.143.500	1.000.000
TRANSFER - COOP (Transfer of management skills between cooperatives)	1996	363.200	259.200
Portugal			
Employment, the environment and the economy in integrated development	1996	881.745	554.000
PLACE (Network of local partners)	1996	134.600	118.100
Finland			
KUOPIO Dance Festival (Job creation for young people in the area of culture)	1996	65.517	51.724
RAIN (Network of rural small enterprises and farms using IT)	1996	698.655	86.207
YOPORE (NUOTTA) (Network to promote employment related to the environment)	1996	482.800	277.200
Sweden			
Creation of local work centres (co-ops with monitor)	1996	1.841.268	1.000.000
Trans-national Training Project (Training for self-employment)	1996	1.204.000	640.800
United Kingdom			
Growth Rural Employment Bureau (Employment service bureau for very small businesses and individuals)	1996	307.700	149.118
Mobility for food wholesale workers (Three country network)	1996	39.624	18.750
SME Base Expansion Through Social Enterprises (Local consortium to support SMEs)	1996	821.219	656.975

PILOT PROJECTS UNDER ARTICLE 6 of the ESF REGULATION (continued)

Type of project Member State /Title	Year of of adoption	Total cost	ESF assistance
INFORMATION SOCIETY- Managed by the Commission			
Germany			
Brise (Bremen)	1996	500.000	250.000
Greece			
Athens	1996	500.000	250.000
Spain			
Essimur (Murcia)	1996	440.000	220.000
France			
Teleparc (Midi-Pyrénées)	1996	500.000	250.000
Ireland			
Stang (Southwest Ireland)	1996	498.500	249.450
Finland			
Nokis (Northern Karelia)	1996	500.000	250.000
Sweden			
ITBlekinge (Blekinge)	1996	500.000	250.000
United Kingdom			
WIS (Wales)	1996	529.200	250.000
Pilot and inovatory projects - Managed by the Member States			
Belgium			
Developing commercial activities for unqualified and marginalised young people	1994	1447370	353264
Computer registration system for the unemployed	1994	205702	91423
Denmark			
A further education and training project for engineers and technicians	1994	2120838	952044
Germany			
Technological and consultancy centre for women in Leipzig	1994	1830001	1373001
Further education for women (East German women, esp. in SMEs)	1994	524000	360000
Social cooperative enterprise with workshops	1994	1140000	855000
Recycling from electronic refuse	1994	944000	450000
Innovative vocational and educational measures for people with a criminal record	1994	3012000	1506000
Greater flexibility and individual attention in the learning processes of vocational training	1994	607998	303999
Greece			
Specialisation of engineers in the field of energy management in building and industry	1994	490667	368000
Study and pilot test for first implementation of occupational health & safety CAT distance learning	1994	542667	407000
Setting up mobile training units at district and local level	1994	430667	323000
Implementation of training using multimedia	1994	554667	416000
Spain			
Vocational training for managers of European funded projects	1994	201281	150961
France			
Resourcing operation towards employment, activity and economic development	1994	1098849	494482
Assessment centre for young people involved in two local assignments	1994	980916	264029
Ireland			
Employer resources initiative	1994	383000	287000
Employability through training	1994	309000	232000
Establishment of accreditation system of vocational training	1994	422000	317000
New employment - Arts & Culture	1994	1296000	972000
New work organisation in Ireland	1994	1445000	1083000
Guidance for young people	1994	1296000	972000
Italy			
START (DADO/INTELFOR) System for administrative transparency through data transmission network	1994	908000	454000
Luxembourg			
Mobile training centre	1994	1777188	888594
Netherlands			
Local centre for information exchange	1994	2498095	1124143
Portugal			
New model for vocational training of young people & recurrent training for employees	1994	260000	195000
Development of policy measures for employment and vocational training	1994	348453	261340
Cooperatives - an alternative source of employment for the over 40s	1994	238373	178780
United Kingdom			
Virtual training (Training in electronic manufacturing industry using multimedia techniques)	1994	2552000	1276000
Partnership for improved employment for disabled people	1994	1175000	585000
Training young people for industry	1994	215000	161000
Drive for youth (skills development)	1994	825000	370000

PILOT PROJECTS UNDER ARTICLE 6 of the ESF REGULATION (continued)

Type of project Member State/Title	Year of adoption	Total cost	ESF assistance
Belgium			
Integration measures in the social economy	1995	1825000	575000
Pathways of integration evaluation.	1995	1090263	490263
Denmark			
EuroCib (Trans-national testing of a training model for the integration of young people)	1995	1781160	801513
Green education and nature care in Storstrom County (environment consciousness training)	1995	2278979	1025540,55
A personal helper for physically disabled people	1995	1224720	492950
Project "Safe Harbour" (training of young unemployed people)	1995	2562527	338468
FRIGG (Training project aiming at recycling and environmental consciousness).	1995	1017236	423823
Internet-pilots (IT for upskilling and improving labour market dynamics)	1995	1527521	667038
Germany			
Apprenticeship corresponding to interests and aptitudes and ensure subsequent completion	1995	1028837	439685
Improving the professional knowledge of employees "lent" from START Zeitarbeit	1995	1520017	684007,65
Transmission of "social competence" to young people entering the working world	1995	42000	18000
Working time system agency	1995	546896	246104
T.Ö.P. - (eco-friendly production methods & products through training and research)	1995	531655	345607
Virtual community to assist handicapped people	1995	1994375	776930
Labour exchanges for active job search through self-organisation.	1995	963789	433705
Greece			
Systemic Methodology on the Design and Implementation of Vocational Training	1995	91900	68925
Development and Use of Human Resources in Major Projects	1995	574580	430935
Work card, multi-use employment voucher (Training materials for the use of offenders and ex-offenders.)	1995	478739	359054
Spain			
Training of local development experts	1995	1852772	1389750
Support system to assist 50 firms in the field of exporting	1995	338831	254123
European University Summer School in Continuing and Vocational Education.	1995	1253402	564030,9
France			
European networks for young artists	1995	2706870	993283
Job creation in the area of sport facilities construction work	1995	741000	300000
Training, action and research between the Fourth World and the University	1995	449361	202212,45
500 jobs in 1995 and 1996	1995	1903847	400000
Ethical saving in solidarity with people exposed to exclusion.	1995	282110	126949,5
DIOGENE (Design and construction of timber-frame social housing)	1995	299458	134756,1
Ireland			
Tallaght Telemarketing Initiative	1995	428500	321000
Arts Awareness Intervention 2	1995	551466	413600
European Computer Driving Licence in Ireland	1995	346000	259500
Early Years Tutor Training, course development and certification	1995	346150	259612,5
Innovative training and development for computer applications in the health services	1995	847511	635633,25
Italy			
Arianna (New forms of facilitation in matching job supply and demand)	1995	264000	118800
CARONTE (improving the operation of the labour market)	1995	329655	148344,75
Monitoring and channelling economic events	1995	166500	108225
JOBNET (New organisational and administrative models)	1995	1441949	576779
Luxembourg			
Flexmobil (greater flexibility in working hours)	1995	971460	422105
Netherlands			
Examining the scope for leave of absence arrangements	1995	6706195	1559196
Austria			
"Work book" for individuals to assist life-long learning	1995	454232	204854
Cooperation between local business and training organisations	1995	103291	46481
Effects on employment of laws and regulations in environmental policy and ecology	1995	388870	174992
Portugal			
ALICE - (to increase the capacity of local agencies)	1995	514127	385595,25
Interactive distance learning for small firms	1995	337800	253350
Living in a multicultural Europe	1995	504147	378110
Finland			
Flexibility through 6-hour shifts	1995	910000	409500
Development of quality of working life and lifelong learning	1995	800000	360000
Sweden			
SALT - Resource and Development Centre	1995	571000	256950
A model for directing a company's Competence development	1995	2652100	1193445
Matching competence to action through joining a network	1995	550000	247500
Healthy and productive workplaces	1995	699000	314550

PILOT PROJECTS UNDER ARTICLE 6 of the ESF REGULATION (continued)

Type of project Member State /Title	Year of of adoption	Total cost	ESF assistance
United Kingdom			
Flexibility, choice and quality of life	1995	212671	95701,95
Glasgow Works 2 (new and cost-effective ways to use public funds earmarked for unemployment benefit)	1995	316038	137861
Cyber Café (innovative use of new technology as an information source and training mechanism)	1995	940799	374152
City Fringe : One thousand Jobs (deliver brokerage services, reduce employers' resistance to employing local people)	1995	906.147	405.000

ABBREVIATIONS AND ACRONYMS

Adapt	Community Initiative for the adaptation of workers to industrial change
CAP	Common agricultural policy
CEEC	Central and eastern European countries
CEEP	Centre européen de l'entreprise publique (European Centre for Public Enterprise)
CES	European confederation of trade unions
CI	Community Initiative
CIP	Community Initiative programme
CSF	Community support framework
EAGGF	European Agricultural Guidance and Guarantee Fund
Ecos-Ouverture	Cooperation network with central and eastern European cities
ECSC	European Coal and Steel Community
EFTA	European Free Trade Association
EIB	European Investment Bank
EIF	European Investment Fund
Employment	Community Initiative for the development of human resources
ERDF	European Regional Development Fund
ESDP	European Spatial Development Perspective
ESF	European Social Fund
Europartenariat	Events to promote contacts between businesses in regions eligible under the Structural Funds and businesses elsewhere in the Community and/or non-member countries
FIFG	Financial Instrument for Fisheries Guidance
Forcem	Foundation for continuing training (Spain)
GG	Global grant
Horizon	Community Initiative for the occupational integration of handicapped and disadvantaged persons
Interreg	Community Initiative for the promotion of cross-border and inter-regional cooperation
ISDN	Integrated Services Digital Network
Konver	Community Initiative for the conversion of regions dependent on the defence sector
LAG	Local action group
Leader	Community Initiative for rural development projects
MP	Major project
NIS	Newly independent states
Now	Community Initiative for the occupational integration of women
OP	Operational programme
Pacte	Programme for sharing of experience among local and regional authorities of Europe
Peace	Community Initiative for reconciliation and peace in Northern Ireland and in the border counties of Ireland
Perifra	Action programme for the remoter regions and declining activities
Pesca	Community Initiative for the fishing industry
Phare	Programme of aid for the economic conversion of central and eastern European countries
Rechar	Community Initiative for the conversion of coal-mining areas
Recite	Programme to create networks among the regions and cities of Europe
Regen	Community Initiative for energy networks
Regis	Community Initiative for the most remote regions
Resider	Community Initiative for the conversion of steel-making areas

Retex	Community Initiative for the diversification of economic activities in regions heavily dependent on the textiles and clothing industry
R&D	Research and development
RIS	Regional Innovation Strategy
RISI	Regional Information Society Initiative
RTD	Research and technological development
SMEs	Community Initiative for the adjustment of SMEs to the Single Market
SME(s)	Small and medium-sized firm(s)
SPD	Single programming document
Stride	Community Initiative on science and technology for regional innovation and development
TEN(s)	Trans-European network(s)
UNICE	Union des industries de la Communauté européenne - employers' federation for industrial relations
Urban	Community Initiative to assist declining urban areas
WHO	World Health Organisation
Youthstart	Community Initiative for the occupational integration of young people