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<u>Annex to the</u> **:**

16th Annual Report on the implementation of the Structural Funds (2004)

{COM(2005) 533 final}

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Part 1: General analysis of activities

1. INTRODUCTION

The year 2004 was marked by four important events: allocation of the performance reserve, followed by the mid-term review of the programmes in the EU-15, EU enlargement and the start of negotiations on the regulatory framework for the 2007-2013 programmes on the basis of the Commission proposal.

Allocation of the performance reserve, which was put into effect in 2004, is an innovation introduced in the 2000-2006 programming period. It is governed by Article 44 of Regulation (EC) No 1260/1999, which stipulates that 4% of the initial resources should be held back for allocation at mid-term to programmes performing the best. The Commission report concluded that the reserve acted as an incentive for capacity building and better management practices across the Member States, despite different methods used for assessing performance and making allocation proposals.

Article 14 of Regulation 1260/1999 lays down that the programmes can be adapted following the mid-term evaluation and allocation of the performance reserve. In consequence, most of 2004 was devoted to the discussions on the mid-term review of the programmes in the EU-15. It provided an opportunity for many Member States to take into account the priorities identified in the Lisbon and Gothenburg Strategies and earlier Commission recommendations in that respect. Preliminary analysis shows that Member States have recognised the importance of the Lisbon and Gothenburg priorities in many amended programmes.

The enlargement of the EU resulted in the inclusion of, on the whole, less developed regions in the EU. Over 92% of the population in the new Member States live in regions with a GDP per head of under 75% of the EU-25 average and 61% live in the areas below 50%. The European Union will assist the new Member States to reduce these disparities. In total, EUR 24 billion of Community aid (at current prices) is allocated to the EU-10 for the 2004-06 programmes. Of the EUR 14.96 billion from the Structural Funds, 61% will be from the ERDF, 25% from the ESF, 12% from the EAGGF-guidance section and about 2% from the FIFG. Although their Community Support Frameworks and Single Programming Documents were not been formally approved until the effective date of accession (i.e. 1 May 2004), the new Member States had the possibility of committing Structural Funds money from 1 January 2004 provided that selected projects complied with the relevant Community legislation.

In July 2004, the Commission adopted a legislative proposal for the new cohesion policy post-2006. This proposal includes key ideas formulated in the debates launched by the Commission at the beginning of 2004 with the publication of the Third Report on Economic and Social Cohesion;[1] these debates continued around Europe throughout the year (e.g. the Third Cohesion Forum organised in Brussels in May, Seminar “Open days” in September, etc.). The legislative package includes a

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1 COM (2004)107

proposal for a general regulation, a regulation for each financial source (ERDF, ESF and Cohesion Fund) and a new proposal for cross-border cooperation. For the 2007-2013 period, the Commission proposes to allocate EUR 336.1 billion to three priorities: A "Convergence objective" is proposed for the regions with a GDP below 75% of the EU average and the outermost regions, phasing out support for the regions affected by the 'statistical effect' of enlargement[2] and the Member States eligible for the Cohesion Fund (EUR 264 billion or 78.5% of the total contributions from the Funds). A "Regional competitiveness and employment objective" will target all regions not be covered by the Convergence objective to improve their competitiveness and promote labour market policies in line with the European Employment Strategy and the Lisbon strategy (EUR 57.9 billion or 17.22% of the total allocation from the Funds). The "European territorial cooperation objective" will aim to facilitate cross-border and trans-national cooperation and exchange of experience (EUR 13.2 billion or 3.94% of the total).

2. ANALYSIS OF IMPLEMENTATION

2.1. Budget Implementation

2.1.1. General overview

The EU budget for 2004 was the first with 25 Member States (EU-25). The accession of the ten new Member States (EU-10) in May 2004 resulted in additional budgetary needs which were covered by means of an amending budget.[3] This chapter refers to the EU-25 budget, unless stated otherwise. Budget 2004 was also the first EU budget with an activity-based structure.[4]

Chart 1 shows the evolution of appropriations entered in the budget since 1994. For commitment appropriations, the peak of 1999 occurred due to re-budgeting of part of the Structural Funds' Edinburgh allocation which had not been used in the previous years. By contrast, the new 2004 peak reflects a net increase of commitment appropriations: increase in both the SF allocation decided upon at the Copenhagen European Summit for EU-10 and the 2004 tranche of the old Member States (EU-15) performance reserve (EUR 2 779 million). For payment appropriations, 2004 marks an absolute peak, due mainly to good progress of EU-15 programmes, but also to the payments on account for EU-10.

Chart 1: Commitment and payment appropriations entered in the budget[5] from 1994 to 2004 (EUR million)

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2 Regions exceeding the 75% marker only as result of enlargement and not as result of their better economic performance.

3 Amending budget No 1/2004 made available EUR 3 812 million of commitment and EUR 1 702 million of payment appropriations to the Structural Funds programmes in the ten new Member States.

4 Previously the operational budget of the Commission was structured around broad sub-sections. All the Structural Funds were included in sub-section B2. Under ABB, the budget was divided into policy areas. Accordingly, the Structural Funds are now included under four different policy areas: "Regional Policy" for the ERDF budget lines, "Employment and Social Affairs" for the ESF, "Agriculture and Rural Development" for the EAGGF-Guidance and "Fisheries" for the FIFG.

5 Including all transfers during the year but excluding amounts carried over.

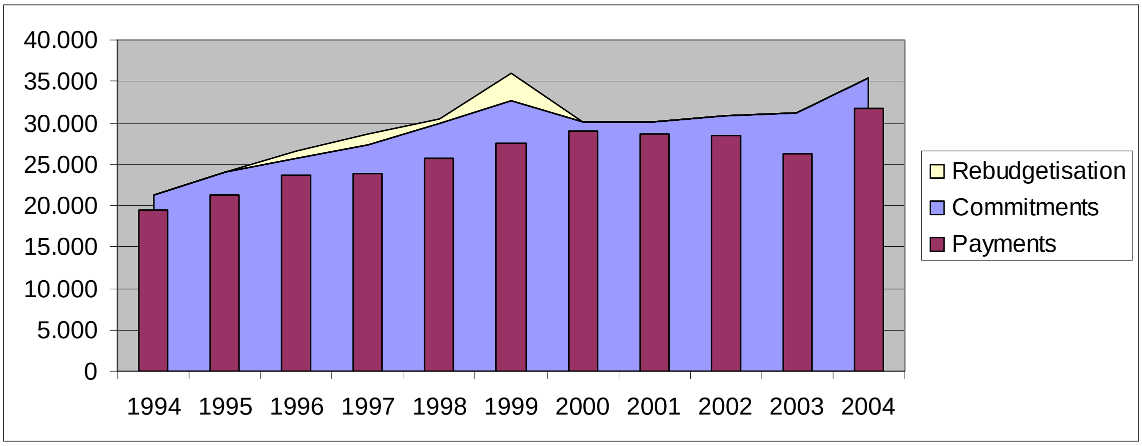
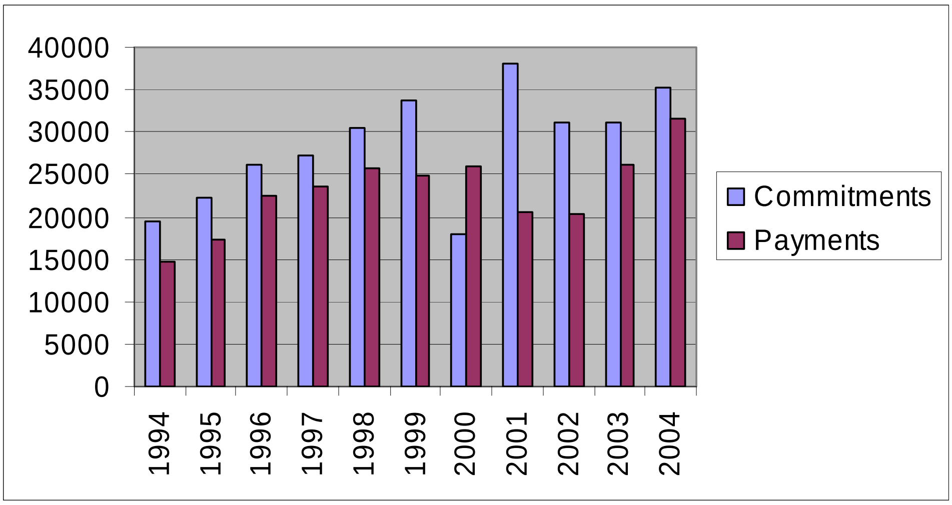


Chart 2 shows the actual execution of commitments and payments (including amounts carried forward) each year from 1994 to 2004.

Chart 2: Execution of commitments and payments (all types of appropriations from 1994 to 2004 (EUR million)



The commitments profile of 2000 and 2001 was distorted by the delays in the adoption of the new programmes at the beginning of the 2000-2006 programming period, leading to significant carry-over of appropriations. Since then, commitments have reverted back to the normal annual instalment level corresponding to the Berlin profile. As for implementation of the Copenhagen allocation, all the available appropriations were committed in 2004. This, of course, is a great achievement in the first year of the programmes concerned. To put things in perspective, in the first year of the EU-15 programmes of the current period, around 50% of available commitment appropriations could not be committed due to delays in programming.

With regard to payments, the delays in the adoption of the programmes, as well as slow progress in the closure of the programmes of the pre-2000 period, were the reason for the low level of execution in 2001 and 2002 (around EUR 20 billion). In 2003, the execution of payments improved significantly, to EUR 26.2 billion. 2004 was even better, with payments of EUR 31.5 billion, of which EUR 1.5 billion for payments on account in the new Member States. Execution of the EU-15 2000-2006 programmes (at 99% of available appropriations) was excellent. Significant progress was also made in the closure of the pre-2000 programmes, where the outstanding commitments (RAL)[6] decreased from EUR 9.2 billion in 2003 to EUR 3.3 billion.

2.1.2. Implementation in commitments in 2004

In 2004, the commitment appropriations available for the Structural Funds totalled EUR 35 353 million, i.e. 86% of the appropriations for structural operations and 32% of the budget. Commitment appropriations for the ten new Member States, according to the Copenhagen profile, amounted to EUR 3 812 million.

Table 1 gives details of the appropriations available by Objective and by Fund.

Table 1: Appropriations available in 2004 (EUR million, including any transfers)

[6] RAL – in French *restant à liquider*, outstanding commitments.

	ANNUAL APPROPRIATIONS						CARRYOVERS						TOTAL
	EAGGF	FIFG	ERDF	ESF	PEACE	TOTAL	EAGGF	FIFG	ERDF	ESF	PEACE	TOTAL	
Objective 1	3.333	451	15.794	5.785	110	25.473						0	**25.473**
Objective 2			3.269	350		3.619						0	**3.619**
Objective 3				3.835		3.835						0	**3.835**
FIFG (outside objective 1)	0	175				175						0	**175**
CI	361		1.199	580		2.140						0	**2.140**
IM & TA	2	4	54	52		112						0	**112**
TOTAL	**3.697**	**630**	**20.316**	**10.601**	**110**	**35.353**	**0**	**0**	**0**	**0**	**0**	**0**	**35.353**

The appropriations available increased by EUR 4.2 billion (14%) vis-à-vis 2003, when available appropriations totalled EUR 31 130 million. This increase is mainly explained by the accession of EU-10, whose commitment appropriations account for 90% of the increase. The carry forward of appropriations from 2003 does not appear in the table, given that the amount was lower than EUR 1 million (only EUR 0.3 million).[7] In 2004, an amount of EUR 3.3 million was also made available again[8] for the Irish Objective 1 programmes, in connection with "force majeure" circumstances linked to the foot and mouth disease outbreak in Ireland.

Implementation by Fund and by Objective is shown in Table 2. Commitments made total EUR 35 212 million, practically 100% of the total available appropriations, as would be expected under the essentially automatic commitment procedures.[9] The entire budget foreseen in Copenhagen for EU-10 programmes was committed.

Only EUR 141 million in appropriations were not ultimately committed, for two different reasons. First, within the context of the mid-term review a large number of EU-15 programmes received a fresh allocation from the performance reserve of EUR 8.2 billion to be newly programmed over 2004-2006 (EUR 2.8 billion for 2004 alone).[10] Although the bulk of the associated 2004 commitments were made in time, for a (very) few programmes this was not possible before the end of the year, although the preparatory stages of the commitments were completed in all cases. Consequently, an amount of EUR 115.2 million of commitment appropriations was carried forward to 2005, in accordance with Article 9(2)(a) of the Financial Regulation. The remaining EUR 26 million of uncommitted appropriations are technical assistance appropriations that lapsed.

Table 2: Implementation of commitments in 2004(EUR million)

7 As for the preceding years, the carryovers of EUR 8 226 million from 2000 to 2001, and EUR 172 million from 2001 to 2002, were due to delays in the adoption of programmes in the first years of the programming period 2000-2006. An amount of EUR 1.2 million was carried over from 2002 to 2003.

8 This had been decommitted in 2003 under the "N+2" rule.

9 Each of the annual instalments entered in the financing tables for the programmes are committed at the start of the year with no requirement beyond the initial Commission decision. Therefore, after adoption of the programmes, total or near-total utilisation of commitments is to be expected.

10 Other hitherto unprogrammed EU-15 allocations for 2004-2006, for the main programmes and Community Initiatives, were also programmed in 2004. However, the amounts involved were marginal when compared to the performance reserve.

	ANNUAL APPROPRIATIONS						CARRYOVERS						TOTAL
	EAGGF	FIFG	ERDF	ESF	PEACE	TOTAL	EAGGF	FIFG	ERDF	ESF	PEACE	TOTAL	
Objective 1	3.312	451	15.794	5.745	110	25.411						0	**25.411**
Objective 2			3.266	349		3.615						0	**3.615**
Objective 3				3.802		3.802						0	**3.802**
FIFG (outside objective 1)		172				172						0	**172**
CI	356		1.199	572		2.126						0	**2.126**
IM & TA	2	2	41	42		86						0	**86**
TOTAL	**3.669**	**624**	**20.300**	**10.509**	**110**	**35.212**	**0**	**0**	**0**	**0**	**0**	**0**	**35.212**
%	99%	99%	100%	99%	100%	100%							100%

The automatic commitment rules do not apply to technical assistance and innovative measures, where new decisions are taken each year. The utilisation rate for these instruments experienced a considerable decrease to 77% in 2004, when compared with the previous years (96% in 2001, nearly 100% in 2002 and 94.5% in 2003).

2.1.3. Implementation in payments in 2004

2.1.3.1. Available payment appropriations

More conservative budgets and more proactive management of these budgets were adopted to improve the rate of execution. For the 2004 budget, the rate of increase of payment appropriations in comparison to 2003 was limited to 2.3 % for EU-25 (conclusions of the Council's second reading of the general budget of the European Communities for the financial year 2004). At the same time, the European Parliament and the Council invited the Commission to propose a preliminary draft amending budget in 2004 in case payment appropriations proved insufficient.

By the end of September 2004, the execution of payments from the Structural Funds (all programming periods included) amounted to EUR 21 billion, representing 75% of the authorised appropriations, significantly above the typical monthly pattern of execution. The Commission reacted to the risk that the remaining appropriations would not be enough to cover the needs and submitted a preliminary draft amending budget, after receiving additional information justifying its concerns from the Member States. A total additional amount of EUR 3.7 billion was eventually made available for the Structural Funds in Amending Budget No 10, at the end of November 2004. This was funded by transfers of EUR 1.7 billion from Agriculture (Heading 1a of the Financial Perspectives), an increase of EUR 1.5 billion in the revenue forecast, and a call on the Member States for EUR 500 million in new resources. Available appropriations at the end of the year amounted to EUR 31 780 million, including the allocation of EUR 1 707 million to EU-10.

Table 3 shows the payment appropriations available by chapter and by Fund (all appropriations together). A distinction is made between payment appropriations for programmes of the current 2000-06 period and payment appropriations for programmes from earlier periods. The appropriations available totalled EUR 31 780 million, including transfers and amending budgets.

Table 3: Payment appropriations available in 2004 (EUR million, all appropriations together and including transfers)

2.1.3.2. Execution in payments

2004 marked the highest payments ever in the Structural Funds: EUR 31 516 million, an increase of 20% from 2003. This was a significant improvement in comparison with the trend of the first four years of the current programming period, when implementation of the Structural Funds 2000-2006 programmes trailed expectations and led to significant under-execution of payment budgets.

The outcome of the 2004 budget execution is well illustrated by Chart 3, which clearly shows the dramatic improvement in budget management achieved since 2002: under-utilisation of payment appropriations was almost non-existent in 2004 (EUR 264 million or 1% of available appropriations).[11] This was made possible by the good progress of payments (EUR 31 516 million[12] in actual payments in 2004, from EUR 26 243 in 2003; in 2004, EUR 1 550 million was paid out to EU-10 programmes[13]), and by the more proactive budget management stance adopted by the Commission in recent years.

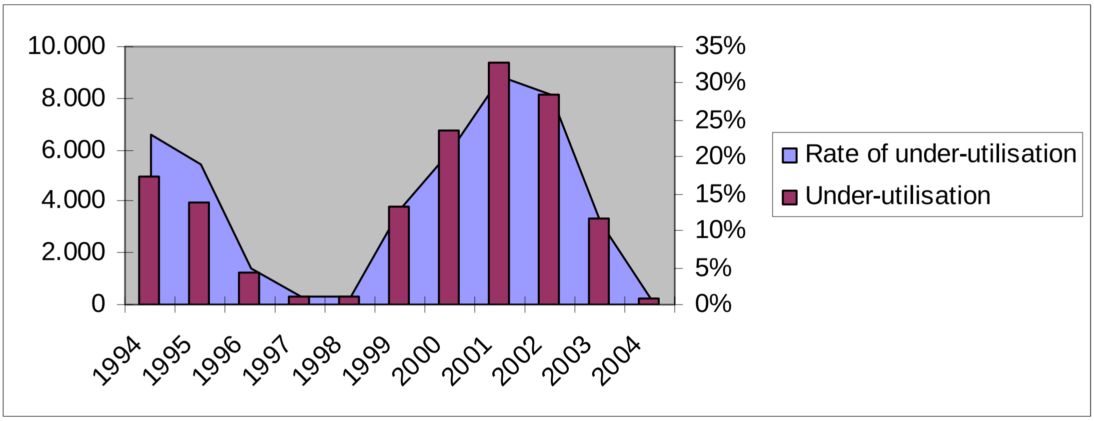
Chart 3: Under-utilisation of payment appropriations from 1994 to 2004

(Left-hand scale: absolute amounts in million, and right-hand scale: relative rate)

11 Note that the trend at the beginning of the programming period 2000-2006 is similar to the one from the previous programming period, where the first two years (1994 and 1995) were also marked by substantial under-utilisation, especially when measured in relative terms.

12 Part of the acceptable payment claims that were received after 31 October in 2004 will be paid out in 2005 – these are unaccounted for here. While the Commission endeavours to settle payment claims received after 31 October before the end of the year, this is not always possible. Member States are requested to include any payment claims to be presented after 31 October of any year in their payment forecasts for the following year.

13 Excluding their share in INTERREG programmes.



Outturn (see Table 4 below) totals EUR 31 516 million, or (a remarkable) 99% of available appropriations, leaving only EUR 264 million unused.

2.1.3.3. Outturn - analysis by Objective and by Fund

Table 4 gives a breakdown of outturn by Objective and by Fund. The rates of execution relative to available appropriations are shown in the last column and row.

Table 4: Payments in 2004(EUR million)

	CURRENT PROGRAMMES						OLD PROGRAMMES	TOTAL	%
	EAGGF	FIFG	ERDF	ESF	PEACE	TOTAL			
Objective 1	2 709	334	12 594	4 258	135	**20 030**	1 974	**22 004**	**99.3%**
Objective 2			3 476	356		**3 832**	478	**4 311**	**100.0%**
Objective 3				2 546		**2 546**	373	**2 919**	**99.6%**
FIFG (out obj. 1)		145				**145**	75	**221**	**82.5%**
CI	239		632	424		**1 295**	671	**1 966**	**98.6%**
IM & TA	1	2	51	29		**83**	14	**97**	**77.9%**
TOTAL	**2 948**	**481**	**16 753**	**7 614**	**135**	**27 931**	**3 585**	**31 516**	
%	100%	81%	100%	99%	80%	99%	99%	99%	

Amongst objectives, overall budget execution was best for Objective 2 (100%). The implementation of Objectives 1 and 3, as well as of the Community Initiatives, was also close to 100%. This is a significant improvement, especially for the Community Initiatives, which only used 48% of available appropriations in 2003. FIFG outside Objective 1 programmes also improved their execution rate, though less dramatically (from 60% in 2003 to 83% in 2004). Only Innovative measures and technical assistance executed less than in 2003, their implementation rate decreasing from 90% to 78%.

The execution of the appropriations allocated to the pre-2000 programmes increased by 40 percentage points from 2003, reaching 99% in 2004 (even though the actual amount of payments made did not vary significantly).

Table 5 compares payment rates in 2003 and 2004. It once again illustrates the excellent budgetary performance of 2004.

Table 5: Comparison of payment rates in 2003 and 2004

	2003			2004		
	old	current	**total**	old	current	**total**
Objective 1	70%	99%	**95%**	99%	99%	**99%**
Objective 2	70%	99%	**91%**	100%	100%	**100%**
Objective 3	27%	83%	**74%**	100%	100%	**100%**
FIFG (out obj. 1)	57%	63%	**60%**	100%	76%	**82%**
CI	30%	75%	**48%**	99%	98%	**99%**
IM & TA	94%	88%	**90%**	73%	79%	**78%**
TOTAL	**59%**	**96%**	**89%**	**99%**	**99%**	**99%**

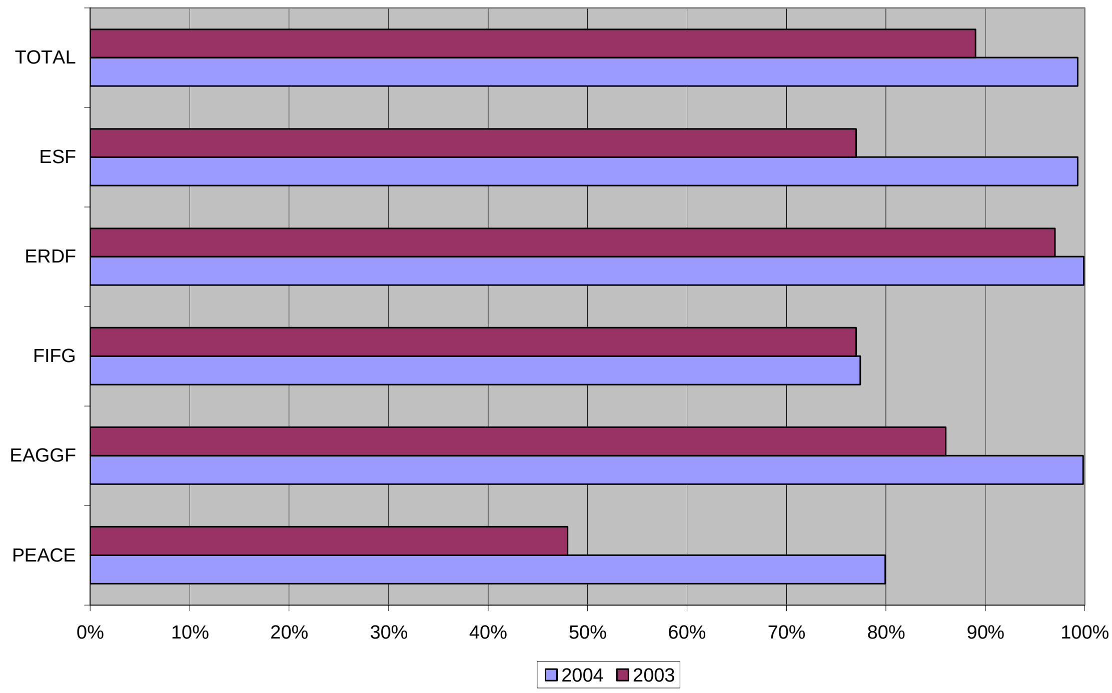
Overall, the payment rate increased from 89% in 2003 to 99% in 2004. The overall improvement is mainly due to the earlier programmes lines, given that the payment rate for the 2000-2006 programmes was already fairly high (96%) in 2003. Most 'objectives' executed quite well in 2004, though there is clearly room for significant improvement in FIFG outside Objective 1 and Innovative Measures and Technical Assistance.

An analysis of the performance of the different funds is shown in Chart 4, which compares utilisation by fund in 2003 and 2004 (2000-2006 and earlier period programmes combined together).

The ERDF, EAGGF-Guidance and ESF all executed very well (execution rates of 98% to 100%), improving significantly over 2003. The special programme for peace and reconstruction (PEACE)[14] also improved from a meagre 49% pay rate of 2003, but it still did no better than paying 80% of its appropriations. The FIFG was the only fund with a deteriorating performance, from a payment rate of 86% in 2003 to 81% in 2004.

[14] Singled out here, although it is an Objective 1 programme.

Chart 4: Utilisation rate by fund in 2003 and 2004



2.1.3.4. Analysis of under-utilisation in 2004

Under-utilisation in 2004 was almost non-existent. Table 6 summarises the outturn.

Table 6: Payments on old programmes and new programmes (EUR million)

	Appropriations available*	Outturn	%
Old programmes	3 622	3 585	99.0%
Current programmes	28 158	27 930	99.2%
TOTAL	**31 780**	**31 515**	**99.2%**

(*) Appropriations available are after transfers and Amending Budgets in the course of the year

Payments on old programmes

At EUR 1 044 million, the budget adopted for these programmes was far too small in relation to the RAL. That budget, as proposed by the Commission in its Preliminary Draft Budget 2004, had been calculated at the beginning of 2003 on the assumption that most of the RAL would be cleared in 2003. However, clearance of the RAL in 2003 progressed slower than anticipated. By the end of the year, many closures were still waiting for complementary information from the managing authorities in the Member States and it was uncertain when most of the programmes could be closed. Under these circumstances, the Commission decided to use internal transfers to increase the funding of these lines during the first months of 2004 as need be and to wait for a robust estimation of 2004 closures before proposing any additional funding by the budgetary authority.

By autumn, the Commission had arrived at a good estimation of actual needs and proposed a preliminary draft amending budget. The lines were eventually reinforced by Amending Budget No 10. Execution at the end of the year stood at EUR 3 585 million. Decommitments on the RAL amounted to EUR 2 277 million.[15] Thus, outstanding commitments at the end of 2004 stood at EUR 3.3 billion, 64% below the RAL at the end of 2003 (EUR 9.2 billion).

The Commission now expects to close the bulk of the remaining programmes in 2005, either through final payments or through decommitments.[16]

Payments on programmes for the 2000-2006 period

From an allocation of EUR 28.1 billion, EUR 27.9 billion, i.e. 99.2% of appropriations available at the end of the year, were paid. This amount exceeded the initial budget of EUR 26.9 billion by EUR 1 billion. The payments on account amounted to EUR 1.5 billion, representing 5% of the total payments made. These consisted almost entirely of payments on account for the EU-10 programmes for the period 2004-2006 (payments on account for EU-15[17] were only EUR 23.7 million).

Execution of EU-15 programmes

Despite the good execution in 2004 of the current EU-15 programmes, budgetary implementation in payments is still lagging behind original expectations for the current programming period. This is illustrated in Table 7, which compares actual execution with the assumptions implicit in the initial Financial Perspectives. At the end of 2004, accumulated payments are trailing initial expectations by over EUR 23 billion.

The cumulative “backlog” of payments in relation to the estimates contained in the Financial Perspective continued to increase in 2004, although the annual difference between actual payments and the latter estimates had started to narrow in 2003.

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15 The 1994-1999 rules had no "n+2" or similar clause. Thus, the bulk of decommitments associated with non-execution occurred at the end of the programming period, at the closure of the programmes.

16 Some closures, though, will remain suspended on account of legal proceedings.

17 These advance payments were made for technical assistance (either on separate budget lines or for the TA part inside the operational programmes) and innovative measures.

Table 7: Comparison between assumptions in the financial perspectives and budget *outturn, EU-15*

€ billion	2000	2001	2002	2003	2004	TOTAL
Financial Perspectives	9.2	19.6	25.6	27.6	30.2	112.2
-of which, payments on account	8.0	6.0	0.0	0.0	0.0	14.0
-of which, reimbursements	1.2	13.6	25.6	27.6	30.2	98.2
Outturn	5.9	14.7	19.2	22.7	26.4	88.9
-of which, payments on account	5.9	7.7	0.4	0.0	0.0	14.0
-of which, reimbursements	0.0	7.0	18.8	22.7	26.4	74.9
Differences vis-à-vis FP	-3.3	-4.9	-6.4	-4.9	-3.8	-23.3
-of which, payments on account	-2.1	1.7	0.4	0.0	0.0	0.0
-of which, reimbursements	-1.2	-6.6	-6.8	-4.9	-3.8	-23.3

This led the Commission and the budgetary authority to adjust the payment budgets downwards. Table 7A illustrates this point.

Table 7A – Differences between (initial) Financial Perspectives and Budgets,[18] EU-15

billion €	2001	2002	2003	2004
FP	19,6	25,6	27,6	30,2
Budgets	21	21,1	23,6	26,4

Execution of EU-10 programmes

The payments made to EU-10 programmes in 2004 consisted almost exclusively of advance payments.[19] They amounted to EUR 1 550 million, while the total amount of interim payments (all made for Objective 1 programmes) was EUR 23.7 million. The following table summarises the outcome. It should be noted that Community initiative INTERREG programmes have been excluded from the comparison table since the new Member States participate in existing programmes where payments are made to the country managing the programme, i.e. an old Member State, and therefore it is not possible to single out the share of EU-10. It is also worth noting that no INTERREG advance payments have been made to EU-10, since advance payments for the programmes concerned were made when the programmes were originally adopted.

[18] Budgets include appropriations carried forward.

[19] According to the Copenhagen agreement, the advances for EU-10 Structural Fund programmes amount to 16% of the total commitment allocation of EUR 16 billion for the period 2004-2006, or EUR 2.56 billion, split between 2004 (10%) and 2005 (6%).

Table 7.B: Comparison between assumptions in the financial perspectives and budget outturn, EU-10

€ billion	2004	2005	2006	TOTAL
Financial Perspectives	1,6	3,0	3,3	7,9
-of which, payments on account	1,5	1,0	0,0	2,5
-of which, reimbursements	0,1	2.0	3,3	5,4
Outturn	1,5			1,5
-of which, payments on account	1,5			1,5
-of which, reimbursements	0,0			0,0
Differences vis-à-vis FP	0,1			0,1
-of which, payments on account	0,0			0,0
-of which, reimbursements	0,1			0,1

Interim payments were slightly below the Financial Perspectives assumption but payments on account were executed as anticipated.

2.1.4. Transfers made in 2004

During 2004, only one transfer (of commitment appropriations) was proposed by the Commission and accepted by the budgetary authority. The transfer was made in order to ensure consistency between the rounding approach (to the nearest million) used in the yearly technical adaptation of the Financial Perspectives, and the rounding (to the nearest euro) used to define the amounts in current prices available for the Structural Funds programmes for the new Member States under Heading 2 of the Financial Perspectives. To this effect, transfers from technical assistance to the mainstream programmes were made across all the Funds. The overall budgetary effect of these transfers was zero.

Numerous transfers were made by the Commission itself under its own prerogatives established in the Financial Regulation (a list of these transfers is attached in part 6 of the annex). These transfers were made essentially for two reasons. For commitment appropriations, to adapt the budget to the programming changes made in the mid-term review of the programmes. For payment appropriations, the lack of payment appropriations prior to amending budget No 10 required transfers to the budget lines where the appropriations were most urgently needed.

2.1.5. End-of-year concentration

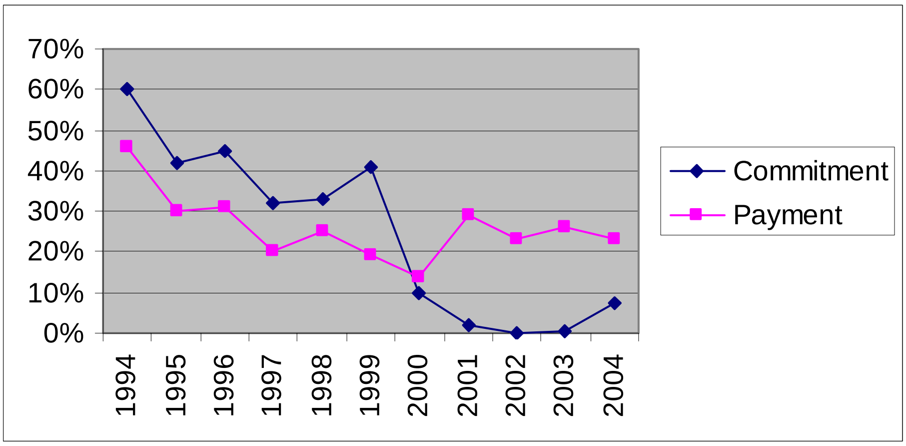
Typically, commitments implementation in the Structural Funds is concentrated in the first half of the year and payments implementation at the end of the year. To a certain extent, this reflects the accounting system of the regulatory framework.

Under Regulation (EC) No 1260/1999, after adoption of the programmes commitments are made by 30 April of each year, almost automatically following the annual instalments decided upon for each adopted programme. Thus, apart from 2000 (when the first programmes were adopted), commitments have typically been front-loaded. This was also the case in 2004. However, in 2004 commitments for the EU-10 programmes and the EU-15 mid-term review and the ensuing allocation of the performance reserve resulted in a relative increase in the execution of commitments later in the year. In particular, the allocation of the performance reserve to the programmes led to an exceptional concentration of commitments in December, when 8% of the whole year's commitments were made.

Conversely, payments are typically concentrated in the last months of the year. For the 2000-2006 programmes, Member States are invited to group their payment applications in three batches over the year, with the last application to be sent, in accordance with the Structural Funds regulation, by 31 October each year. The pattern of actual payments, very much back-loaded, continues to suggest that this procedure has been less than smooth.[20] In fact, about a quarter of all payments made during a year have been paid in December since 2002 (though there was a slight improvement from 2003 to 2004, which was remarkable because the appropriations from amending budget No 10, more than 10% of all the appropriations available at year end, could not be made available before the beginning of December).

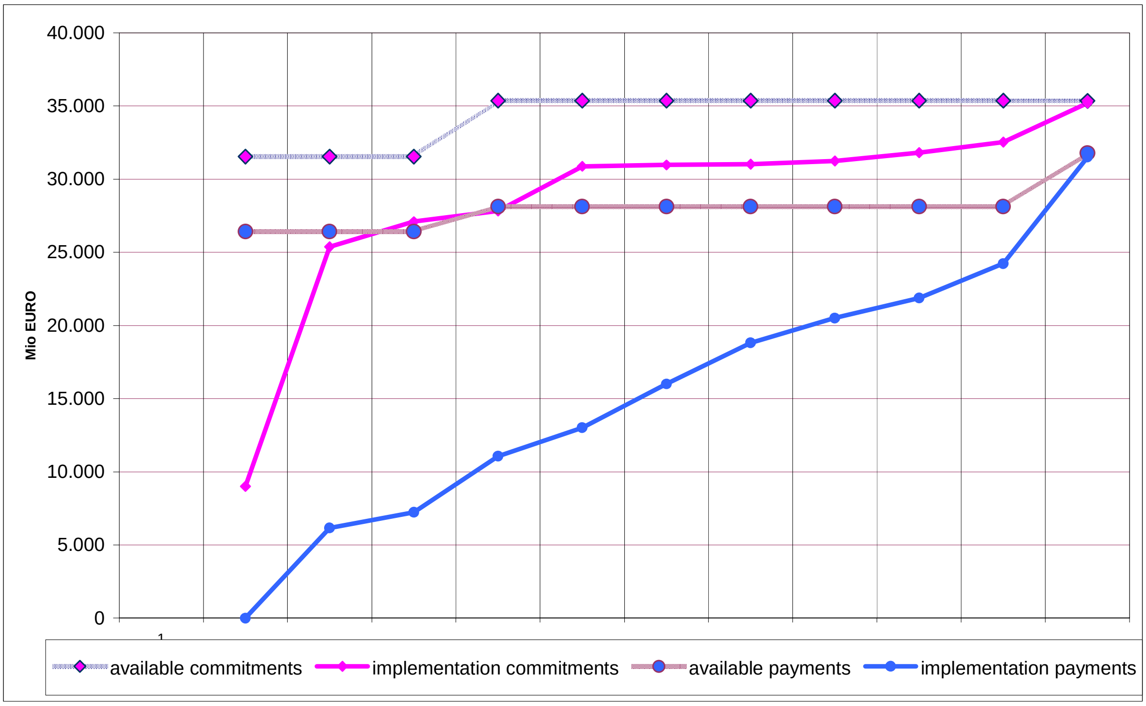
Chart 5, on the concentration of commitments and payments in December, and Chart 6, on the monthly implementation pattern in 2004, illustrate the points made above.

Chart 5: Concentration of commitment and payment appropriations in December (percentage executed in December)



[20] Indeed, in many cases the Commission has received payment claims for quite significant amounts after October (which it has strived to pay as quickly as possible).

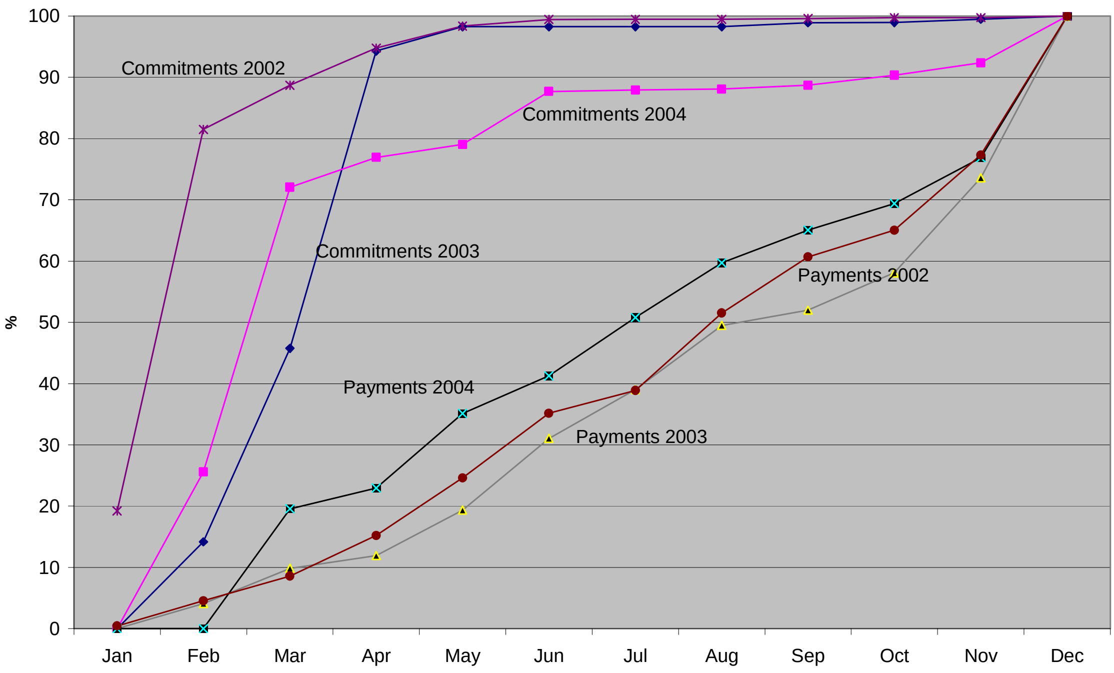
Chart 6: Monthly implementation pattern in 2004 (EUR million)



Finally, Chart 6A depicts the cumulative monthly execution of commitments and payments (commitments and payments made up to a certain month as a percentage of all commitments and payments made during the year) from 2002 to 2004. For commitments, the programming of the performance reserve and of the new EU-10 programmes fully explains the differences between the 2004 pattern and the usual one.

For payments, 2004 confirms once more the relative stability of the monthly evolution of payments. Indeed, the payment curves since 2002 are fairly similar. In 2004, though, the curve is slightly more front-loaded, reflecting an earlier start of payments in the year. During 2004, payments by each month up to November were roughly 10 percentage points above the corresponding payment percentages in 2003. For instance, by July 2003, only 40% of the payments executed during that year had already been made. By July 2004, the percentage was 50%. It remains to be seen if this acceleration is maintained in 2005 and the following years.

Chart 6A – Monthly implementation patterns in 2002, 2003 and 2004 (%)



2.1.6. *Implementation by Member State*

Chart 7 shows the commitments and payments made in 2004 by the EU-25 Member States (all appropriations combined). In the case of EU-10, the vast majority of payments (99%) consisted of payments on account.

Because of the cross-border nature of some operations, for which there is often a single accounting commitment per programme (INTERREG, PEACE, BORDER REGIONS), commitments and payments in these operations cannot be allocated to a specific Member State in the accounts; hence the existence of the "other" column in the chart. Certain technical assistance operations are likewise not attributable to a Member State.

After the beginning of the programming period 2000-2006, 2003 was the first year when outstanding commitments (RAL) decreased for some EU-15 Member States. This trend continued and consolidated in 2004, when seven of the fifteen Member States managed to decrease their RAL. Absolute RAL reductions were bigger for Spain (EUR 500 million) and Ireland (EUR 361 million), but payments exceeded commitments for Denmark, Finland, Luxembourg, Portugal and Sweden as well.[21]

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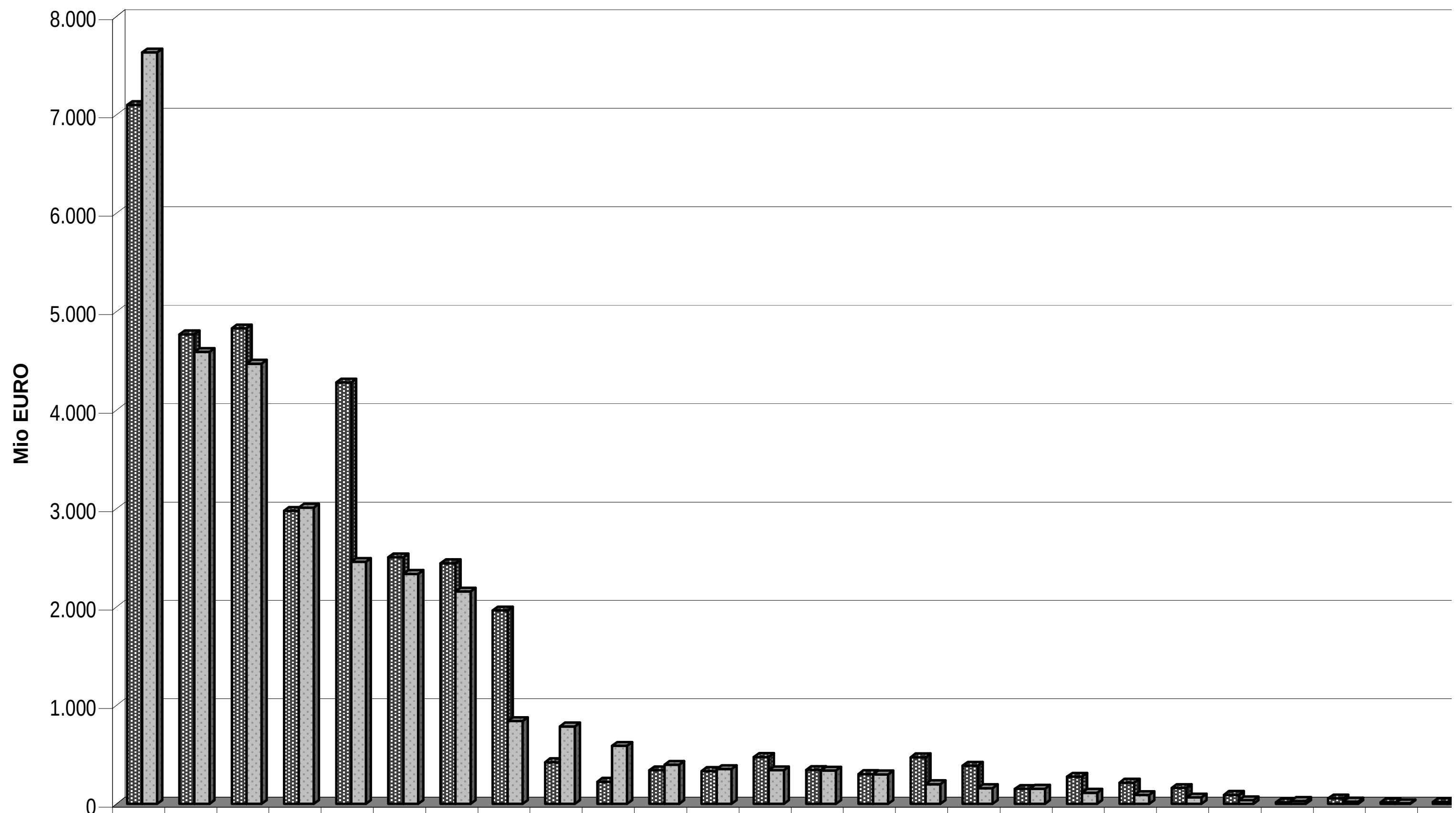
[21] The RAL in the category "Other" also decreased by EUR 364 million in 2004

Chart 7: Commitments and payments in 2004 by Member State, all programmes

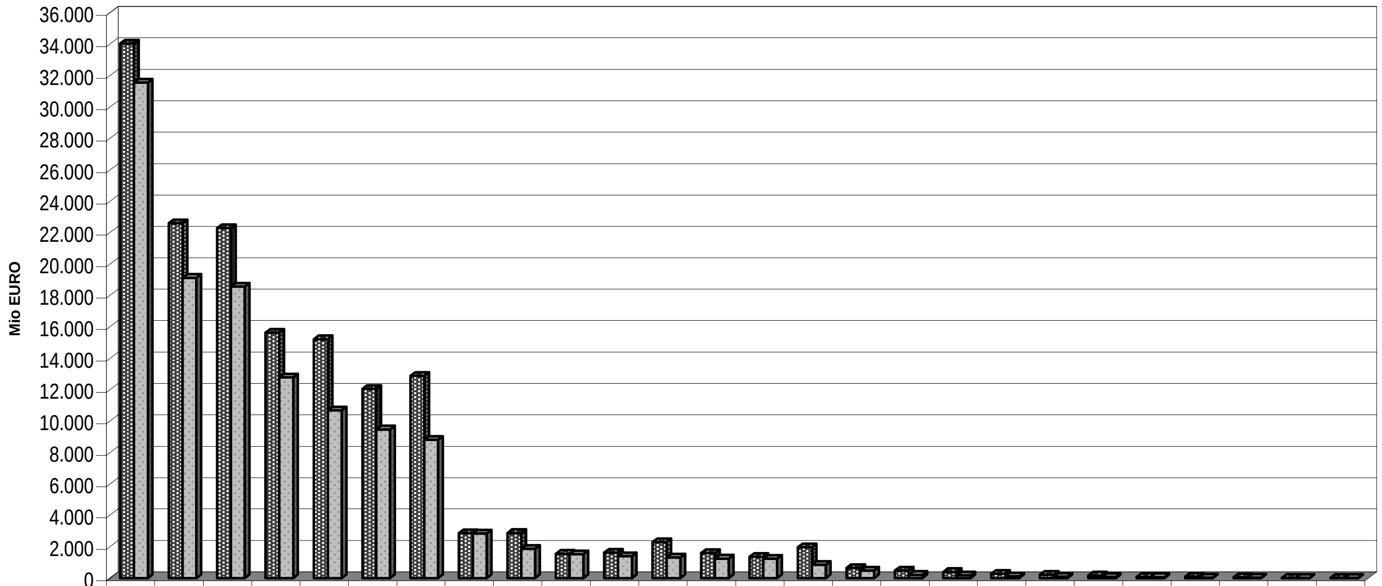


	ES	D	I	P	GR	F	UK	PL	IRL	Other °)	SWE	FIN	NL	B	AUT	HU	CZ	DK	SK	LT	LV	EE	L	SL	MT	CY
commit. 2004	7.102	4.771	4.833	2.978	4.282	2.507	2.446	1.966	425	226	342	335	478	346	303	474	389	154	276	216	163	92	16	57	15	18
paym. 2004	7.636	4.594	4.473	3.012	2.460	2.336	2.158	841	786	590	399	355	343	339	300	203	162	156	115	91	65	38	29	24	6	5

EN EN

Chart 8, which shows total commitments and payments from the beginning of the programming period 2000-2006, provides a more accurate picture of the current relative weight of the different Member States in the Structural Funds. Although EU-10 programmes only started in 2004, they have been included in the chart.

Chart 8: Commitments and payments from 2000 to 2004 by Member State, all programmes (EUR million)



	ES	D	I	P	GR	F	UK	IRL	Other °)	FIN	SWE	NL	B	AUT	PL	DK	HU	CZ	SK	LT	LV	L	EE	SL	MT	CY
commit. 2000to2004	3403	2260	2230	1563	1521	1204	1289	2856	2869	1546	1618	2286	1606	1354	1966	649	474	389	276	216	163	69	92	57	15	18
paym. 2000to2004	3155	1911	1855	1277	1068	9477	8817	2842	1858	1516	1387	1305	1239	1233	841	478	203	168	115	91	65	60	38	24	6	5

Looking at payments, Spain is by far the largest beneficiary, accounting for a quarter of total payments. The five biggest beneficiaries, in ranking order, Spain, Germany, Italy, Portugal and Greece, absorb almost three-quarters of all payments.

While this information is undoubtedly useful, it cannot be used to analyse the relative performances of individual Member States in the implementation of Structural Fund programmes. The annual amount of commitments and payments for a given Member State depends directly on the share of that Member State in Structural Fund allocations or outstanding commitments. Analysis of the relative performance in implementation should therefore be made by reference to the country's allocation, although the difference, in relative terms, between commitments and payments also suggests how effective Member States have been in executing the programmes on the ground.[22]

2.1.7. "N+2" rule[23]

The ERDF n+2 impact communicated at the end of 2004 to Member States was EUR 56.1 million for 26 programmes and concerned INTERREG programmes in the main. This represented only 0.3% of the annual commitment for ERDF. These figures will be definitive once the agreement of the Member State concerned has been received.

Provisional figures for the other Structural Funds gave a higher percentage: the N+2 rule had an impact on ESF of EUR 123.5 million (1.3% of the annual commitment), on EAGGF of EUR 44.4 million (1.5% of the annual commitment), and on FIFG of EUR 70.2 million (12.5% of the annual commitment).

For all 4 Funds overall, the impact should be around 0.96% of the total 2002 annual commitment.

2.2. Programme Implementation

2.2.1. Objective 1 and 2

2.2.1.1. EU 15

In 2004 the Member States and the Commission gave priority to the allocation of the performance reserve and the mid-term review. These exercises allowed the Member States to adapt their programming documents while taking account of both possible

22 Note however that "payments" comprise all payments, including for the earlier period programmes, while most commitments are for 2000-2006 programmes. Thus, the relative gap between commitments and payments is only a rough effectiveness yardstick.

23 Art. 31(2), paragraph 2, of Regulation (EC) No 1260/1999 provides the definition of the "N+2"rule: "The Commission shall automatically decommit any part of a commitment which has not been settled by the payment on account or for which it has not received an acceptable payment application, as defined in Article 32(3), by the end of the second year following the year of commitment or, where appropriate and for the amounts concerned, following the date of a subsequent Commission decision necessary in order to authorise a measure or an operation or by the end of the deadline for the transmission of the final report referred to in Article 37(1); the contribution from the Funds to that assistance shall be reduced by that amount".

changes in the socio-economic situation or labour market and the findings of the mid-term evaluations. This led to qualitative shifts in a number of priority fields and provided a better opportunity to contribute to the priorities of the revised European Employment Strategy (EES) and to the achievement of the Lisbon and Gothenburg strategies, as recommended by the Commission, while taking into account the experience of the current programming period and the specificities of each Member State.

In terms of substance, early analysis of the changes to programmes, based also on the information submitted to the Commission by Member States in their certified expenditure claims,[24] highlights the following issues:

– Objective 1 programmes continue to gear their investments towards traditional ERDF-type projects such as basic infrastructure, especially transport. Thus, allocation of the performance reserve and the mid-term review in these areas continue to focus on the development of large road and rail projects as well as ports, airports and local transport initiatives. In some Member States with large Objective 1 areas, more emphasis seems to have been placed on research and innovation.

– Many Member States used the performance reserve to increase their support for the knowledge-based economy, through cooperation between research institutes and businesses, the development of business clusters and research centres, investment in broad-band access, the establishment of regional innovation strategies, the training of researchers, and applied research projects (e. g. France, Italy Objective 1, Spain Objective 1).

– As regards the productive sector, support for SMEs is the most frequent area of investment in both Objective 1 and 2. The performance reserve and mid-term review were used to support entrepreneurship through grant aid for the start-up of small, innovative and large enterprises, the development of business parks, consultancy support and the introduction in some Member States of risk capital financing measures (e. g. Germany both Objective 1 and 2, Portugal Objective 1, Netherlands Objective 2, Austria Objective 1). Measures promoting economic growth and competitiveness seem to have been reinforced, particularly in Objective 2 areas (e. g. Sweden, Germany).

– Human resource development continues to be an important dimension in the majority of Objective 1 and 2 programmes, and the performance reserve in several Member States targeted these programmes as a way of creating employment.

– Some Member States (e.g. Italy and Portugal) used the mid-term review to include measures targeting improved management structures and capacity building within the public administration.

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24 Part 6 of the annex provides detailed information on the use of Structural Funds in different fields of intervention based on certified expenditure claims submitted by the Member States up to mid-July 2005.

– Environmental risk prevention has been included in programmes, e. g. in France and Portugal.

The mid-term review also allowed Member States to introduce changes in the structure of the programmes, in order to simplify their implementation. Complex programmes containing a large number of measures have proved more difficult to implement, which may result in absorption capacity problems. As mono-funded programmes are easier to manage, the mid-term evaluation recommended in a number of multi-funded programmes the consolidation of ESF activities under one priority, especially for Objective 2 programmes.

2.2.1.2. New Member States

For the 2004-06 period, the total budget allocated to the ten new Member States amounts to almost EUR 9.5 billion for the ERDF, and EUR 3.744 billion for the ESF. All commitments scheduled for 2004 (over EUR 2.2 billion for the ERDF and EUR 912.5 million for the ESF) were executed by the Commission. In terms of payments, in 2004 the new Member States received a 10% advance payment on contributions from the Funds to the assistance in question, and a further 6% advance payment will be transferred to each programme in 2005, as laid down in Annex II of the Treaty of Accession. In addition, interim payment claims were submitted by Latvia (0.5% of total allocated sources for 2004-06) and Hungary (0.04% of total allocated sources for 2004-06) for the ERDF. No interim payment claims were submitted for the ESF.

Altogether, 21 programmes (18 in Objective 1 and 3 in Objective 2 regions) are co-financed by the ERDF and 15 programmes, excluding Equal, are co-financed by the ESF (12 in Objective 1 regions, and 3 in Objective 3 regions) in the ten new Member States for the 2004-06 period. Under Article 15(6) of Regulation 1260/1999, the Member States should submit their programme complements to the Commission for information within 3 months of adoption of the Programme by the Monitoring Committee. The Commission received all the programme complements in 2004.

The available data show that the ERDF contributions concentrate on the productive environment, especially assistance to SMEs (about 50% of total allocation) and basic infrastructure (about 30%). In most cases project selection is well under way. Encouragingly, the number of applications sometimes exceed the financial sources earmarked for the measures concerned. For example, this is the case in Lithuania for the transport infrastructure measure, in Slovakia in support for the private sector, building and reconstruction of tourism infrastructure and business activities in tourism, and in the Czech Republic for environmental and tourism infrastructure measures.

All programmes co-financed by the ESF were launched in 2004. The first series of calls for proposals were published for almost every programme. Initial experiences indicate that the interest of beneficiaries has exceeded expectations. Nevertheless, the uneven quality of projects, the unequal geographic coverage of projects, and the deficiencies in management structures are common problems in the majority of the new Member States.

2.2.2. *Objective 3*

In Objective 3 areas the Member States also concentrated their efforts on the mid-term evaluation, the mid-term review and the allocation of the performance reserve. The evaluations confirmed that ESF assistance plays a crucial role in promoting regional development and has a positive impact on regional competitiveness.

The main message stemming from the mid-term evaluation reports is that the strategy initially agreed upon for ESF contributions remains relevant in the majority of the cases, and that it continues to contribute to the implementation of the European Employment Strategy. The recommendations mainly concerned the fine-tuning of the programmes, including in certain cases the need to shift the emphasis away from, or to put additional focus on, certain policies. Changes to programmes were based on the findings of the mid-term evaluation, and mainly originated from changes in the socio-economic environment or in the legislative framework, and policy recommendations addressed to Member States.

Furthermore, many of the changes aimed at simplifying programmes, increasing the flexibility to respond to socio-economic challenges or reducing the allocations to measures which have major underspendings. By way of example, several programme changes introduced mergers of priorities and measures to simplify the structure of the programmes and to facilitate management and implementation.

As for the allocation of the performance reserve, no specific policy field was prioritised in all Objective 3 programmes. The performance reserve was allocated to several different priorities (e.g. active labour market policies, social integration), and technical assistance also received performance reserve allocations (e.g. Finnish and Swedish programmes).

2.2.3. *Fisheries outside Objective 1*

The year 2004 is an important turning point for the implementation of structural policy in the fields of fisheries and aquaculture. All stakeholders have since absorbed the radical reform of the Common Fisheries Policy of December 2002. The main aspects of the reform were discontinuation of aid for the renewal of fishing vessels and the permanent transfer of Community vessels to non-member countries, which is no longer allowed as of 2005. Assistance for modernising fishing vessels may be granted only to vessels at least five years old; this must be designed to improve on-board safety and the quality of products or working conditions, to switch to more selective fishing techniques or to equip vessels with a vessel monitoring system (VMS). It may not be used to increase the catch capacity of vessels. Furthermore, changes in the terms and conditions for aid from Member States to fishermen and shipowners who temporarily cease their fishing activities have also been introduced, along with changes in the aid for the retraining of fishermen, which is widened to include diversification into other activities while they continue to fish part-time.

The mid-term review provided an opportunity to adapt the programmes to the new requirements of the reform. The mid-term review and allocation of the performance reserve have been completed for 48 programmes. For one programme the Member

State has not provided the necessary information to the Commission for the revision of its Single Programming Document.

As regards implementation, although some countries with significant allocations continue to make very good progress, other countries are having problems. This is why in 2005 decommitments of up to EUR 70 million (12% of an annual instalment) are programmed under the ‘N+2’ rule. This relatively high decommitment rate can be explained mainly by the fact that the fisheries sector is in a difficult situation, particularly fishery resources, which is not conducive to encouraging investment in the sector, especially in regions outside Objective 1 and in the northern countries of the Community.

2.2.4. *Community Initiatives*

2.2.4.1. *INTERREG*

With the accession of ten new Member States to the EU in 2004, new cross-border programmes were launched and amendments were introduced to upgrade the existing programmes to include the new states as partners. A total of 11 new programmes were launched (either INTERREG or Neighbourhood Programmes): Estonia / Latvia / Russia, Latvia / Lithuania / Belarus, Lithuania / Poland / Russia, Poland / Ukraine / Belarus, Czech Republic / Poland, Poland / Slovakia, Slovakia / Czech Republic, Hungary / Czech Republic / Ukraine, Slovenia / Hungary / Croatia, Hungary / Romania / Serbia and Montenegro, Italy / Malta.

12 existing cross-border programmes were amended to integrate the new ERDF funding for the new Member States (for example, the programmes Austria-Slovenia or Finland-Estonia). A further five existing transnational cooperation programmes were amended as a result of enlargement (Western Mediterranean, Baltic Sea, Alpine Space, C.A.D.S.E.S. and Archimed), along with the networking programmes (Interact, ESPON and the INTERREG III C programmes for interregional cooperation) for which all the new Member States are also eligible. In total, the additional ERDF funding for INTERREG for the new Member States amounts to EUR 479 million for the period 2004 to 2006. Together with the indexation funds for the period 2004 to 2006, this has brought the ERDF budget for INTERREG III up to some EUR 5.8 billion.

During 2004, the Commission examined the mid-term evaluation reports for all the INTERREG programmes. Many programmes were amended in 2004 as a result of the mid-term review process and also to integrate the indexation funds for the period 2004 to 2006, as per the Regulation.

<u>The Wider Europe process</u>

Since late 2002, the Commission has been reflecting on how, after enlargement, an overarching policy approach to the EU’s neighbouring countries could be developed. The result was the “Wider Europe” Communication of March 2003, which proposed an Action Plan per neighbouring country to map out the development of the EU’s relations with that country. That Communication embraced the idea of a single “Neighbourhood Instrument” which would support cross-border cooperation on both sides of the external borders of the Union. The objective was to have a single financial instrument that did not suffer the coordination problems faced by existing programmes trying to combine funding from INTERREG, PHARE, Tacis, CARDS or MEDA.

On 29 September 2004, the Commission proposed to the European Parliament and Council a new regulation establishing a “European Neighbourhood and Partnership Instrument” (ENPI) for the period 2007-2013. However, the so-called “Neighbourhood Programmes” were already launched in 2004. The new “Neighbourhood Programmes” are based on previous INTERREG programmes and will include, in addition to ERDF funding, a specific allocation of funding from Tacis, CARDS or MEDA (as appropriate) for the external country borders. It is also planned to launch joint calls for projects on both sides of the border, using common procedures, thus facilitating the cooperation process. The total indicative budget estimated for the period 2004-2006 for the “Neighbourhood Programmes Facility” is of the order of EUR 131 million (EUR 75 million from Tacis, 45 million from CARDS and 11 million from MEDA).

At the same time, the Commission has adopted a proposal for a Regulation to create a new instrument for candidate countries, the Instrument for Pre-accession (IPA), which will replace PHARE for Member State borders with Western Balkan countries and Turkey (financing Bulgaria, Romania, Croatia and Turkey).

Other issues

In 2004, the Commission closed the remaining projects within the framework of the RECITE programme (previous Article 10 pilot projects). Other Article 10 pilot actions and two remaining TERRA projects are still being audited.

2.2.4.2. Leader+

Leader+ sets out to encourage and support integrated pilot strategies for local rural development.

73 Leader+ programmes have been approved for the period 2000-2006. Payments in 2004 for these programmes amounted to EUR 238 million from EAGGF-Guidance. Due to the lead time of this initiative (e.g. selection of Local Action Groups - LAGs), the first years of the programming period were characterised by low financial execution. Although payments up to 2004 account for only 15.9% of the amount programmed for the whole programming period, considerable progress was made in 2004.

The LAGs selected cover an area of 1 577 386 hectares and have a population of 52 738 212.

Of the expected 938 LAGs, 892 have finally been selected. The selection process started in 2001 and finished with the selection in mid-2004 of 12 local action groups in Sicily. The local development strategy theme “development of natural and cultural resources” is the most popular (with one third of the LAGs having chosen it), followed by the subject “quality of life” (chosen by 25% of LAGs). More than

20 000 projects have been approved by the local action groups since the beginning of the programming period. The main areas of funding are as follows: tourism, support for SMEs, renovation and development of villages and rural heritage, basic services to the rural population and rural economy.

Transnational cooperation projects (Action 2 of the Leader+ initiative) have slowly started. There are many more inter-territorial projects within Member States than transnational projects between Member States.

Two meetings of the Leader+ Steering Committee were held in 2004. This Committee, which was chaired by the Commission, brought together representatives of the national authorities and networks. It examined the progress achieved in implementing the Community Initiative, particularly as regards cooperation. In October 2004, a Leader+ seminar was organised on the "Quality of life in rural areas".

Subsequent to the Act of Accession, there is no implementation of the Leader+ Community Initiative as a separate programme in the new Member States. These Member States can, however, implement a "Leader+-type Measure" in their rural development programmes.

2.2.4.3. Urban

2004 was largely devoted to the launching of work on thematic networks (URBACT programme).

15 thematic networks have been approved, and 3 other projects are under way. The networks are organised around the following themes: social exclusion, integration of people of foreign origin, integration of young people, employment and economic activity, project governance, physical regeneration of urban areas, citizen participation, transport and environment, the information society, prevention of urban insecurity, public-private partnership, training, integrated approach.

3 horizontal Working Groups will be created (capitalisation, the inhabitants' place and local economic development). A Working Group on the creation of a European exchange platform has been discussed (proposal of the Netherlands). 150 cities are partners, including 36 cities from the new Member States.

2004 was a very important year for the Urban Audit. The data collection for the year of 2001 in the cities in the EU-15 was completed and published on a dedicated website[25] and in a book. The perception survey was carried out in 31 cities and the results were also published online and in a booklet. The website, the Urban Audit book and the Perception Survey booklet were all three officially opened and distributed at the City Summit in October 2004. To obtain a time series for all the 258 cities involved in the Urban Audit, a new round of grant agreements was launched and adopted by the Commission. This grant agreement will allow for co-financing of the cost of collecting data for the years 1991 and 1996.

[25] (http://www.urbanaudit.org)

2.2.4.4. Equal

As regards EQUAL, 2004 is a landmark year: on the one hand, the end of the first part of implementation of the Partnerships of development (DPs) and the capitalisation of their results at European, national or local levels and, on the other hand, the launching of a second call for proposals in the Member State, plus selection and start-up at the end of the year.

As part of the capitalisation of results ("mainstreaming"), the European thematic group, in partnership with the national thematic networks, organised several thematic conferences. The first European conference on asylum applicants at the beginning of April in Dublin dealt with the challenges of integration into the European Union for this target group and presented the best practices of socio-professional integration. It was followed by a second conference in Antwerp on the "Strengthening of the social economy", which examined how the social economy approach contributes to involving the challenges such as demographic changes, reform of the welfare state and discrimination and inequalities on the labour market.

A new focus for support activities at EU level targeted strengthening the institutional capacity and the efficiency of the national managing teams for EQUAL. In this context, the Commission initiated learning platforms for Member States to exchange good practice in translating EQUAL principles into reality:

– by establishing ad hoc working groups, coordinating and reviewing the drafting of guides for transnational cooperation, mainstreaming and partnership, and

– by organising learning seminars for disseminating good practice to all bodies involved in the implementation of EQUAL at national level, as well as for those involved in implementing other Structural Funds programmes (including on evaluation, transnational cooperation, planning of partnerships, and gender mainstreaming).

Several EQUAL publications were produced and are available on the EQUAL site.[26] A general publication presents the Initiative, its principles and its mid-term results; three guides focus on the transnationality, on partnership and on the dimension of gender mainstreaming; the last publication gathers together the results of the EQUAL projects. Moreover, the Europe-wide mid-term evaluation of the EQUAL programme was made public at the beginning of 2004. It is based in particular on the evaluations carried out in each Member State.

In 2004, new decisions were adopted either to incorporate changes of programming within the framework of the mid-term review and indexation or to draw up new Community Initiative Programmes (CIPs) for the new Member States. Consequently, during the year, 27 decisions were adopted.[27] Accordingly, the calls for proposals were launched in all the Member States in line with national provisions in order for there to be a common start of the DPs on the ground at the end of 2004.

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[26] www.europa.eu.int/equal

[27] There are 27 CIPs even though there are only 25 Member States. Belgium and UK each have 2 CIPs.

Lastly, during 2004, the Commission made numerous closures of Community Initiative programmes from the 1994-99 period.

2.2.5. Innovative Actions

2.2.5.1. ERDF

A further 16 regions submitted proposals for an ERDF regional programme of innovative actions during 2004, and by the end of the year 139 programmes had been approved from a possible 156 eligible regions. The total value of the programmes is EUR 660 million, of which EUR 344 million ERDF. Experimental activities and pilot projects are co-financed in the context of a regional strategy drawn up by the regions to promote innovation in one or more of three strategic themes exclusively linked to the Lisbon and Gothenburg objectives, i.e. research and technological innovation, e-Europe and sustainable development.

A major event in 2004 was the prize-giving ceremony for the winners of the European Regional Innovation Awards competition. This was designed to invite regions to identify their most innovative projects or actions in each of the three strategic themes, which were then judged by a high level independent panel of judges chaired by the former Prime Minister of Portugal, Mr António Guterres. The ceremony was held during the April 2004 plenary session of the Committee of the Regions and attracted much positive publicity.

As far as the administration of the programmes is concerned, comprehensive checklists and models for the amendment and eventual closure of the programmes were prepared during 2004 to ensure sound financial management and to help identify best practices.

2.2.5.2. ESF

In 2004, the implementation of innovative measures under Article 6 of the ESF Regulation in the current programming period was well under way. Both thematic fields announced in the 2001 Commission Communication[28] have been implemented (35 projects in the field of social dialogue have been finalised, while 85 projects in the field of local employment are under way). Moreover, 33 projects have been selected under the first application round of the new call for proposals on "*Innovative approaches to the management of change*". As these projects have yielded, and continue to generate, concrete and innovative outcomes at European, national and regional/local level, the Commission is convinced that future Article 6 project promoters will take these results and outputs into account in their own work. Future project promoters will thereby benefit substantially from earlier projects, in particular from the cooperation structures created at local and regional level. In order to make these results more widely known (and to mainstream their outcomes), the Commission has launched a call for proposals on the "*transfer and dissemination of innovation from ESF Article 6 projects*".

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[28] Communication from the Commission on the implementation of innovative measures under Article 6 of the European Social Fund Regulation for the Programming Period 2000-2006, COM (2000) 894 final, 12.01.2001.

The external evaluation provided for in the Communication has almost been finalised for the projects in the field of social dialogue and is progressing, as planned, for the projects in the field of local employment strategies. In addition, a call for tender was launched to engage external evaluators for projects in the field of managing change.

Sustained monitoring efforts are reflected in quarterly reporting by projects, project visits and the organisation of seminars for project promoters.

Transparency is systematically sought through the publication of project directories and of all relevant information on the Commission's website,[29] in particular as regards procedures and outcomes of calls for proposals and calls for tender. In addition, the Commission is actively encouraging the creation of networks between project promoters and the dissemination of project results and outcomes.

With the aim of promoting more frequent and better exchange of information on Article 6 innovative actions, the Commission will continue to inform both the Member State authorities responsible for the ESF, and the various ESF monitoring committees, of the outcome of the calls for proposals launched under Article 6 and on the progress of the selected projects. In this respect, the Commission is pleased to acknowledge that more and more Member States are involving Article 6 projects in activities organised in the framework of the mainstream ESF, which thereby benefits from their achievements and results.[30]

2.2.5.3. FIFG

During 2004, actions were taken to implement projects selected under the calls for proposals launched in 2002 and 2003. Three projects were closed. In 2004, no call for proposals was launched.

An ex-post evaluation of the results of projects selected within measure “Innovative actions” has been launched. The results are expected in 2005.

3. CONSISTENCY AND COORDINATION

3.1. Consistency with other Community Policies

3.1.1. Competition

Since a large part of the assistance from the Structural Funds directly benefits individual businesses, it is essential to ensure that the Community's cohesion policy is conducted in full compliance with State aid rules. In this connection, Regulation (EC) No 1260/1999 states in particular that assistance to be approved by the Commission must include all the elements required for the *ex-ante* assessment of the compliance of the measures envisaged with State aid rules.

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29 http://europa.eu.int/comm/employment_social/esf2000/article_6_en.htm.

30 More in-depth information on ESF Article 6 measures in 2004 can be found in the Fourth Annual Report on the implementation of innovative measures under Article 6 of the European Social Fund Regulation, which can be downloaded from the following address: http://europa.eu.int/comm/employment_social/esf2000/documents/report_2004_en.pdf.

Accordingly, during 2004 the Commission paid particular attention to ensuring compliance with State aid rules (1) of the operational programmes and single programming documents for the new Member States for 2004-06, (2) of amendments to the 2000-2006 programmes and single programming documents of the old Member States, and (3) on assessing competition aspects of certain major projects eligible under Articles 25 and 26.

In addition, the Commission continued its efforts to draw up, on the basis of a comprehensive consultation exercise of Member States and other stakeholders, Revised Guidelines for national regional aid for the period after 2006. This review, which was already decided upon by the Commission in April 2003, constitutes part of the overall modernisation of the State aid architecture, as announced in April 2004 in the Commission's communication on a pro-active competition policy,[31] which aims to meet the requests of numerous European Councils for "less and better targeted aid", and thus to contribute to the achievement of the Lisbon objectives. The review of regional aid rules will bear in mind the principles laid down in the Third Cohesion Report, ensure consistency with the Commission's proposals for the future cohesion policies of July 2004, and concentrate the access of large firms to regional investment aid on the regions most in need. At the same time, the regional aid intensities that can be approved by the Commission will take into account, in particular, the inability of poorer Member States to compete with richer States in subsidy races if the present levels of regional aid ceilings are maintained.

3.1.2. Environment

In 2004, the enlargement of the EU brought new environmental challenges. For the ten new Member States, it is estimated that some EUR 720 million will be spent on environmental priorities for the period 2004-6, which represents 4.8% of the EUR 15 billion allocated to the Structural Funds for the new Member States. This compares with 13% out of EUR 196 billion in the EU-15 for the period 2000-6 (see Annex to the Annual Report 2003).

However, it should be borne in mind that some EUR 8.5 billion is also allocated to environment in the Cohesion Fund. The proportion of Structural and Cohesion Funds to be spent on environmental measures for the period 2004-06 is put at 21.3% in the new Member States for the period 2004-06, which is a higher proportion than in the EU-15.

All the new Member States have highlighted water and waste management as important priorities for expenditure. Investments and infrastructure needs remain very high for most of the Member States in order to meet the requirements of most of the key "investment-heavy" directives, such as waste and water (in particular urban wastewater treatment), but also in the area of air quality and industrial pollution control. Support for environmental infrastructure through the Structural actions is therefore an important priority for the new Member States.

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[31] COM (2004)293 final

The same problems that occurred in 2003 with regard to compliance with environmental legislation and policy continued into 2004. However, particular difficulties were encountered in the new Member States with the application of the Environmental Impact Assessment Directive and the Birds and Habitats Directives (for the Natura 2000 network). Taking a proactive approach, Commissioners Barnier and Wallström jointly wrote to all the new Member States on 1 March 2004 warning them about the difficulties of co-financing without complete Natura 2000 lists.

The mid-term review of the programmes has been an opportunity for many Member States to take account in their strategies of the priorities identified by the European Strategy for Sustainable Development adopted in Gothenburg in June 2001.

The Third Cohesion Report published in February 2004 and the proposed Structural Funds Regulations from July 2004 included environmental and risk prevention as one of three funding priorities. Such a commitment is necessary considering the high costs of implementing environmental legislation.

The Expert Network of Environmental Authorities for the Cohesion Policy (ENEA) was re-activated in September 2004 after a 5-year break, and in future is planning to meet twice a year. It brings together national experts mainly from environmental ministries as well as from the Regional Environmental Centre (REC) and environmental NGOs. The ENEA is forward looking, and therefore Working Groups have been established to examine the key issues of: application of the Strategic Environmental Assessment Directive to the Structural Funds; Environmental Capacity Building; the contribution of the future Cohesion Fund to environmental goals; an evaluation of environmental success in the current period; and the Water Framework Directive.

3.1.3. Internal Market

Article 12 of Regulation 1260/1999 provides that operations receiving Community funding must be in conformity with, inter alia, the rules on the award of public contracts. Greater decentralisation has been introduced into the management of the Structural Funds, increasing the responsibility of the Member States and, in particular, of the managing authorities, for the award of contracts financed by the Community Funds.

To ensure that these procedures comply with Community rules, the Commission encourages the national authorities to adopt various preventive measures, such as appropriate training for staff involved in awarding contracts and issuing procedural guidelines.

The Commission will ensure that procedures on public contract awards are in conformity with Community law by checking the transposition of relevant Directives, screening and validating actions at the programming stage as well as detecting and correcting irregularities whenever Community funding is concerned.

3.1.4. *Transport*

The revised Community guidelines for the development of the Trans-European network were adopted on 29 April 2004.[32] These Guidelines comprise 30 priority projects of European interest across EU-25, with costs of around EUR 225 billion. Being projects of European interest will allow concentration of TEN-T funding from Cohesion and Structural Funds.

3.2. Coordination of Instruments

3.2.1. *The Structural Funds and the Cohesion Fund*

Aid granted by the Cohesion Fund provides financing for transport infrastructure projects in the fields of Trans-European networks and the environment. The Cohesion Fund enables the beneficiary Member States to channel significant public investments into these two fields of common interest, while meeting the objectives as regards reduction of the budget deficits envisaged by the convergence programmes drawn up under Economic and Monetary Union.

As a result of the enlargement of the European Union, the ten new Member States have since been eligible for the Cohesion Fund. There are now 13 benefiting Member States. Ireland is no longer eligible for the Fund since 1 January 2004. This is due to the level reached by its per capita GNI, which is now higher than 90% of the Community average.

The principal coordination instrument between funding under the Cohesion Fund and the Structural Funds is the strategic reference framework (SRF). Regulation (EC) No 1164/94 stipulates that "Member States also provide the results of the environmental impact in accordance with Community legislation and their conformity with a general strategy in the field of the environment or of transport at territorial or sectoral level".

The four old Member States benefiting from the Cohesion Fund presented their SRFs for the environment and transport sectors at the end of 2000. The ten new Member States presented their SRFs during the first half of 2004. Since then, decisions to finance projects by the Cohesion Fund have been subject to a verification process to avoid duplicate financing with programmes adopted under the Structural Funds. In addition, SRFs make for better complementarity between the two instruments.

Thus, in certain cases, these SRFs form an integral part of the programmes approved under the Structural Funds for the period 2000-2006, which strengthens coordination between funding under the Cohesion Fund and the Structural Funds.

3.2.2. *The Structural Funds and the EIB/EIF*

In addition to continuing efforts in 2004 to coordinate and complement ERDF and Cohesion Fund funding, on the one hand, and the EIB, on the other, at the end of

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[32] Decision No 884/2004/EC amending Decision No 1692/96/EC.

2004 the Commission and the EIB intensified their dialogue and stepped up preparatory work for greater cooperation in the next programming period 2007-2013.

The objectives set for that period include greater cooperation at all stages of the programming phase, helping interested Member States to improve preparation of their major projects, appraising major project files submitted by the Member States, and monitoring implementation of projects and programmes. This greater cooperation would tie in with the specific statute and institutional role of each partner. Negotiations are expected to conclude in 2005.

On the basis of its framework contract with the Commission for the current programming period 2000-2006, in 2004 the Bank assisted in appraising 15 major ERDF projects and 25 Cohesion Fund projects.

In 2004, the European Investment Bank lent a total of EUR 43.2bn (2003: 42.3bn) for projects contributing to the European Union's political objectives. Financing in the EU-25 Member States totalled EUR 39.7bn (of which EUR 3.8bn in the 10 new Member States), and EUR 3.5bn was made available in non-EU countries.

Lending in the Accession Countries (Bulgaria, Romania) amounted to EUR 119 million, and in the Western Balkan countries the EIB assisted development projects to the tune of EUR 461 million.

In 2004, the European Investment Fund (EIF) – the EIB group's specialised venture capital arm and guarantee instrument – acquired holdings worth EUR 358 million in venture capital funds, bringing its aggregate portfolio to EUR 2.8bn, and provided a total of EUR 1.4bn in guarantees for SME portfolios of financial intermediaries.

Fostering cohesion by contributing to the reduction of imbalances between regions is the EIB's prime task and its first operational priority. With the Union's eastward enlargement, this priority has become even more important since all of the new Member States qualify as designated assisted areas.

Within the EU-25 countries, individual loans (loans for individual projects appraised by the Bank) worth EUR 21.5bn were granted in 2004 for investment designed to tap the economic potential of assisted areas. A further EUR 7bn was made available as credit lines (global loans) to partner banks for the financing of SME ventures and smaller-scale public investment. The total lending of EUR 28.5bn for regional development represents some 72% of the EIB's aggregate lending within the EU-25.

The main sectors of lending in regional development areas were transport and telecommunications infrastructure (accounting for 39% of the individual loans granted), industry and the services sector (20%), urban infrastructure (14%) and health and education infrastructure (11%). In the new Member States the EIB continued its efforts to support foreign direct investment, as this contributes to the transfer of both know-how and capital into the region and, therefore, to the modernisation and restructuring of industry.

4. EVALUATIONS

4.1. Mid-Term Evaluation

The mid-term evaluations were carried out on the basis of the partnership principle under the provisions of Regulation 1260/1999, which specifies a role for the Commission, the Member States, the Managing Authority, the Monitoring Committee and the evaluator. The meta-evaluation carried out by the Commission of the mid-term evaluations of Objective 1, 2 and 3 Programmes identified that they were generally of a higher quality than those undertaken in the past, with some excellent examples. The Commission's examination of the quality of the evaluations resulted in two-thirds being rated as of good or excellent quality. The Commission's perception was that the resources allocated to the mid-term evaluation were appropriate and higher than previous allocations, but that cost effectiveness was limited by a number of factors. The mid-term evaluations in general were based on an appropriate mix of methodologies, including desk research, primary research and, for larger programmes, some macro-economic modelling. Significant improvements were evident in the quality and rigour of the evaluations.

The mid-term evaluations were used mainly by Managing Authorities, Monitoring Committees and implementing bodies in the Member States to improve the implementation of Structural Funds. They had generally a strong impact in improving implementation systems, particularly the further development of systems of indicators, implementing horizontal priorities and improving selection criteria.

4.2. Performance Reserve

The performance reserve was an innovation for the 2000-2006 period and is governed by Article 44 of Regulation 1260/1999, which states that 4% of resources should be held back at the initial programming stage for allocation at mid-term to programmes performing well. The performance reserve does not apply to Community Initiatives. The results of the mid-term evaluation were of the utmost relevance for the allocation of the performance reserve. The performance of each programme, priority or measure was assessed on the basis of ex-ante indicators set up for three categories of criteria: financial absorption, key effectiveness and management. As a general rule, most of the programmes and priorities performed well and were therefore allocated a performance reserve.

In total, over EUR 8 billion was allocated to Structural Fund programmes in March 2004 through the performance reserve mechanism, EUR 6 billion under Objective 1, EUR 1 billion each under Objectives 2 and 3 and EUR 50 million under the Financial Instrument for Fisheries Guidance (FIFG) outside Objective 1.[33] While in some cases ESF was allocated a higher proportion, in certain Objective 1 and 2 programmes all the additional resources were directed towards ERDF.

The Commission report on the implementation of the Performance Reserve in Objective 1 and 2 regions concluded that its major strength was the ability to act as

[33] See annex-part 5: Performance Reserve: Range of Percentage Allocations, Objective 1 and Objective 2.

an incentive for capacity building in good management practices. The fact that targets and deadlines were involved meant that regions and Member States took action to ensure that:

– resources were spent;

– evaluations were produced on time;

– monitoring systems were put in place;

– financial control systems were implemented; and

– project selection was increasingly transparent.

A second conclusion is that there was great diversity in the detail of the methods used for assessing performance and making allocations. While this is to be expected for the first implementation of an innovative instrument, any such future instrument would benefit from more clarity in its definition from the outset.

4.3. Other Evaluations

During 2004, the Commission carried out or completed a series of evaluations, these including ex-post evaluation reports of the Community Initiative INTERREG II, of a sample of projects co-financed by the Cohesion Fund, of innovative actions – Regional Innovation Strategies (RIS) and Regional Information Society Initiatives (RISI), of an Article 6 ESF Innovative Measure entitled "Adaptation to the new economy in the framework of social dialogue", the completion of ex-post evaluation of ESF operations conducted under Objectives 1, 3 and 4, Community Initiatives Adapt and Employment, the mid-term report of the EU-wide evaluation of the Community Initiative EQUAL 2000-2006, and ex-post evaluation of the FIFG measures of the 1994-99 period. Furthermore, a strategic evaluation on the contribution of the Structural Funds to the Lisbon strategy was produced.

The INTERREG II evaluation demonstrated that the strategies were largely appropriate and their respective goals were achieved. INTERREG II programmes have been found to involve significantly less isolation of border regions concerned and to improve the mobility of their populations and goods by providing transport facilities. Transport-orientated programmes were the most frequently implemented, and benefited from the largest part of resources. These were followed by activities designed to improve energy networks, and then by trans-national programmes, which mainly provided flood prevention facilities. It has been concluded that INTERREG II was most successful in areas with only some degree of isolation, and in those where the tradition of trans-border cooperation was well established. The main criticism of the evaluation was that the lack of compatibility between the Community's external and internal financial instruments made it difficult to coordinate programmes.

Evaluation of the sample of Cohesion Fund projects carried out during 1993-2002 found that they have to a large extent achieved their objectives by improving the transportation and environmental situation in the countries concerned. The study concluded that the global quality of the projects could be enhanced by introducing additional quality assurance, selecting only mature projects and always identifying measurable and quantifiable goals, results and impacts. The necessity for risk analysis is confirmed, and it is recommended that it should be required for all complex projects. Also, adequate, professional management of projects should be ensured in all cases.

Evaluation of the Regional Innovation Strategies and Regional Information Society Initiatives - RIS-RISI - found that the Initiatives had contributed to more innovative policies and development strategies, and had succeeded in transferring their vision to a wider audience. The programmes have mobilised key regional stakeholders and achieved consensus on the actions needed to create an innovation-friendly environment. It has been established that pilot actions have instituted demand-led and bottom-up approaches for strategy development and that innovation has been integrated into existing regional strategic frameworks.

External evaluation of the projects financed under the Article 6 ESF Innovative Measure entitled "Adaptation to the new economy in the framework of social dialogue". The evaluation reviews the achievements of the call for proposals through an analysis of project activities. Emphasis has been placed on assessing factors which contribute to project success (operational factors, framework conditions, etc.).

The ex-post evaluation of ESF to assess the results and impacts of ESF operations conducted under Objectives 1,3 and 4, Community Initiatives Adapt and Employment concluded that ESF support generated a variety of substantial impacts from improving the labour market position of beneficiaries, contributing to the implementation of active labour market policies, and supporting various policy priorities (e.g. equal opportunities). It produced 'system' and 'capacity building' effects, such as developing a long-term perspective towards labour market policy through multiannual programming and developing a partnership-based approach to labour market policy and supporting the emergence of a monitoring and evaluation culture. From a 'Community added Value' perspective, ESF co-financed action was also found to be highly relevant across the EU since it supported policy and process effects such as the partnership approach and networking between a spectrum of official stakeholders and generated financial and leverage effects within the public/private sectors. Despite the numerous achievements, evaluators also identified weaknesses principally related to procedural complexity, a tendency to be 'resource driven', and monitoring and evaluation arrangements that could be further improved. Results and knowledge generated by this evaluation will find use in drafting the next report on social and economic cohesion, ESF 2000-2006 implementation and policy development concerning future ESF operations.

The main recommendations of the mid-term report of the EU-wide Evaluation of the Community Initiative Equal were to step up and promote diagnostic activity at all levels (local, national, trans-national, EU-wide), since good diagnosis is key to innovation and the assessment of impacts. More attention should be paid to the quality of employment, and not only to the improvement of labour market access, and more employer-targeted actions are needed. A common understanding of the EQUAL principles, particularly empowerment (such as participation in decision-making and improvement of access to rights), innovation (such as a continuous experimentation, evaluation and feed-back process) and mainstreaming (more than just dissemination, and requiring the setting up of mechanisms to drive the policy-making processes) should be promoted, and links between National and European Thematic Groups tightened.

The principal aim of the strategic evaluation of the contribution of the Structural Funds to the Lisbon Strategy was to assess the contribution of the current generation of Structural Funds to the Lisbon strategy, to analyse the policy framework at national and regional level for such a contribution and to explore potential and limits for the future. Achievement of Lisbon strategy objectives has so far been mixed and varies across Member States. The relative failure in delivering these objectives lies in the weakness of its implementation mechanism. It has, however, had a significant independent impact as regards resources allocated to R&D, IT infrastructure investment, and information society-related activities for developing skills. Structural Funds contribute significantly to the objectives of the Lisbon Agenda, even if there is, with the exception of the European Social Fund, little formal integration between the Lisbon Agenda and the Structural Funds. In many regions, more than two-thirds of Structural Fund expenditure is allocated to activities that are directly relevant to the Lisbon Strategy objectives and a number of impacts from this support on the achievement of the Lisbon Strategy quantitative targets can be detected. In regions where a lower share of Structural Fund expenditure is directly relevant for the Lisbon strategy, the main reason is the significance in Structural Fund support for basic physical infrastructure, reflecting particular investment needs in the least prosperous regions. The strategic evaluation highlights three main ways of increasing the complementarities and synergies between Lisbon and the Structural Funds:

– Since the Lisbon strategy is primarily an agenda for growth and competitiveness, measures should be taken to increase the growth effects of Structural Fund support through higher efficiency and effectiveness of their contributions.

– The future Convergence and Competitiveness objective of the Structural Funds opens greater opportunities for interaction and complementarities with the Lisbon strategy. The new Competitiveness and Employment Objective, in particular, should be used actively to promote a stronger take-up of the Lisbon Strategy by Member States and regions.

– In order to achieve this objective, the resources of the proposed Objective must be concentrated, allowing it to make a significant impact. To maximise the effects of the objective on the implementation of the Lisbon strategy, it is recommended that a direct linkage be ensured with national policies and programmes, that the resources of the Objective be concentrated geographically and/or thematically, and, in this context, that measures be put in place to multiply and mainstream experience from supported regions or prioritised thematic fields.

– The Lisbon strategy governance structures should be adapted to allow more direct and closer formal integration and synergy between Structural Fund support and the Agenda, including through greater involvement of the regional and local authorities.

The ex-post evaluation report of FIFG actions in the period 1994-1999 was made available in February 2004. It indicated that, at Community level, the FIFG had a positive impact on various aspects, but not employment. This is primarily due to the reduction measures for the fleet, aquaculture, processing and marketing.

The evaluation also concluded that:

– financial support was given for the demolition of vessels which, in view of their age and weak competitiveness, would in any case be scrapped;

– co-financing within the framework of setting up joint enterprises was used rather to perpetuate the presence of the beneficiaries already operating outside Community waters than for the transfer of capacities outside Community waters;

– projects aimed at conforming to the health and environmental regulatory standards, although eligible under the Structural Funds, would probably have been carried out in any case, without co-financing from the FIFG, due to the relevant regulatory requirements.

The evaluation results have been applied in an effort to improve both the management and implementation of FIFG assistance during the 2000-2006 programming period and the implementation of the reform of the CFP. The results of the evaluation were taken into account in the preparation of the proposal on the new “European Fisheries Fund for the period 2007-2013”, to help solve problems that might arise after enlargement.

4.4. Other activities carried out in 2004

<u>Capacity building in monitoring and evaluation</u>

In 2004, increased provision for guidance and promotion of evaluation efforts focused on the new Member States, as Structural Fund assistance was launched with accession. Much of the work concerned the promotion of evaluation and the provision of guidance for the development of evaluation capacity in the Member States. Structural Fund programmes are implemented by regional and national authorities in partnership with the Commission and therefore their evaluation is also carried out in partnership. The Member States have responsibility for ex ante evaluation. Member States in consultation with the Commission are responsible for mid-term evaluation, while ex post evaluation is the responsibility of the Commission in collaboration with the Member States. During 2004, three main evaluation-promoting events were organised by the Commission. These were a Capacity Building Seminar for the new Member States, a Technical Group on Evaluation meeting, and a Seminar on the Mid-Term Evaluation.

<u>Methodological guidance</u>

During 2004, the Commission undertook a number of projects to provide evaluation guidance. The main project was the new Guide to the Evaluation of Socio-Economic

Development, which was completed in May 2004, and is now available via the EU Regional Policy website, or directly at the homepage.[34]

Regulation 1260/1999 - Article 42(4) - requires an update of the mid-term evaluation for all programmes for which a mid-term evaluation was carried out by the end of 2005. In 2004, following consultations with the Member States, the Commission published guidance spelling out the issues to be covered in the update.[35]

<u>Report on the Mid-Term Assessment of Additionality in 2000-2006 in the regions of Objective 1</u>

Additionality, one of the Structural Funds' four principles, stipulates that, in order to achieve a genuine economic impact, the appropriations of the Funds may not replace public or other equivalent structural expenditure by the Member State. As a general rule, the national level of expenditure should be at least equal to the amount of average annual expenditure in real terms achieved in the previous programming period. The Commission initiated the process of mid-term additionality assessment in July 2003, inviting Member States to submit all necessary information and data concerning expenditure in all Objective 1 regions between 2000 and 2002. The assessment was completed in December 2004. Of the thirteen Member States concerned, nine complied fully with the principle of additionality. Both macro-region countries - Germany and Italy - missed their respective expenditure targets agreed at the ex-ante verification. In 2000, 2001 and 2002, Germany spent nearly 4.5% less, and Italy 5.6% less than anticipated. France's structural spending was short of the amount established at the time of ex-ante assessment by 5.08%. Ireland missed its target by nearly 1.5% during the three years in question. In cases of non-compliance, however, it is still possible for the Member States concerned to achieve targets for the entire period 2000-2006.

5. CONTROLS

5.1. ERDF

The audit strategy established by the Commission identifies the audit objectives over a three-year period and sets out the actions to achieve these objectives. The strategy is reviewed annually, and provides a basis for a rolling three-year work plan. The main objectives of the audit strategy for 2004 were to:

– obtain reasonable assurance that the management and control systems put into place by beneficiary countries are functioning effectively to prevent and detect errors and irregularities and ensure the legality and regularity of the underlying operations and the accuracy of the expenditure declared to the Commission;

– check the accuracy of the amounts concerned;

34 http://europa.eu.int/comm/regional_policy/index_en.htm, http://www.evalsed.info

35 Working Paper No 9, http://europa.eu.int/comm/regional_policy/sources/docoffic/working/doc/midterm_update_en.pdf

– carry out financial corrections where the beneficiary country's control procedures have proven inadequate.

According to these objectives, the main actions planned in 2004 were (1) to verify the reliability of closure procedures carried out by Member States for the 1994-1999 programme period, (2) to seek reasonable assurance on the systems implemented by Member States (EU-15) for the 2000-2006 programme period and (3) to seek reasonable assurance on the set-up of the systems on the basis of descriptions communicated to the Commission by the new Member States.

Period 1994-1999

For the closure of the period 1994-1999, the Commission has maintained its strategy of gaining reasonable assurance that the final payments were made on a sound basis by checking the information provided by the Member States at closure, making corrections where justified, and by carrying out closure audits on a sample of programmes to verify the reliability of the closure process completed by Member States and in particular the closure statements under Article 8 of Regulation 2064/1997.

The final examination of some 250 closure statements under Article 8 of Regulation 2064/1997 was carried out by the audit unit, covering cases where deficiencies were identified on the first desk check and further information or additional controls had been requested. Flat-rate corrections were proposed where remaining deficiencies led to the conclusion that there was inadequate assurance regarding the regularity of part of the expenditure concerned.

Closure audits have been completed on 56 programmes covering all Member States. In 2004, this involved 88 missions, of which 40 were carried out by external auditors under a framework contract. The programmes audited give coverage of 25-60% of ERDF contributions in all but one of the Member States. In addition, one INTERREG II C programme has been audited. The audit findings for certain programmes led to the suspension of the closure process because of their seriousness. In most cases, closure of the programme was completed, and any financial consequences of the closure audits will be by way of recovery.

Period 2000-2006 (EU-15)

A new audit enquiry was launched in the second half of 2004 which will continue to the end of 2006. The objectives are to verify that the systems, as described, work effectively in practice, and that there is no significant level of irregularity in the interim expenditure claims. A detailed audit plan has been drawn up for each Member State, taking account of the way in which the ERDF is managed and controlled and the risks identified. 8 audits were carried out in 2004 in different Member States, focusing on the Managing Authorities, Paying Authorities, intermediate bodies and control bodies. Some weaknesses have been detected, which are being followed up with the Member States.

Coordination meetings were organised during the first part of the year with EU-15 Member States to discuss control issues with the national control bodies, covering all the Funds.

Period 2004-2006 (EU-10)

As regards the new Member States, the audit work has concerned the assessment of the system descriptions submitted under Article 5 of Regulation 438/2001. Detailed coordination arrangements were agreed with the other Structural Funds Commission departments for this work, and a model for presenting the required information was sent to the new Member States at the beginning of the year. All descriptions for ERDF have been received within or very close to the deadline of 3 months from the date of programme adoption. The first assessment was made and letters sent to the Member States for 9 (out of 19) programmes. The work, including fact-finding missions, will be completed in the first half of 2005.

5.2. ESF

As part of the Commission's proposals to the Member States to move towards the concept of single (integrated) auditing, in 2004 the Commission started to implement an audit strategy which is designed to obtain maximum assurance concerning the systems in place, not only via its own audits and other Community audits (the European Court of Auditors is moving towards system audits), but, increasingly, also based on the results of national audits, which are more regular (and more systematic) than during the previous programming period. This implied a new strategic approach to ESF auditing, based on greater and more effective collaboration with the national control authorities.

As such, in 2004, the ESF audit strategy can be summarised as follows.

2000-2006 programming period (EU-15)

– regular review of the national control systems in order to obtain a high level of confidence in their findings. This review not only included systematic analysis of the national audit reports forwarded to the Commission and close monitoring of the recommendations they contain (desk review), but also, and above all, working meetings with the control authorities (coordination, supervision, advice) and on-the-spot reviews of the national reports and inspections (monitoring of checks). The assurance that the audit strategy notified is being implemented is crucial and is acquired by analysing the Article 13 standardised reports, and also by holding more regular and more targeted meetings than at present (e.g. at least twice a year) on the coordination of ESF controls;

– continued ESF audits on a number of targeted systems identified using a risk analysis covering all Member States and all adopted programmes, taking account of the results of audits already carried out by the Member States.

The 2004 risk assessment focused primarily on those programmes which represented the highest financial impact factor. As such, a significant volume of ESF funding could be covered by these systems, leading to coverage of around 70% of the programming period's total available funding (excl. reserve and indexation). In 2004, 42 system audits were carried out in the EU-15 Member States and 17 coordination meetings were held with the designated Articles 10 and 15 national control authorities.

<u>2004-2006 programming period (EU-10)</u>

System descriptions were reviewed following Article 5 reports, supplemented by on-the-spot fact-finding missions in the new Member States. In 2004, 5 fact-finding missions were carried out in the EU-10 Member States.

<u>1994-1999 programming period</u>

One of the main objectives for the audit service was also to continue verifying the reliability of methods used by the national authorities to establish certificates under Article 8 of Regulation 2064/97. As such, 3 closure audits were carried out in 2004 (ES, DK and BE-Flanders).

5.3. EAGGF

In accordance with its audit strategy and its annual work plan, in 2004, the Commission's EAGGF audit service carried out the following audit work:

<u>Closure 1994-99</u>

Examination of the closure statements presented by Member States under Article 8 of Regulation 2064/97 continued in 2004. At the end of 2004, only the closure statements for 24 programmes of the 1994-99 programming period (out of a total of 381 programmes) had not been concluded. For 23 programmes, examination of these statements concluded that the procedure provided for under Article 24 of Regulation 4253/88 for the purposes of applying a financial correction would be appropriate.

Also, in 2004, the audit service responsible for EAGGF carried out 5 missions in Member States. These missions were closure audits designed to verify that the procedures applied by Member States at the closure of the 1994-99 programming period were sufficient to ensure compliance with Community rules. The programmes were selected on the basis of risk criteria and mainly covered the biggest national programmes for Objective 5a measures.

<u>2000 – 2006 programmes</u>

Examination of the descriptions of the management and control systems set up by Member States continued in 2004. By the end of 2004, this examination had been concluded for almost all programmes. Moreover, in 2004, 17 audit missions were carried out in Member States by the audit service (most of them with the support of a private audit firm). This audit work allowed DG AGRI audit services to identify certain situations which were not satisfactory (accounting for some 2-3% of the EAGGF payments in 2004). These are currently being discussed with the Member States to find ways of making the appropriate corrections. Recommendations for improvement were also sent to Member States in several other cases.

5.4. FIFG

The ex-post control sector had given priority to verifying the closure of 1994 – 99 programmes and to reviewing the management and control systems for 2000 – 06. Beyond that, it was decided to increase the checks on innovative actions in 2004 and in particular in 2005. National authorities are not involved in these actions, for which the Commission paid beneficiaries directly.

A total of 8 on-the-spot controls were carried out in 2004.

Five on-the-spot controls concerned the verification of the management and control systems of 2000-2006 programmes (EUR 407 million) in four Member States, followed by audits on-the-spot. Bilateral contacts with a number of Member States continued during 2004. By the end of the year, the "Article 6" procedure was not yet completed for 6 Member States (8 programmes), but for four of those Member States the procedure was finalised at the beginning of 2005.

One FIFG control concerned the closure of 1994-1999 programmes (EUR 1.1 million). For the programming period 1994-99, the ex-post control sector had to deal with the assessment and analysis of the winding-up of declarations and payment claims for the 52 FIFG programmes. The majority of these documents were received during the first quarter of 2003. At the end of 2004, most of the winding-up declarations and payment claims had been assessed.

Two projects of innovative actions were audited for an amount of FIFG aid of 236 000 EUR. An amount of 15 000 EUR was found not to be eligible.

In total, 19 structural projects were audited (EUR 5.35 million), FIFG aid amounting to EUR 1.8 million. An amount of 77 000 EUR was found not to be eligible.

5.5. OLAF

During 2004, OLAF undertook 29 operational missions in the Member States regarding measures co-financed by the Structural Funds. For 22 of these missions, Regulation (EC) No 2185/96[36] concerning on-the-spot checks and inspections carried out by the Commission in order to protect the European Communities' financial interests against fraud and other irregularities served as a legal basis. Seven other missions were assistance missions, either to the national administrations or to the judicial authorities.

In addition to operational controls and their coordination at Community level, OLAF also provided assistance in the coordination of investigations undertaken by the competent national administrative and judicial authorities.

Sixteen missions focused on the ESF, of which five related to cases opened in 2004, ten referred to controls started in 2003 and one in 2001, three missions concerned the ERDF for controls opened in 2003, two missions FIFG cases opened in 2003 and one the EAGGF Guidance Section for a case opened in 2003.

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[36] Council Regulation (EC) No 2185/96 of 11November 1996, OJ L 292, p.2

The controls showed evidence of false invoices and false declarations without any justification.

In 2004, OLAF also undertook three complementary audits pursuant to the commitments expressed in the Report addressed to the European Parliament and to the Court of Auditors on audits performed in the 15 Member States in application of Commission Regulations 1681/94 and 1831/94 concerning systems and procedures for the notification and monitoring of irregularities, and of Article 8 of Regulation (EC) No 438/2000. One of these audits has been undertaken jointly with DG REGIO (Germany - Brandenburg) while the other two were performed solely by OLAF (Italy - Regions of Campania and Abruzzi-Molise) and Spain (autonomous Community of Catalonia). These audits confirmed the conclusions of the audits carried out in 2003 in the 15 Member States, and the Commission committed itself to amending Regulation 1681/1994, which is currently under way.

In 2004, the Member States themselves notified the Commission, in accordance with Regulation (EC) No 1681/94, of some 3037[37] cases of irregularities, involving EUR 431 million, which affected payments incurred during both the 1994-1999 and 2000-2006 periods. Both the amounts and the number of cases increased compared to 2003. This is very likely to affect the finalisation of the closure of the programmes for the 1994-1999 period. It shows nevertheless an increased awareness by the Member States of their obligations and therefore better reporting rather than more irregularities.

Articles 3 and 12 of Regulation (EC) No 1681/94 provide that Member States must notify the Commission of all cases of irregularities amounting to EUR 4 000[38] or more. Regulation (EC) No 1681/94 distinguishes between fraud[39] and others irregularities.

OLAF's involvement in the closure of the 1994-99 programmes allowed it to ensure the financial follow-up and application of Article 5 of the above-mentioned Regulation in a significant number of cases. The latter obliges the Member States to inform the Commission on a case by case basis of the procedures initiated as a consequence of the irregularities notified and of any significant changes made to these procedures. However, since the closure exercise is not yet finished, any assessment would be premature.

In some cases the Commission was not informed of any follow-up of the notified cases. This involves in particular programmes in the first programming period, although certain programmes had been closed for some time. Nevertheless, legal procedures for irregularities are still ongoing at national level and the final audit of the amounts relating to these irregularities has been suspended until finalisation of these procedures.

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37 See also Annual Report 2004 on the protection of the Community's financial interests – the fight against fraud, http://europa.eu.int/comm/anti_fraud/reports/index_en.html).

38 For the definition of irregularities – see Article 1(2) of Regulation (EC) No 2988/95.

39 For the definition of fraud – see Article 1(1) of the Convention on the protection of the Community's financial interests.

6. COMMITTEES ASSISTING THE COMMISSION

6.1. Committee on the Development and Conversion of Regions (CDCR)

The CDCR acted as management committee under the procedure provided for in Article 47(3) of Regulation (EC) No 1260/1999 on the following issues:

– Amendment of the guidelines INTERREG III and INTERREG IIIC. The Committee gave a favourable opinion.

– Commission Regulation (EC) No 448/2004 of 10 March 2004 amending Regulation (EC) No 1685/2000 laying down detailed rules for the implementation of Council Regulation (EC) No 1260/1999 as regards the eligibility of expenditure of operation co-financed by the Structural Funds and withdrawing Regulation (EC) No 1145/2003. The Committee gave a favourable opinion.

As a consultative committee, the CDCR processed, among other things, the Technical assistance measures planned for 2005 and approval of the lists of the areas eligible under Objective 2 and approval of programming documents of the new Member States.

In addition, the CDCR also acted as a forum for information and discussion of any specific points relating to implementation of the Structural Funds and the 3rd Cohesion Report.

Overall, at the 10 meetings of the CDCR organised in 2004, some 46 subjects were covered. The CDCR working group on “Territorial and Urban Development” assists the CDCR on particular issues relating to spatial planning and urban questions; five meetings of this working group were organised in 2004.

6.2. ESF Committee

The ESF Committee held 5 Plenary sessions in 2004, and its Technical Working Group met eight times.

The Committee adopted 3 Opinions during the course of the year. The first was by written procedure on the amendment to Commission Regulation (EC) No 1685/2000.

In May, the Committee held an extraordinary session in order to adopt its opinion on the programming documents of the new Member States, which it approved unanimously. At a special meeting in November, it adopted its opinion on the future regulatory framework of the Structural Funds.

Among the other issues discussed by the Committee in 2004 were the outcome of the mid-term review and allocation of the performance reserve, reports on the use of Article 6, and the relationship between the ESF and the European Employment Strategy.

6.3. Committee on Agricultural Structures and Rural Development (STAR)

The STAR Committee met 11 times in 2004 and gave favourable opinions on 52 amendments to rural development programmes under Article 44(2) of Council Regulation (EC) No 1257/1999 and 5 amendments to rural development programmes under Article 4 of Council Regulation (EC) No 1268/1999.

6.4. Committee on Structures for Fisheries and Aquaculture (CSFA)

The Committee was consulted on 5 occasions in 2004 on the following subjects: 12/01/2004: Consultation on draft Regulation 448/2004 governing the eligibility rules under the Structural Funds. The consultation was by written procedure and resulted in a positive opinion. 10/03/2004: First presentation of the FIFG programming documents of the 10 new Member States. 14/05/2004: Formal consultation of the Committee on the FIFG programming documents of the 10 new Member States, which resulted in a positive opinion, information on the innovative actions projects. 27-29/05/2004: The conference with stakeholders in Bundoran (Ireland) on the future of the FIFG, information on the interpretation of Article 16 of Regulation 2797/99. 13/10/2004: Consultation of the Committee on the draft rules of procedure of the Committee.

Part 2: Analysis per Member State

1. BELGIUM

1.1. Objective 1 and 2

In 2004, the Commission adopted the performance reserve of the Belgian programmes at the same time as the mid-term review of the SPDs as a result of the mid-term evaluations performed in 2003. The only Belgian Objective 1 programme (Hainaut) benefited from EUR 28 million from the performance reserve, while the sum for the 7 Objective 2 programmes totalled EUR 19 million, divided in advance between the three regions (EUR 9.275 million for both programmes of the Walloon Region, EUR 7.77 million for the four programmes of the Flemish Region and EUR 1.955 million for the programme of the Brussels Region).

The Walloon Region was able to finalise, as in 2003, the greater part of the budget for Objective 1 and 2 programmes. The annual reports for each programme were submitted for consultation by each of the corresponding Monitoring Committees by written procedure.

For the Objective 1 SPD transitional support for Hainaut, only one Monitoring Committee was organised in 2004. The first six-month period of 2004 was devoted to instructions on the programme amendment and to allocation of the performance reserve in order to finalise the Commission amending decision on 26 August 2004. With the exception of the FIFG, the performance reserve (17.8 ERDF, 8.3 ESF and 1.9 EAGGF) was allocated proportionally to the most important funds in budgetary terms: ERDF 63.5%, ESF 29.8% and EAGGF 6.7%. With regard to the ERDF, the following measures benefited from additional budgetary resources: “cleansing and redistribution of industrial wastelands”, “financial engineering”, "basic infrastructure necessary the economic redeployment” and “infrastructure for new technologies”.

A new amending decision was adopted on 23 December 2004 to confirm decommitments of FIFG appropriations of EUR 281 393 under the “n+2” rule of 2003. The level of expenditure presented in terms of ERDF payments comes to EUR 199 million at the end of 2004, i.e. 46.6% of ERDF appropriations. From the beginning of the programming period, global financial execution for EAGGF is 24.7% of the total budget for 2000-2006, i.e. EUR 10.9 million out of a total of EUR 44.1 million. With regard to the application of the “n+2” rule, only the FIFG was concerned and an amount of EUR 198 707.22 should be decommitted in 2005, which in this case does not represent the total annual commitment for 2002.

As regards the Objective 2 SPDs, Meuse-Vesdre and Rural Development, management activities have been adapted to those of Objective 1. Only one meeting of the Monitoring Committee for each programme was held at the end of December 2004. ERDF expenditure for the SPD Meuse-Vesdre and Rural Development amounts to EUR 41 181 000 and EUR 17 442 712 respectively, which correspond to rates of 30% and 31.8% of ERDF appropriations. No decommitments under the “n+2” rule were made. For the SPD Meuse-Vesdre, an amending decision was adopted on 22 December 2004 to confirm the decommitment of ESF appropriation for 2001 of EUR 1 043 435.56 under the "n+2" rule.

At the end of 2003 the Walloon Region proposed allocating the performance reserve by classifying all measures of two Objective 2 SPDs according to their performance as quantified on the basis of criteria set out in the programmes. For this reason and based on the pro-rata weighting of each measure within the overall programme, ESF measures received EUR 1.4 million.

The meetings of the Monitoring Committees in mid-December 2004 confirmed minor amendments to each programme, including facilitated access to micro-loans for small businesses through the easing of guarantee conditions.

The Flemish Region has undertaken the mid-term review of the four Objective 2 SPDs in line with the conclusions of the mid-term evaluations. The performance reserve was allocated proportionally according to the size of each programme in financial terms. For each of the programmes, the performance reserve was allocated to ERDF priorities; ESF priorities did not receive any additional money. The structure of the main priorities and measures of all the programmes has been maintained. The amendments made consist only of financial transfers between the main priorities/measures. The Monitoring Committee of each programme met on three occasions in 2004, with the agenda being mainly as follows: adoption of the annual reports for the year 2003, amendment of the programming complements as a result of the amending decisions, examination of the state of progress of each programme and visits to several projects. No decommitments as a consequence of application of the "n+2" rule were noted at the end of 2004, and an increase in the expenditure level of each programme was sufficient to prevent any loss of appropriations, either from the ERDF or from the ESF.

The Brussels-Capital Region was allocated the performance reserve for one of the two main priorities of the SPD without any other amendments being introduced. The Monitoring Committee met in July 2004 to adopt the annual report on activities in 2003. Progress in ERDF expenditure (the only fund in question in SPD Objective 2) was regular, three payment requests being submitted to the Commission in 2004 and an overall amount of EUR 9 578 839 paid from the ERDF, which enabled decommitments under the "n+2" rule to be avoided.

1.2. Objective 3

The 5 Objective 3 programmes were amended in 2004. The total performance reserve was allocated proportionally to the 5 programmes on the basis of their relative budgets. The mid-term review of the programmes, based on the conclusions of the mid-term evaluations, did not represent a substantial change in the overall strategy and structure of the programmes. Within each of the programmes the performance reserve has been allocated to the best performing or most innovative measures. The Federal SPD, with an initial budget of EUR 69.1 million, received a performance reserve of EUR 3.0 million, which was allocated to priority 2 – inclusion of guaranteed minimum income recipients, and to priority 3 – employment consolidation. Some minor amendments to the programme should increase the efficiency of training actions through personalised guidance of the participants, and incorporate the issues of restructuring of enterprises and active ageing as possible themes for actions. Some minor adjustments to the financial allocation to the different priorities have been carried out. Overall, implementation of the programme is satisfactory.

The SPD for Flanders received a performance reserve of EUR 16.3 million on top of the initial budget of EUR 376.2 million. The two priorities regarding the employability of unemployed people have been merged into one overarching priority in order to simplify management and implementation of the actions. This priority received 69% of the performance reserve on the basis of its performance. The remaining performance reserve has been allocated to the most innovative priority (pilot actions and studies) and to technical assistance. Overall implementation of the programme is going according to plan.

The programme for Wallonia had a budget of EUR 285.5 million, to which a performance reserve of EUR 12.4 million was added. Due to the non-acceptance of the evaluation report, allocation of the reserve followed the rules in the SPD and found valid substitutes for unavailable indicators. The reserve was allocated simply to the best performing priorities and those which show the greatest need for future funding: priority 2, social inclusion, priority 3, improving systems, and priority 5, technical assistance. No changes in the programme were proposed but, following thematic studies, some are planned for later in 2005.

Following the non-acceptance of the evaluation report in the case of the Brussels Region, the performance reserve was allocated by application of agreed indicators. In a programme with an initial budget of EUR 23.7 million, this resulted in an extra EUR 1 million being added to the highest spending priorities. The adjustments amounted to prudent financial rebalancing, taking account of developments since 2000 and anticipating others expected shortly. As a result of the mid-term review, two priorities covering job searching for the long-term unemployed and the young unemployed were amalgamated. New arrangements between the Federal and Regional levels made increased flexibility in this area necessary.

The SPD for the German-speaking Community had an initial budget of EUR 10.7 million, which was complemented with a performance reserve of EUR 0.5 million. The programme is being implemented according to plan. The performance reserve is allocated to the priorities concerning active labour market policies and social integration. Both priorities showed good performance levels and respond to the local socio-economic situation and the expected needs for the coming years. Two priorities concerning education and adaptability of workers have been merged in order to eliminate any overlapping and develop a more integrated lifelong learning approach.

1.3. Fisheries outside Objective 1

The total FIFG funds for 2004 amounted to EUR 5.15 million, of which by far the greatest share was earmarked for the Flemish as opposed to the Walloon Region (95 vs. 5%). About EUR 1.1 million of aid was granted for decommissioning surplus fishing capacity, 0.255 million for modernisation of fishing vessels, 0.26 million for port equipment, 0.58 million for processing and marketing of fisheries products and

0.468 million for various measures, which include sophisticated equipment for the vocational training of sea fishermen.

Following the mid-term review, a performance reserve of EUR 0.75 million was granted to the programme and distributed in the same percentages as shown above.

Nevertheless, since implementation of the present programme has been comparatively slow, and significant investment had been made in the sector in the previous period, out of the annual amounts for 2001 and 2002, the sum of EUR 8 059 453.91 remained unspent by the end of 2004 and was to be decommitted.

1.4. Community Initiatives

1.4.1. Urban

There are 3 Urban II programmes in Belgium. The programmes for Brussels, Antwerp and Sambreville were all approved on 12 November 2001 and all three amended in 2004. Each programme receives EUR 7.173 million from the ERDF. The total budget for Brussels is EUR 14.9 million, for Antwerp EUR 22.9 million and for Sambreville EUR 17.1 million. The programme complements for Antwerp and Sambreville were submitted and accepted in 2004. Brussels still needs to approve its new programme complement. Annual reports for 2003 were submitted by all three programmes and approved. For all three programmes, the management authority is the region.

1.4.2. Equal

French-speaking and German-speaking Belgium

Two priorities of the EQUAL programme (employability and adaptability) were given more prominence in the mid-term review, and indexing was incorporated into the new Commission Decision.[40] The budget for French-speaking and German-speaking Belgium in the EQUAL Programme is raised after indexing to EUR 84.6235 million for the period 2001-2008, including 50% of national contribution.

On the ground, the first call for proposals for EQUAL projects was completed in 2004. The second call for proposals (2005-2008) proceeded in 2004 with the selection of 39 Development Partnerships. As regards the distribution and integration of EQUAL practices, authorities concentrated their efforts in 2004 on the subject of "age management" and organised a workshop in Namur in November 2004. A seminar presenting best EQUAL practices, all subjects included, was held in March 2004.

Flanders

The Flemish EQUAL programme did not change the weighting of its measures. Indexation was integrated into the new Commission Decision.[41] Following this

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40 Commission Decision C(2004)3234 of 13/08/2004

41 Commission Decision C(2004)3380 of 30/08/2004

decision, the total eligible costs for the Flemish EQUAL programme amount to EUR 66 193 626 for the period 2001-2006, of which 50% or EUR 33 096 813 from the ESF.

The second round of EQUAL started with a call for proposals launched in March 2004, which resulted in the approval of 32 Development Partnerships (DPs) in October 2004. As regards the dissemination and mainstreaming of EQUAL good practices, Flanders organised a major event at Zaventem airport in December, with the Minster for Mobility, Social Economy and Equal Opportunities and a selection of ESF "ambassadors" in attendance.

1.4.3. Leader

Belgium has two LEADER+ programmes: one for Flanders, involving total public expenditure of EUR 8.6 million, and one for Wallonia, involving total public expenditure of EUR 23.2 million.

The two regional LEADER+ network units became fully operational in 2004, and the two Regions have agreed that the Walloon network unit should act as the national contact point where appropriate. By its decision of 18 June 2004,[42] the Commission approved certain amendments to the Flemish LEADER+ programme, relating to the arrangements for cooperation between territories and to the administrative provisions of the programme.

At the end of 2004, total financial execution came to 5.3% of the total amount of EAGGF expenditure earmarked for the period 2000-2006, i.e. EUR 0.8 million from a total of EUR 15.9 million.

1.5. Closure of the 1994-99 programming period

In 2004, the Commission departments terminated their examination of all the final declarations of the 1994-99 programmes (43 programmes, including the INTERREG programmes involving Belgium) and proposed that the Belgian authorities should close each programme. With the exception of the Objective 1 programme for Hainaut and of the Community initiatives, SME Flanders and KONVER Wallonia, an agreement was reached in 2004 on the liquidation of the balances of all the programmes. They could therefore be definitively closed.

For ESF, most of the 17 programmes have been closed. For three programmes (Objective 5b Meetjesland, the Federal and the Flemish Objective 3 programmes), a reply on the proposed closure from the designated authorities is awaited prior to finalising the closure.

As regards the EAGGF, all of the 16 programmes had been closed at the end of 2004.

[42] Commission Decision C(2004)2307 of 18/06/2004

2. CYPRUS

2.1. Objective 2

Cyprus joined the European Union on 1 May 2004, whereas the negotiations on the Single Programming Document for Objective 2 had already been concluded in December 2003. Unlike the majority of the new Member States, Cyprus has only benefited from limited pre-accession aid for institution-building and Structural Funds preparations. Activities in 2004 therefore focused mainly on administrative and institutional preparations for implementation, such as setting up the Monitoring Committee, finalising the Programme Complement, establishing operational manuals, templates and guides, defining the project selection criteria, promoting the preparation of projects and preparing the launch of the calls for proposals.

The island of Cyprus is classified as a NUTS III, II and I level region. However, because of the failure to settle the Cyprus problem before enlargement, Protocol 10 of the Act of Accession is relevant: "*The application of the acquis shall be suspended in those areas of the Republic of Cyprus in which the Government of the Republic of Cyprus does not exercise effective control*". Subsequently, only the area under the control of the Government of Cyprus is eligible for support under Objective 2. The defined Objective 2 area covers 4 877m² in the rural area of the country and in an urban area adjacent to the ceasefire line, where 31% of the Cypriot population, i.e. 213 000 people, live.

The Single Programming Document for Objective 2 was formally adopted by the Commission on 18 June 2004. It covers the period 2004-2006 with a total budget of EUR 58.7 million, of which the European Regional Development Fund will contribute EUR 28 million in current prices. The programme is expected to help mobilise EUR 32 million in private investment in the SME sector. Over the same period, the Cohesion Fund will support major transport and environment investments in Cyprus with an additional EUR 53.9 million.

There are two geographically distinct areas on which the Single Programming Document objective 2 focuses: a wide rural area, further subdivided into the western mountainous part, the eastern part, which is mostly made up of agricultural land, and an urban area in Greater Nicosia along the ceasefire line.

The programme provides direct support to business activities in the field of rural tourism and small-scale manufacturing in rural areas, accompanied by support infrastructure for business activities and the provision of community facilities and better accessibility in both urban and rural areas. It concentrates on two strategic priorities: Priority 1 "Rural Development" (66% of ERDF funds): three measures focusing on support for the productive sector (Measure 1), on business support infrastructure (Measure 2) and on community regeneration activities (Measure 3). This priority also includes State aid to the SME sector. Priority 2 "Regeneration of Urban Areas in Decline" (30 % of ERDF funds): consists of one measure in support of integrated urban regeneration at four different spots in Nicosia and Ayios Dometios. 4% of ERDF funds is earmarked for Technical Assistance.

The Single Programming Document for Objective 2 will help to stabilise the depopulation trend in those urban and rural areas that face serious structural problems by promoting the economic and social regeneration of these areas.

Following the formal approval of the Single Programming Document by the Commission, the 2004 annual allocation has been committed and the first instalment of the advance payment (10% of the total 2004-2006 allocation) made by the Commission. The Programme Complement of the Single Programming Document, together with the project selection criteria, was adopted by the Monitoring Committee and subsequently validated by the Commission.

The formal receipt, appraisal and approval of project applications by the Managing Authority is scheduled to commence in 2005.

2.2. Objective 3

The Single Programming Document for Objective 3 was formally adopted by the Commission on 7 July 2004. It covers the period 2004-2006 with a total budget of EUR 43.8 million, of which the ESF will contribute EUR 21.9 million in current prices. 50% of the Objective 3 appropriations are expected to be concentrated on the defined Objective 2 areas facing structural problems of economic and social conversion.

As with the Objective 2 Single Programming Document, activities in 2004 centred mainly on the necessary administrative and institutional preparations for implementation, such as setting up the Monitoring Committee, finalising the Programming Complement, rendering Master Information Systems operational, including the training of staff, establishing operational manuals, templates and guides, defining the project selection criteria, promoting the preparation of projects and eventually preparing the launch of the calls for proposals.

The programme focuses on two general targets. The first target aims at the promotion of employment and vocational education and training, mainly through the active support for employment in tandem with social cohesion and equal opportunities. The second target aims at the qualitative improvement of education and training, linking it more closely to labour market needs, and promoting the utilisation of new technologies for its delivery.

To achieve the above targets, a number of measures have been set up under the following three Priority Pillars: Priority 1 "Development and Promotion of active Labour Market Policies" (EUR 11.4 million): four measures focusing on the enhancement of Public Employment Services (measure 1), increasing the adaptability of the labour force (measure 2), promoting equal opportunities for all in accessing the labour market (measure 3) and improving women's access to the labour market (measure 4). Priority 2: "Promotion and Improvement of Education and Training and Lifelong Learning" (EUR 10 million): two measures focusing on the utilisation of new technologies in the framework of L-L-L (measure 1) and the improvement of secondary and technical-vocational education and training (measure 2). Priority 3: "Technical Assistance" (EUR 0.5 million) providing the necessary support for effective implementation of the programme (one single measure).

Following the formal approval of the Single Programming Document by the Commission, the 2004 annual allocation has been committed and the first instalment of the advance payment (10% of the total 2004-2006 allocation) made by the Commission. The Programme Complement of the Single Programming Document, together with the project selection criteria, was adopted by the Monitoring Committee and subsequently validated by the Commission.

The formal receipt, appraisal and approval of project applications by the Managing Authority is scheduled to commence in 2005.

2.3. Fisheries outside Objective 1

The Cypriot fisheries sector comprises the catching sector, aquaculture and processing and marketing. The economic importance of these sectors is less than 0.3% of GNP, but, as in most EU states, it is of socio-economic importance, particularly in coastal areas.

Specific objectives for the catching sector are to protect overfished demersal resources and to diversify into other resources; to modernise the fleet, particularly in terms of safety, hygiene and living conditions; to improve landing facilities; and to encourage fishing beyond territorial waters.

Objectives for aquaculture are to modernise fish farms in terms of technology, organisation, marketing, product quality, and environmental and socio-economic conditions, and to create jobs.

Objectives for processing and marketing are to improve quality and increase the availability of products, to increase competitiveness and to improve the monitoring of production and marketing.

The FIFG Operational Programme (OP) (outside Objective 1) was adopted on 9 August 2005.[43] This OP has 4 priorities and is co-financed by the FIFG for the period 2004 – 06 as follows: total public investment: EUR 7.7 million, FIFG contribution: EUR 3.4 million, national contribution: EUR 4.3 million, anticipated private contribution: EUR 5. 4 million. The priorities are as follows:

Priority 1 - Adjustment of fishing effort - FIFG contribution: EUR 1.641 million (48%).

Priority 2 - Fleet renewal and modernisation - FIFG contribution: EUR 0.188 million (5.5%).

Priority 3 - Protection and development of aquatic resources, aquaculture, fishing port facilities, processing and marketing, and inland fishing - FIFG contribution: EUR 1.505 million (44 %).

[43] Commission Decision E (2004) 2578.

Priority 4 - Other measures - No FIFG-funded activities have yet been defined under this priority. However, there is the possibility of funding training schemes for those in the sector as part of the Objective 3 programme.

Priority 5 - Technical assistance: FIFG contribution: EUR 0.085 million (2.5 %).

There have been no major problems in implementation.

The Programme Complement, together with the project selection criteria, were adopted by the Monitoring Committee and were transmitted to the Commission.

The formal receipt appraisal and approval of projects applications by the Managing Authority is scheduled to commence in 2005.

2.4. Community Initiatives

2.4.1. Equal

The negotiation process with the Republic of Cyprus kicked off in September 2003. The draft SPD was submitted on 13 October 2003. Negotiations were concluded on 07 July 2004 with Commission Decision.[44] Three measures are identified in the SPD: facilitating access and return to the labour market (priority 'employability') – 42%; reconciliation of family and professional life (priority 'equal opportunities for women and men') – 42%; fostering the social and professional integration of asylum seekers (priority 'asylum seekers') – 6%. The remaining 10% is used for the fourth priority: technical assistance.

The measures are co-financed by the Government of Cyprus (50%) and the ESF (50%) to the tune of EUR 1 808 793 each, giving a total of EUR 3 617 586.

The selection process resulted in a total of seven Development Partnerships, three in the priority 'employability', three in the priority 'equal opportunities' and one in the priority 'asylum seekers'.

2.4.2. Leader

Cyprus has opted not to implement any Leader+-type measures for the period 2004-2006.

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[44] C (2004) 2741

3. CZECH REPUBLIC

2004 has been a transfer year for the Structural Funds in the Czech Republic, with a shift from programming to implementation of programmes, priorities and measures, which had been negotiated in the previous years. All Objective 1, 2 and 3 programmes were formally adopted by the Commission in June 2004. The first advance payments of 10% of the SF allocation per programme were also executed for each programme.

The first Monitoring Committees for all programmes took place in the first four months of 2004 and all the necessary documentation (rules of order, statutes, selection an priority criteria, etc.) was adopted. The Managing authorities launched their first call for project applications after 1 May 2004 and have been assessing, selecting and contracting their first projects during the second half of 2004. The Programme Complements have been adopted by the Monitoring Committees responsible and were transmitted to the Commission.

A national system of financial management and control has been put in place for the Structural Funds. The Commission had received a description of the organisation of management, payment and control functions (based on Article 5 of Regulation 438/2001 (Structural Funds)) for all Structural Fund programmes and had sent its first comments and questions on the systems as described in these reports by the end of 2004.

The Ministry of Finance, designated as the Paying Authority (National Fund) and having overall responsibility for financial control, took the initiative of pre-audits of the bodies involved in the implementation of Structural Funds programmes. The results of these pre-audits were made public in December 2004 and their recommendations will be used to further improve the administrative organisation of the Structural Fund programmes.

3.1. Objective 1

The Community Support Framework covers the period 2004-2006 with a total budget of EUR 1.954 million, of which EUR 1.454 million is contributed by the Structural Funds (63% ERDF, 25% ESF, 11.5% EAGGF and 0.5% FIFG). Within the framework of the CSF, five Operational Programmes are implemented.

Two Monitoring Committee meetings for the CSF were held in 2004: 5 April (preparatory meeting) and 18 May. The Committee adopted, among other things, the evaluation plan for the period 2004-06, the communication and action plan for 2004-06 and the proposal for technical assistance. The CSF Managing Authority, located in the Ministry for Regional Development, is responsible for the effectiveness, correct management and discharge of assistance provided by the Structural Funds in the Czech Republic. The Managing Authority is supported in its day-to-day management by the Steering Committee, in which all the Managing Authorities of the OPs and the Paying Authority participate. The Steering Committee has a purely consultative role. The CSF Managing Authority has so far also established nine working groups in which experts from different ministries and other bodies participate. Working groups exist for Eligible expenditure, Forms, Control, audit and irregularities, Operational manuals, Technical assistance, Information and training, State aid, Monitoring and Evaluation and horizontal priorities. These working groups discuss and prepare guidelines, manuals and other documents to be used by all bodies participating in Structural Fund programmes in the Czech Republic.

The Joint Regional Operational Programme (JROP), the largest OP, with a share of 31.2% of the total Objective 1 allocation (28% ERDF, 3.2% ESF), held three Monitoring Committee meetings in 2004: 18 March, 30 March and 21 October. In total, there were 19 calls for project applications launched in June, July and October. By the end of 2004, 629 individual projects and 73 grant schemes had been submitted, which are at different stages of assessment and selection. In particular, measures aimed at regional and local transport infrastructure, infrastructure for human resources development and tourism infrastructure appear to be popular. The first contracts with final beneficiaries will be signed at the beginning of 2005. In total, 205 staff are involved in the implementation of this programme, 25 of them within the Managing Authority at the Ministry for Regional Development in Prague and the other 180 in intermediate bodies both in Prague and in the regions.

The Operational Programme for Human Resources Development is the second largest OP, with a share of 21.9% (only ESF) of the total Objective 1 allocation. Two Monitoring Committee meetings took place for this programme: 28 April and 15 December. The first series of calls for submission of grant schemes and national projects from intermediary bodies to the final beneficiaries were published in August, September and October. By the end of the year, 28 grant schemes (albeit 13 of them under a single measure) and national projects had been submitted under the different measures. Subsequent calls from final beneficiaries to final recipients for project proposals within grant schemes followed in the course of January and February in an effort to make up the delay in comparison to other programmes. There are 73 staff involved in the implementation of the programme, 12 of them in the Managing Authority in the Ministry for Labour and Social Affairs, 37 in intermediate bodies and the rest in support units. Nevertheless, this number would double if staff were added from final beneficiaries – mainly 13 Regional Labour Offices and the same number of Regional Authorities – who are also directly responsible for programme management.

The Operational Programme Industry and Enterprise is the third largest OP, with 17.9% (only ERDF) of the total Objective 1 allocation. Three Monitoring Committee meetings were organised for this OP in 2004: 26 January, 30 April and 11 November. The first calls for project applications were launched immediately after the accession of the Czech Republic to the EU in May. In total, 11 calls for applications were published. By the end of 2004, 1 025 applications had been submitted (70% for grants and 30% for loans). The most popular measures are schemes aimed at support for small and medium-sized enterprises, innovation schemes and two loan schemes aimed at start-up for entrepreneurs and firms at the initial development stage, whereas schemes aimed at energy savings and renewable sources of energy lag behind for the moment. In total, 186 staff are involved in the implementation of this programme, 24 of them within the Managing Authority at the Ministry of Industry and Trade, 6 within the Paying Unit in the same Ministry and 156 in intermediate bodies both in Prague and in the regions.

The Operational Programme Infrastructure is the fourth largest OP, with almost 16.9% (only ERDF) of the Objective 1 budget allocation. Two Monitoring Committee meetings were held for this programme in 2004: 5 March and 21 April. Altogether, 18 calls for applications were published for all measures during the course of May. By the end of the year, over 230 projects had been submitted, most of them aimed at improving environmental infrastructure. The first projects were selected before the end of the year and are now at the contract-signing stage. This programme will have to cope with a lower number of projects, which, generally speaking, are larger in size (infrastructure) than other programmes. In total, 44 staff are involved in the implementation of this programme, 10 within the Managing Authority in the Ministry of Environment, 20 within the intermediate bodies (State Environment Fund and Ministry of Transport) and the rest in supporting bodies (including the paying unit).

The Operational Programme Rural Development and Multifunctional Agriculture (RDMFA) is the smallest OP, with almost 12% (11.5% EAGGF and 0.5% FIFG) of the Objective 1 budget allocation in the CR. Three Monitoring Committee meetings were held for this programme in 2004: 21 January, 9 September and 23 November. Implementation of the programme continued on the basis of the positive experience gained with the pre-accession instrument Sapard. Calls for application were launched in May, July, October and November. By the end of the year, 1 344 projects had been submitted (including 17 projects for fisheries), the most popular measures being investment projects in agricultural technologies. A positive decision was issued for 185 applications before the end of the year and the first payments are expected at the beginning of 2005. Altogether, there were 193 staff involved in the implementation of this programme, 14 in the Managing Authority in the Ministry of Agriculture, 167 in intermediate bodies in the regions and 12 in the paying unit.

3.2. Objective 2

The Single Programming Document Prague Objective 2 received support of EUR 71.3 million from the Structural Funds (only ERDF). Three Monitoring Committee meetings were organised for this programme in 2004: 10 March, 7 April and 15 December. Altogether, 6 calls for proposals were launched in September. By the end of the year, 25 projects had been submitted and the first contracts with final beneficiaries will be signed at the beginning of 2005. This programme is slower to start than the Joint Regional Operational Programme, although it is managed by the same Ministry for Regional Development and is based on the same administrative organisation as the Joint Regional Operational Programme. Additional actions will be necessary in order to develop the project pipeline. 22 staff are involved in the implementation of the programme, 5 of them in the Managing Authority in the Ministry for Regional Development, 12 in intermediate bodies (mainly in the city administration of Prague) and the rest in support units.

3.3. Objective 3

The Single Programming Document Prague Objective 3 received support of EUR 58.8 million from the Structural Funds (only ESF). Two Monitoring Committee meetings were held for this programme in 2004: 21 May and 7 June. Compared to the ESF Human Resources Development OP, implementation of this programme is more advanced thanks to a simpler implementing structure, because the final recipients are identical with the final beneficiaries in half of the programme measures. 4 calls for project applications, administered by the Intermediary Body City of Prague, had been launched by the end of October, the remainder following in January and February 2005. There were 103 staff involved in the implementation of this programme, 51 in the Managing Authority in the Ministry for Labour and Social Affairs, the rest in intermediate bodies and support units.

3.4. Community Initiatives

3.4.1. Equal

After a period of intense negotiation in advance of accession, the Czech EQUAL Programme was adopted in June 2004.[45] The budget allocated to the Programme for the period 2004-2006 will be EUR 44 million, of which EUR 32.1 million from the ESF.

The objective of CIP EQUAL in the Czech Republic is to promote innovative solutions for existing problematical fields in connection with discrimination and inequalities in the labour market. Programme objectives were formulated on the basis of an analysis of the social and economic situation in a given field, supported by identification of strengths and weaknesses, opportunities and threats and their relation to national and regional policies within the context of the European Employment Strategy. EQUAL will be supported both by national sources, for the most part through active labour market policy programmes, and by the ESF. EQUAL is thus expected to help develop a comprehensive and coordinated overall employment strategy, and to play a role in HR development in its own unique way, i.e. by searching for new ways of fighting discrimination and inequalities in the labour market in an effort to achieve prosperity for all people living in the Czech Republic, and thus to promote the value of human resources.

Following the selection process the Managing Authority for EQUAL in the Czech Republic selected a total of 59 Development Partnerships. The Czech Republic decided to concentrate its efforts on Theme A and B (Employability - 23% of the budget, 15 Development Partnerships selected (DPs)), Theme C and D (Entrepreneurship – 28% of the budget, 19 DPs), Theme E and F (Adaptability – 26% of the budget, 13 DPs), Theme G and H (Equal Opportunities – 10% of the budget, 8 DPs) and Theme I (Asylum Seekers – 5% of the budget, 4 DPs). These Development Partnerships begin their work in 2005.

3.4.2. Leader

A Leader+-type measure has been included in the Objective 1 OP.

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[45] Commission Decision C(2004)2444 of 25/06/2004

4. GERMANY

The Monitoring Committees dealt with the mid-term review, the Annual Implementation Reports for 2003, the discussion of the 3rd Cohesion Report and the financial perspectives for the next programming period.

Under the "N+2" rule (obligation to spend funds within 2 years of the year of commitment), the only loss recorded was related to the ESF part of the Bavarian Objective 2 programme (EUR 1 million).

13 bilateral Annual Meetings and a common Annual Meeting for all Objective 1 and Objective 2 programmes took place in Potsdam from 15 to 17 November. The common meeting addressed the topics of "Fostering innovation", "Sustainable regional development" (for the second time) and finally the "European Employment Strategy and German Labour Market Reform". Separate meetings were held for the ESF programmes, Objective 1 Bund and Objective 3, on 7 December in Bonn.

4.1. Objective 1

As in the second half of 2003, work in the first half of 2004 concentrated on the mid-term review and the allocation of the performance reserve. After the Commission had adopted a general decision on the allocation of the performance reserve to selected priorities for all European mainstream programmes, these choices also had to be implemented in the individual programmes. In most cases this step was combined with other amendments resulting from the mid-term evaluations, which normally means shifts of resources between different priorities and existing measures. However, apart from the Berlin Programme (where the human resource priority received considerably greater funding) and from Saxony (100% ERDF) the priorities under the ERDF and ESF received shares of the performance reserve in proportion to their initial allocation of structural funding. A significant share of the performance reserve had been granted for the FIFG (EUR 3 438 856), but a further amending decision was introduced before the end of 2004, which would lead to a transfer of EUR 4 286 400 to the EAGGF. The fisheries programme within the Common Support Framework for Germany Objective 1, which is mainly concentrated on the coastal state of Mecklenburg-Western Pomerania, had been suffering, although to a lesser extent than the corresponding activities outside Objective 1, from the unfavourable economic climate and had been held back by the fact that the biggest investments had been made previously.

In the second half of 2004 preparations started on the follow-up to the mid-term evaluation of all Objective 1 programmes and the CSF with calls for tender being published by the end of the year. The focused approach proposed by the Commission was retained for all programmes.

For the Berlin programme, two new measures were agreed upon: a Risk Capital Fund for technology enterprises and a Loan Fund for SMEs.

An innovative measure in Mecklenburg-Western Pomerania paved the way for the first ESF-funded micro-loans for business start-ups in Germany. The micro-loans fund is embedded in a campaign for entrepreneurship entitled "Einfach anfangen" and will complement an existing ERDF-financed fund for SMEs.

In Thuringia three new measures were added to the programme: a Risk Capital Fund for SMEs, a scheme designed to save energy, and an initiative for the protection of historic buildings and monuments.

The ESD was used to try to close the growing gap on the apprenticeship market between supply and demand in 2004. Initiatives were especially successful in Thuringia, Saxony-Anhalt and Mecklenburg-Western Pomerania.

In all cases under Objective 1, the Commission decisions were adopted before the end of the year.

Four major projects were adopted by the Commission, two of them belonging to the OP “Transport Infrastructure” – the motorway A 20 (“Ostsee-Autobahn”) and the railway section Chemnitz-Paderborn (“Mitte-Deutschland-Verbindung”) – one under the Saxony OP – “Molkerei Leppersdorf” – and one under the Saxony-Anhalt OP – “Otto-Verteilzentrum”.

For the Objective 1 ESF Bund programme, a new amendment was requested in September 2004. The decision was taken in March 2005.

At the end of the year expenditure on the ground and reimbursed by the Commission had reached 65.9% of the amounts granted from the ERDF for the whole programming period 2000-2006. For the ESF, 55% of the total programme allocation had been paid out by the end of 2004.

4.2. Objective 2

Under Objective 2, the mid-term evaluation reports had to be approved and all programmes had to be revised in order to allocate the performance reserve to selected priorities and, in some cases, to optimise the chosen development approaches. The performance reserve was generally allocated to ERDF and ESF as a proportion of their initial share, with the exceptions of Berlin (higher share for ESF) and Bavaria (100% to ERDF). Most programme amendments had been adopted by the Commission by the end of 2004.

For the Lower Saxony programme, a new measure was created with the aim of reserving resources for a major project to construct a container harbour.

For North Rhine-Westphalia a new measure was added for the development of health economy as a “competence field”.

A new measure was also scheduled for the Schleswig-Holstein programme, i.e. for the purpose of establishing a Risk Capital Fund.

In addition to the two measures quoted above, another new measure for tourist infrastructure was established for Berlin.

In the Bavarian programme, on the other hand, the measure for “water supply and waste water disposal” was terminated.

The annual reports were sent on time and discussed at meetings of the monitoring committees; some minor changes were proposed and accepted.

At the end of the year, expenditure on the ground and reimbursed by the Commission has reached 53.2% of the amounts granted from the ERDF for the whole programme period. ESF payments reached up to 39% of the overall ESF allocation, against 29% at the end of 2003.

4.3. Objective 3

Work on the mid-term review and the allocation of the performance reserve took up the second half of 2003 and the beginning of 2004. Allocation of the performance reserve was combined with a programme amendment reflecting the mid-term evaluation. Both the allocation of the performance reserve and the subsequent programme amendment were adopted by August 2004.

The performance reserve was allocated to priorities performing the best in the mid-term evaluation. As a result of the programme amendment, funding for the priorities Social Inclusion, Lifelong Learning and Adaptability was increased, whereas for the priorities Fight against unemployment and Equal Opportunities it was reduced. In addition, a larger share of the overall programme allocation was shifted from the *Bund* to the *Länder* (bringing the ratio to 33/67).

Germany introduced a request for a new programme amendment in September 2004 as a consequence of the Hartz IV reforms on the German Labour Market. The new law entered into force in January 2005. The decision on the programme amendment was taken in March 2005.

At the end of the year, expenditure on the ground and reimbursed by the Commission had reached 50.8% of the amounts granted for the whole programming period 2000-2006. Amounts claimed at the end of the year 2004 could not be paid out for lack of appropriations.

4.4. Fisheries outside Objective 1

The general impression conveyed by the managing authorities was one of a certain reluctance to invest due to the low level of economic activity as a whole, and in particular within the fisheries industry. The fleet had already been largely reduced in the past, heavy investment into processing during the previous programming period had led to a certain degree of saturation, and the immediate vicinity of Objective 1 regions to the East triggered the phenomenon of relocation to where co-financing rates and labour costs are more advantageous. A rather new and promising area of investment, namely, aquaculture and the protection and development of aquatic resources, was not yet big enough to absorb much of the funding available.

Nevertheless, a performance reserve of EUR 2 350 000 was granted as a consequence of the mid-term review.

This situation led to a balance of unused funds from the annual amounts for 2001 und 2002 of EUR 26 382 438.50, which was to be decommitted by the end of 2004.

4.5. Community Initiatives

4.5.1. Urban

After the submission of the mid-term evaluations, the amendments to the twelve URBAN II programmes for Germany were approved between mid-September and the end of December 2004. Now that indexation for the 2004-2006 has been added, the ERDF contributes EUR 150.9 million to the German URBAN II programmes. The six programmes in former East Germany receive EUR 15.12 million each from the ERDF, with the exception of Leipzig, which declined indexation of its URBAN II budget due to lack of co-financing. The six programmes in the western part of Germany receive EUR 10.063 / 10.089 million each. The total cost of all twelve German URBAN II programmes amounts to EUR 276.801 million. All programme complements were received between April and December 2004. All programmes presented an annual report for 2003 in 2004, which were all accepted.

For nine programmes the management authority is in the "Bundesland" in which they are situated. In the case of three cities the managing authority was transferred from the *Land* to the city during the programme period.

In general, the monitoring committees convened once or twice a year, usually in Spring and Autumn. Cities that met only once sent all related information by written procedure to the members of the monitoring committee and submitted updated information on the state of implementation of projects.

All German and Austrian URBAN II cities regularly meet as part of the German/Austrian URBAN II Network. In 2004, three Network meetings took place: Berlin in February, Gera in June and Vienna in October. The Programme Managements, the Federal Ministry for Economy and Labour and the Commission also took these opportunities to meet and discuss programme management issues.

4.5.2. Equal

After the mid-term review in 2003 the priorities of the EQUAL Programme stayed the same. The additional funding due to indexation required a new Commission decision.[46] The ESF contribution now amounts to EUR 523 585 685. The additional funding was allocated to Theme A (Employability) and Theme B (Entrepreneurship).

In November 2004, Germany organised a big mainstreaming event in Berlin with about 300 people where good practices achieved within the first round of projects were presented to policy-makers and other stakeholders.

After having 109 Development Partnerships (DPs) in the first round, the monitoring committee confirmed 130 new DPs for the second round of EQUAL. Germany called

[46] C(2004) 5446 adopted on 20 December 2004

for topics such as trafficking, discrimination of Roma and gender mainstreaming to be addressed in particular.

4.5.3. Leader

In 2004, all 13 German regional programmes were amended. In total, EUR 4.640 million of indexation funds was allocated. Two regions did not make use of the additional funds and the money was reallocated to the other regions. Due to the low demand to date, most regions also made a shift from Action 2 (Support for cooperation between rural territories) to Action 1 (Integrated territorial rural development strategies of a pilot nature). There were practically no amendments to LEADER+ programmes.

Due to the n+2 rule, a total of EUR 4.531 million had to be decommitted in four LEADER+ programmes. German LEADER+ programmes might also be the subject of decommitments next year.

4.6. Closure of the 1994-99 programming period

During the year, 57 ERDF programmes (including CI programmes) were closed. Proposals for closure were sent to the national managing bodies for 34 ERDF programmes. About EUR 180 million was paid out, and some EUR 72 million decommitted.

In 2004, a total amount of EUR 240 million was paid out for total or partial closure of 24 ESF programmes. 17 programmes have an open project list pursuant to Article 23 of Regulation 4253/88 or Article 5(2) of Regulation 1681/94. These programmes require further special treatment.

As regards the EAGGF, the programmes of Thuringia, Saxony-Anhalt and Mecklenburg-Western Pomerania were closed, together with the Objective 5b programmes of Baden-Württemberg, Bavaria, Rhineland-Palatinate and Saarland, the Objective 5a Reg. 951/97 programme for Hamburg and the Leader II programmes of Schleswig-Holstein and Lower Saxony. The net amount paid totalled EUR 59.984 million. In all, 15 out of 47 programmes or 31.9% have been closed, accounting for 42.3% of the outstanding commitments ("RAL"). In absolute figures, the outstanding commitments at the beginning of 2004 of EUR 234.181 million were reduced by 66.679 million paid and 32.408 million decommitted, with 1.348 million recovered to give 135.094 million outstanding commitments at the end of 2004.

For the Fisheries programmes of the previous programming period (inside and outside Objective 1 as well as PESCA) final letters were sent before the end of 2004.

5. DENMARK

5.1. Objective 2

Denmark has only one Objective 2 programme in the current programming period. The Programme initially totalled EUR 617 million, of which EUR 189 million from the Structural Funds (EUR 27 million is for phasing-out regions). After the allocation of the performance reserve the structural fund’s contribution amounts to EUR 197 million (of which EUR 29 million for phasing-out). EUR 217 million comes from the national public sector (an increase of EUR 9 million compared to the initial allocation) and EUR 194 million is from the private sector (a decrease of EUR 30 million).

The Programme aims to create the conditions for self-sustained growth in the regions of Denmark that are facing structural difficulties. The Programme combines actions under the European Regional Development Fund (ERDF) (71%) and the European Social Fund (ESF) (29%).

The eligible areas consists of five geographical sub-regions: Bornholm (Obj. 2), Lolland, Falster and Møn (Obj. 2), Nordjylland (Obj. 2 and Phasing-out), parts of the counties of Viborg, Århus, Ringkøbing and Sønderjylland (Obj. 2 and phasing-out) and Sydfyn and islands not covered by the regions mentioned above (Obj. 2).

During 2004 one Programme Monitoring Committee (PMC) meeting was organised, at the beginning of the summer. The meeting focused primarily on the state of play of implementation, including the n+2 rule, amendments to the programme following the mid-term evaluation and allocation of the mid-term reserve. In 2003, the Commission aired some concern that only one PMC meeting is organised per year. This issue was discussed at the meeting in 2003 and the PMC decided to have two meetings in 2004. However, the PMC decided eventually to have only one meeting in 2004 after all.

The annual meeting between the managing authorities and the Commission was held in Copenhagen. The consensus was that the Programme is progressing well.

By the end of 2004, the Commission had paid out EUR 60.3 million for measures co-financed by the ERDF, which was approximately 43% of the total allocation. Since this was more than the allocation for the years 2000-2002, no money had to be returned under the n+2 rule. The situation with the ERDF part of the Programme was as follows: 903 ERDF projects have received grants totalling EUR 95.7 million, covering approximately 68% of the total Programme allocation. Almost a third of the projects concern support for investments in businesses. The measure that has absorbed the biggest amount of money concerns infrastructure investments in the development of the regions.

The total ESF funding is EUR 56.5 million. By the end of 2004, 633 projects had been supported, with a total grant of approx. EUR 39.9 million. Of these, 265 are finalised, and EUR 23.8 million paid out.

5.2. Objective 3

2004 saw efforts intensified to implement the recommendations of the mid-term evaluation. The managing authority defined an implementation plan and additional human resources were allocated to back up these efforts. At the end of 2004, most of the recommendations relating to administrative and management aspects had been implemented, resulting in significant improvements in programme monitoring.

Four meetings of the Monitoring Committee were held in 2004, the aim being to monitor the work on implementing the recommendations of the mid-term review. During the year the Committee discussed on several occasions the need for re-programming following increasing difficulties in avoiding decommitments. In December 2004, the Monitoring Committee finally decided to amend the programme to give it a more targeted focus on competencies development and entrepreneurship. The fourth Annual Review meeting with the managing authority was held on 29 November 2004.

Financial implementation of the programme was satisfactory and possible decommitments were avoided in 2004 following a minor decommitment of EUR 0.6 million at the end of 2002. By the end of 2004, total payments amounted to EUR 162.5 million.

5.3. Fisheries outside Objective 1

The total FIFG allocation to the country-wide Danish fisheries programme is EUR 213.3 million for the period 2000-2006. In 2004, a performance reserve of EUR 8.8 million was allocated and the mid-term review incorporated the recommendations of the mid-term evaluation, such as better long-term prioritising of resources and a stronger focus on innovation as a mainstreaming theme.

The most important measures planned in line with the recent reform of the Common Fisheries Policy included scrapping of vessels (19% of the framework budget), processing and marketing (16%), fishing port facilities (17%), collective investments (9%), innovative measures/pilot projects (8%), and renewal and modernisation of the fleet (16%).

Due to the rather low level of implementation, and in application of the N+2 rule, a decommitment of EUR 8 267 474.61 could not be avoided by 31/12/2004.

Three meetings of the Monitoring Committee were held in 2004.

5.4. Community Initiatives

5.4.1. Urban

The Århus URBAN II programme, approved in June 2004, is the only one in Denmark. The ERDF will contribute a total of EUR 5.38 million to this programme, whose total cost amounts to EUR 12.06 million. The programme complement was approved by the Monitoring Committees and submitted to the Commission in February 2004. The 2003 Annual implementation report was submitted to the Commission in June 2004. The Managing Authority for the programme is the Danish

Agency for Trade and Industry and the functional day-to-day management is delegated to an URBAN Secretariat in Århus. The Monitoring Committee met once during 2002.

5.4.2. Equal

The new decision[47] on the Danish CIP amended the programme slightly by changing the balance between priorities (basically, higher proportion of budget for "employability" and decrease for "adaptability"), and incorporated indexation. The total amount in the budget for 2000-2006 is EUR 60 856 022, the EU contribution amounting to EUR 30 428 011.

From the second call for proposals of the EQUAL programme in Denmark, 19 projects were selected in October 2004. The launch generated 72 applications, from which a selection was made.

Programme implementation suffered slightly from the absence of a National Support Structure as the two rounds of the programme required parallel work. During 2004, an NSS was contracted through a public procurement process and was able to provide support at the end of the year for the start of the second round. Work on mainstreaming was ongoing, mostly at local and regional levels by way of seminars, workshops and other kinds of events, in which best practices were demonstrated.

5.4.3. Leader

The total public allocation to the Danish Leader+ Programme 2000-2006 was increased in 2004 following indexation of EUR 300 208 and now amounts to EUR 34.6 million, including an EU contribution of EUR 17.3 million.

The programme is progressing well. Payments in 2004 amounted to EUR 1.7 million. After four years of implementation the financial execution is 16% of the amount foreseen for the programming period 2000–2006.

5.5. Closure of the 1994-99 programming period

All programmes relating to the ERDF were closed before the end of 2004. As regards the ESF, the Commission received the closing documents for all 5 programmes concerning the 1994-1999 period in March 2003. Payment requests have been processed and submitted for final payment. As for the EAGGF part, one Danish programme was closed in 2004 and three programmes still remain to be closed. For the Fisheries programmes, the closure process is almost finished. Final letters were sent at the beginning of 2005.

[47] C(2004)/4283

6. GREECE

6.1. Objective 1

2004 was marked by an increased effort to accelerate implementation of the operational programmes, by the mid-term review of both the CSF and the operational programmes and by closure of the 1994-99 programmes.

In July 2004, the final proposal for the mid-term amendment of the Greek CSF was submitted, including the allocation of the performance reserve. Following sometimes difficult negotiations, the amending decision for the CSF was adopted at the beginning of December.

In terms of Community funds, the distribution of the reserve shows a slight reduction in the overall weight of the ERDF (from 68.5% to 67.2%) and a minor increase in the weight of the ESF (from 19.9% to 20.6%) and the EAGGF (from 10.6% to 11.2%), while the FIFG level remains unchanged.

As regards priorities and programmes, amendments resulted in a net increase of appropriations designed to develop human resources (priority 1), transport (priority 2), agriculture (priority 4) and the Crete regional programme (priority 7). These changes reflect the priorities of the Lisbon agenda, the performances recorded in the different programmes during the mid-term evaluation and their estimated absorption capacities through to 2008.

With regard to implementing provisions, particular attention was given to the definition of control systems and to compliance with Community legislation as regards the award of contracts for public works, as these areas have posed problems on a number of occasions. The amended provisions aim at better definition of the obligations to be met and the control duties to be fulfilled at three principal levels of CSF management (central and local managing authorities, paying authority and financial control authority).

In August and September, the proposals for the mid-term amendment of the Greek operational programmes were submitted. The amending decisions were adopted in December and reflect entirely the points made above concerning the amendment of the CSF.

The annual reports for 2003 of all the operational programmes were adopted by the Monitoring Committees by written procedure in June 2004 and then submitted to the Commission. In general, the reports were satisfactory, but reporting on the physical indicators (output, result, impact) in particular was insufficient, which in certain cases led to requests for supplementary information. Following this exercise, all reports were accepted.

The payment requests received up to December indicate that almost all Greek operational programmes avoided application of the “n+2” rule without ERDF or FIFG decommitments. For the ESF, a minor decommitment (EUR 306 524) for technical assistance must be expected and a minor decommitment (EUR 17 500) was required for the EAGGF regarding the EAGGF part of the Attica Regional Programme.

However, it is clear that the rhythm of programme execution remains extremely uneven and that many find themselves at risk of application of the “n+2“ rule at the end of 2005. The rhythm of execution within the programmes is also still uneven. While work on infrastructure is advancing, substantial delays were registered in the measures aiming at participation of the private sector, research and new technologies, including the information society, the promotion of business spirit and innovation in the regions and actions for integrated rural and urban development. The Greek authorities established a powerful system for monitoring “n+2” risks, but are forced to note that delays observed often do not result in determined action to compensate the risks. At the present stage, the worrying factor is the low level of conclusion of contracts for the 3rd CSF actions, this being at approximately 50% of the overall allocation at mid-term.

During 2004, auditing of the management and control systems concerning the ERDF 2000-2006 and implementation of the plan agreed upon between the Commission and Greece continued. After the deadline of September 2004 for all the actions carried out by the Greek authorities, the Commission stated that despite certain improvements there are still substantial weakness to be removed, in particular with regard to controls of public works and projects transferred from the 2nd CSF (“bridge projects”). As a result, the department in charge of ERDF informed the Greek authorities of a proposal to the Commission to suspend ERDF payments if, within two months, the Greek authorities do not confirm complete and satisfactory implementation of the action plan.

6.2. Community Initiatives

6.2.1. Urban

There are 3 URBAN II programmes in Greece. The amendments for the Perama, Komotini and Iraklio programmes were approved at the end of July/beginning of August 2004. The total eligible cost for the three programmes is EUR 32 694 563. The total EDRF contribution is EUR 24 520 22. Perama, which does not benefit from indexation, receives EUR 9.55 million from the ERDF; Komotini receives EUR 8.15 million and Iraklio EUR 8.185 million. The total budget for Perama is EUR 12.733 million, for Komotini EUR 10.867 million and for Iraklio EUR 10.914 million. The three programme complements were received on 30 September 2004 and accepted before the end of the year. All programmes presented a 2003 annual report which was accepted by the end of 2004.

For all three programmes, the managing authority is the national government. The monitoring committees for the three programmes met once in 2004.

6.2.2. *Equal*

The total budget of EQUAL CIP is EUR 141 251 103, with the ESF contribution at EUR 105 938 327 under the last amending decision to incorporate indexation.[48] For both the first and the second round of EQUAL, the CIP includes all 5 priorities (Employability, Entrepreneurship, Adaptability, Equal Opportunities and Asylum Seekers) plus technical assistance.

Selections for the second round were made in 2004 when 321 applications were received in good time. The total number of approved projects is 63. There is an increase of Development Partnerships in Social Economy and Asylum Seekers due to the budget increase through indexation in these thematic fields.

According to the revised EQUAL CIP, greater emphasis is placed on the following target groups and thematic fields: Trafficking, Asylum Seekers, Social Economy, Quality in job positions, Roma people, Accreditation of job skills and qualifications, Equal opportunities of the disabled and age management.

6.2.3. *Leader*

Greece has one Leader+ programme. It was approved on 19 November 2001 and its total cost, after the 2004 indexation, amounts to EUR 368.7 million, of which 186.13 million is the EAGGF Guidance Section contribution. The programme is implemented at local level by 40 Local Action Groups that were selected in 2002. In August 2004, the programme was amended following the mid-term evaluation and planned indexation. The monitoring committee met twice in 2004.

For 2004, payments amount to EUR 19.820 million. The accumulated EAGGF Guidance Section payments (EUR 39.613 million) since the beginning of the 2000-2006 programming period account for 21% of the total EAGGF commitment for the programme.

6.3. Closure of the 1994-99 programming period

At the beginning of 2004, 30 programmes funded by the ERDF remained to be closed. Outstanding commitments (RAL) amounted to EUR 457.808 million. By the end of 2004, 25 programmes had been completely closed, most of the remainder were at an advanced stage of closure and the RAL had been reduced to EUR 85.6 million. Up to April 2005, 3 programmes co-funded by the EAGGF still have to be closed. Outstanding commitments amounted to EUR 78.1 million. In 2004, 15 EAGGF programmes had been completely closed, corresponding to EUR 541.8 million in payments. The FIFG-funded programmes (the "PESCA" Initiative and the Operational Programme for fisheries 1994 – 99) had been completely closed.

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48 C(2004)5441 of 20/12/04.

7. SPAIN

7.1. Objective 1

The year 2004 was marked by allocation of the performance reserve and the mid-term review, both of which involved Commission amending decisions concerning the CSF and its funding.

The level of financial execution continued to progress at a constant rhythm. In fact, the execution rate of ERDF for the first five years was 72.08% compared with 70.8% for the period 2000-2003, whereas it was 68.76% for the period 2000-04 for the ESF, 76% for the EAGGF and 77.74% for the FIFG. It has to be said, nevertheless, that the execution rate still differs appreciably between the regional OPs (73.60% for the ERDF and 78.11% for the ESF) and the multiregional OPs (62.09% for the ERDF and 63.79% for the ESF), on the one hand, and between the two major administrations responsible for the management of the funds, on the other: central administration (65.11% in ERDF) and the regional administrations (82.10% in ERDF). At programme level, the OP "Information Society", while presenting a very weak absorption rate (37.08 %), made considerable advances in comparison to the period 2000-2003 (10.95 %).

Concerning the "n+2" rule, on 31.12.04 application of the rule in the Spanish OPs was due for the second time. No automatic decommitments of ERDF, ESF or FIFG amounts had been made pursuant to this rule. As regards the EAGGF, the OP Technical assistance achieved an execution rate of 62% in 2002, which implies decommitments of EUR 1.44 million.

The OP Monitoring Committees met once in 2004, to examine the annual execution reports in particular and to proceed with the allocation of the performance reserve and the mid-term review. Following analysis by the different Monitoring Committees, the reports were submitted to the Commission in good time and were accepted.

The annual meetings for this period took place in October and November 2004. In addition to confirming the resolution of observation addressed to the managing authority at the previous meetings on the transparency of the database "Fondos 2000", two points need to be mentioned. First of all, a discussion with the managing authority and the regional administrations on the preparation of the proposal for new regulations for the 2007-2013 period. Secondly, in order to identify the progress made in the management of the funds, an exchange of experience was held on the basis of the results achieved in the management of the Objective 1 OP for Western Galicia.

At the annual coordination meeting organised in March 2004, the Commission departments confirmed that an analysis of the management and control systems gave reasonable assurance in terms of the standards required by Regulations 1260/1999 and 438/2001, but that certain doubts still remained at the level of intermediate bodies. Once the additional information requested was received, the Commission departments validated the descriptions of the management and control systems in October 2004.

Lastly, the mechanism for the mid-term evaluation update was set up in September 2004 at the meeting of the CSF evaluation technique group; it had been set up in July 2004 for the ESF.

As stipulated in Article 44(2) of Council Regulation (EC) No 1260/1999, the Commission was to allocate the performance reserve to all OPs performing well by 31.03.04. The programmes "Information Society", "Vocational training systems" and "Technical assistance" were declared to be performing below par. These programmes did not satisfy either the financial absorption or the specific efficiency criteria. Overall, the performance reserve allocated to Objective 1 programmes amounts to EUR 1 717 million and has been divided between the four funds as follows: ERDF: EUR 1 115.5 million, ESF: EUR 323.7 million, EAGGF: EUR 211.5 million and FIFG: EUR 66.3 million. Each OP that has performed well overall has received a part of the reserve proportional to its financial weight in the CSF.

At strategic priorities level, the review exercise and allocation of the reserve significantly bolstered the priorities "Human Resources" (6.28 %), "Transport and energy networks" (5.7 %), "Improvement of Competitiveness (5.7%) and "I+D+I", "Information Society" (5.4 %). Indeed, these priorities alone received 70% of the reserve. Nevertheless, the financial balance of the CSF is not affected by this allocation and only an insignificant loss (0.68 %) in the relative weight of the priority "Environment" is to be noted.

As for the FIFG, 2004 was not only marked by the mid-term review and allocation of the performance reserve but also by the need to adopt specific legislative provisions[49] to deal with the catastrophic consequences of the oil spill generated by the wreckage of the "Prestige". The OP for the FIFG in Objective 1 regions was thus amended twice in 2004, first on 24.02.04 to approve Community structural assistance to fishermen, vessel-owners, the shellfish industry and aquaculture for temporary cessation of activities following the oil spill from the "Prestige", and second on 23.12.2004 to add the performance reserve to the FIFG allocation and to take into account the consequences of the reform of the Common Fisheries Policy adopted in December 2002.

7.2. Objective 2

The overall balance sheet of implementation in 2004 is favourable. In fact, both physical and financial execution can be qualified as acceptable. The mid-term evaluation update and final allocation of the performance reserve were developing satisfactorily. With regard to financial execution of the ERDF, the execution rate for the first five years (2000-2004) is very satisfactory (78.4 %). For the ESF the execution rate is 51.17% for 2000-04.

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49 Council Regulation (EC) No 2372/2002 of 20 December 2002 instituting specific measures to compensate the Spanish fisheries, shellfish industry and aquaculture affected by the oil spills from the Prestige, *OJ L 358 , 31/12/2002, pp. 81 –83*

On 31.12.04, application of the “n+2” rule in the Spanish SPDs was due for the second time. There have been no automatic decommitments of the ERDF amounts pursuant to this rule. Regarding the ESF, a total of 4 SPDs have been affected by the “n+2” rule: Aragon, Balearic Islands, Rioja and Basque Country, for a total amount of EUR 2 876 706.

As in previous years, the Monitoring Committees of the 7 SPDs met once in 2004, but have nevertheless continued to take decisions on several occasions by written procedure, in particular, to amend the SPDs and the programming complements, and to incorporate reprograming and allocation of the performance reserve. For the purposes of coordinating its management, a meeting of the "Estructura Nacional de Coordinación" was planned for 18 February 2005, as in previous years, in order to re-examine the execution of the 7 programmes in 2004.

The annual execution reports were examined by the Monitoring Committees of the different SPDs and submitted to the Commission in good time. Although of acceptable quality, the Commission departments requested further information.

The annual meeting relating to this period took place on 29 November 2004 in Brussels. Questions concerned the mid-term evaluations, the performance reserve, follow-up to the recommendations from the previous meetings, in particular the recommendations on compliance with the Community directives on public procurement and on VAT, financial execution and the “n+2” rule. Discussions also centred on the future of the Funds in the new period 2007-2013.

With regard to the management and control systems within the meaning of Article 5 of Regulation 438/2001, the systems were finally validated by the Commission in 2004. A meeting on the coordination of controls with the Member States was planned for March 2005.

Allocation of the performance reserve and the mid-term evaluation update, in particular their legal deadlines, occupied a major part of activities during 2004.

Seven Spanish SPDs have been declared to be performing well. As a result, a total amount of EUR 119 million has been allocated as the performance reserve in the ERDF by means of amendments to the SPDs and programming complements concerned.

In conformity with Council Regulation (EC) No 1260/1999, the mid-term evaluation update has been launched. Consultancy work has started.

7.3. Objective 3

The global balance of implementation in 2004 is quite positive. On the one hand, both the physical and financial execution may be qualified as acceptable, except for the OPs "Vocational training systems" and "Technical assistance", whereas, on the other hand, allocation of the performance reserve was satisfactory.

As far as financial execution is concerned, the execution rate for the first five years of activity is globally positive, at 70.17% for the twelve programmes (execution rate of 76.82% for the regional OPs and 59.6% for the five pluri-regional programmes). It has to be underlined, however, that the execution rate differs significantly in the case of the pluri-regional programmes due to the low execution rate of the OP "Vocational training systems" of 43.73%.

Furthermore, an automatic decommitment has taken place, in application of the "n+2" rule, concerning the 2002 annual commitment of the OP "Vocational training systems", for a total amount of EUR 3 289 527.

The OP Monitoring Committees for the regional programmes met once in 2004, in particular to examine the annual execution reports and to allocate the performance reserve, although in some cases they took decisions by written procedure. Following analysis of the reports by the different Monitoring Committees, they were submitted to the Commission in the good time and were accepted.

The annual meetings for the pluri-regional and thematic programmes took place in November 2004.

Allocation of the performance reserve and the mid-term evaluation update, in particular their legal deadlines, occupied a major part of activities during 2004. All OPs were declared to be performing well, except for the programmes "Vocational training systems", "Promotion of employment" and "Technical assistance". As a result, a total of EUR 96 412 100 was allocated as the performance reserve for all Objective 3 programmes performing well, by means of amendments to the OPs and programming complements concerned.

In conformity with Article 42(4) of Council Regulation (EC) No 1260/1999, the exercise to update the mid-term evaluation was launched in July 2004 at a meeting of the CSF's evaluation technical group. The calls for selecting the evaluators for this new phase were launched and evaluating teams have now been selected and started working.

7.4. Fisheries outside Objective 1

For regions outside Objective 1, 2004 was marked by the mid-term review and allocation of the performance reserve. However, the SPP was amended twice in 2004, first on 25.02.04 to bolster the fishing port facilities measure, and second on 23.12.2004 to add the performance reserve and to take into account the consequences of the reform of the Common Fisheries Policy adopted in December 2002.

The addition of the performance reserve to the SPP brought the FIFG endowment to a total of EUR 216.6 million, of which 83.14 million (slightly less than 38.4%) had been paid by the end of 2004. Given that these payments exhausted the funds committed before the end of 2002, no automatic decommitment of the FIFG pursuant to the “n+2” rule had to be performed.

The OP Monitoring Committee met twice in 2004, first in Melilla on 15.06.2004 to approve the annual execution report and the relevant amendments to the Programme Complements and second in Madrid on 16.11.2004 to allocate the performance reserve. Once analysed by the Monitoring Committee, the annual execution report was forwarded in good time to the Commission.

The mechanism for updating the mid-term evaluation was set up in September 2004 during the meeting of the technical group for CSF evaluation.

By the end of 2004, the Commission had still not validated the descriptions of the management and control systems, as they were still analysing the additional information requested, seeking reasonable assurance that the standards required by Regulations 1260/1999 and 438/2001 were met, including at intermediate bodies level.

7.5. Community Initiatives

7.5.1. Urban

There are 10 Community Initiative Programmes in Spain, with an EU contribution of EUR 114 million. The total eligible cost of all 10 URBAN II programmes is EUR 182.5 million including indexation. The Spanish URBAN II CI programmes are being implemented steadily according to plan.

The managing authority for the programmes is the Ministry of Finance, but day-to-day implementation has been delegated to the municipalities.

7.5.2. Leader

In 2001 and 2002, the Commission approved 18 LEADER+ programmes (one horizontal programme and 17 regional programmes, i.e. one by Autonomous Community). 17 programmes had been covered by a global grant, and only one (the Basque Country) by a programming complement. On the whole, 150 local action groups were set up.

After four years of implementation, financial execution is 27% in relation to the amounts committed since the beginning of the programming period, i.e. EUR 85 million paid out of EUR 313 million committed between 2001 and 2004. The delay in programme implementation is due to late arrival of the financing agreement in the Commission.

By 31.3.2005, the Commission had also approved amendments to the financial tables of all LEADER+ programmes to take account of the 2% indexation of the commitment appropriations earmarked for 2004, 2005 and 2006, in conformity with Article 7(7) of Regulation 1260/1999. As these revisions were made, amendments were introduced in certain programmes, such as the revision of State aid regimes, the calculation of the Community participation or adjustment of measures.

7.5.3. Equal

Indexation of the Spanish EQUAL programme and the evaluation recommendations made it possible to increase the funding of the priority Equal opportunities and to adjust the financial amounts between other priorities at the time of the mid-term review. The new programme budget adopted by the Commission[50] for the period

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[50] Commission Decision C(2004)3188 of 11/08/2004

2000-2006 amounts to EUR 790.2 million, of which the ESF finances EUR 524.5 million.

2004 saw the second call for proposals, which gave rise to 226 new Development Partnerships. Approximately 60% of the selected projects concentrate mainly on topics A and B - Employability and G and H - Equal opportunities. The creation of companies (topic C) and adaptability (topic F) were also in strong demand and the number of selected projects increased considerably in relation to the first phase.

7.6. Closure of the 1994-99 programming period

Although the number of 1994-99 Objective 1 programmes still to be closed is significant (only 18 of the 41 Objective 1 programmes have been completely closed), a major effort has been made to reduce the balance of outstanding commitments. On 31.12.04, a balance of EUR 236,7 million remained in terms of payments, which is more than three times lower than on 31.12.03.

Two of the Spanish Objective 2 programmes (Aragon and Rioja) have been closed completely. The 5 remaining programmes have been closed partly (RAL: EUR 59 million). As far as ESF programmes are concerned, the state of play at 31.12.2004 is as follows: of the 19 Objective programmes, 12 have already been closed. In Objective 2 8 OPs have been closed for the period 1994-96 whereas for the period 1997-1999 only 2 programmes have been closed. Of the 12 Objective 3 programmes, 8 have been closed. In Objective 4 the only ESF programme is still pending closure. Of the 7 Objective 5b SPDs, 5 have already been closed. As regards the EAGGF, the requested documents sent by the Spanish authorities were examined by the Commission. On 31/12/2004, 26 programmes had been closed (9 OPs, 4 SPDs 5b, 11 CIs LEADER II, 1 Interreg and 1 Regis II), 6 programmes are under examination relating to Article 24(1) of Regulation 4253/88 and 15 programmes are still being analysed by the Commission.

As for the closure of the 1994-1999 FIFG programmes, not much further progress could be made in 2004 as the Commission was still awaiting the additional information it had requested from the Spanish administration in June.

8. ESTONIA

8.1. Objective 1

Estonia is an Objective 1 NUTS II country. EU participation in the SPD is EUR 371.36 million (current prices), or 73% of the total SPD eligible cost. The SPD identifies the core problems of Estonia (low GDP, unemployment, disparities) and sets out an overall objective to be achieved in Estonia: "*fast and regionally balanced sustainable economic development*". The latter would be achieved by shifting into higher value-added production.

The SPD priorities are: human resources, business development, RTDI and Enterprise Competitiveness, Agriculture, Fisheries and Rural Development and local development through, for example, infrastructure. Total resources (including private expenditure): EUR 617 million and 226 million for ERDF. The ESF funding totals EUR 76 million, corresponding to 20.5% of the total EU participation. The total public expenditure for EAGGF co-financed measures is EUR 78.8 million, of which the contribution from the EAGGF Guidance is EUR 56.8 million (72%). The FIFG contributes EUR 12.5 million to four FIFG measures in the programme.

The rate of advancement in the SPD is satisfactory and had increased substantially by the end of 2004, particularly in terms of commitments. Indeed, the full 2004 allocation was already committed at the start of 2005, i.e. EUR 55 million as compared to the 2004 allocation of EUR 54 million. Actual payments are, as always, lower and had reached approx. EUR 7.6 million at the start of 2005.

The Ministry of Finance is the Managing Authority for all Structural Funds. The partnership arrangements are very extensive in Estonia and various NGOs sit in on Monitoring committee and certain priority working group meetings, making their voices heard at different levels. There was one official MC meeting on 2 December 2004, which discussed and accepted the programming complement.

8.2. Community Initiatives

8.2.1. Equal

The Estonian EQUAL Programme was negotiated in advance of accession and adopted by the Commission.[51] The budget allocated to the Programme for the period 2004-2006 is EUR 5 424 129, of which EUR 4 068 097 from the ESF.

An analysis showed that the groups at particular risk in the Estonian labour market are young people, long-term unemployed (particularly in the 45+ age group and with a low level of education or outdated qualifications), non-Estonians and people with disabilities and long-term health problems. These groups will be given priority under EQUAL.

[51] Commission Decision C(2004)3076 of 03/08/2004

From the different thematic priorities under Equal, Estonia took the decision to concentrate on Theme A (Employability – 50% of the budget), Theme G (Equal Opportunities – 40% of the budget) and Theme I (Asylum Seekers - 2% of the budget). The remaining 8% of the budget is used on technical assistance. 13 Development Partnerships have been selected, 5 of them covering Theme A, 7 covering Theme G, and one covering Asylum Seekers.

8.2.2. Leader

There is no separate LEADER+ Community Initiative Programme in Estonia, but the activity is mainstreamed under the SPD as a Measure for Local Initiative-Based Development Projects – Leader. This measure includes both the acquisition of skills and integrated rural area development strategies. Implementation of the measure had not yet started in 2004.

9. FRANCE

9.1. Objective 1 and 2

Objective 1 in France covers four overseas departments[52] and, under transitory support, Corsica and 3 districts of the Nord/Pas-de-Calais region. Objective 2 concerns 21 of the 22 regions from metropolitan France. In addition to 27 regional programmes, there are 4 national programmes concerning technical assistance and IT management.

The year 2004 was marked by the mid-term review of all 31 Objective 1 and 2 programmes. The draft amendments to the programmes approved by the Monitoring Committees are based on the conclusions of the mid-term evaluations undertaken in 2003, on the Community indicative guidelines revised in August 2003, on the national guidelines and on the level of implementation and future orientation of the programmes.

The mid-term review of the SPDs confirmed the relevance of the strategies adopted in 2000: a moderate influence of actions most linked to the Community priorities despite an increase in favour of information and communication technologies and prevention of natural risks, and a predominance of demand-led measures, mainly urban policy and territorial projects, as opposed to supply-led measures. A certain weakness of the indicators is also noted, which undermines the analytical work on programme implementation.

This exercise included allocation of the performance reserve to the different programmes, following the global Commission decision of 23 March 2004, on the basis of the proposals made by the French authorities concerned. France benefited from a total amount of EUR 444 million under the performance reserve, of which:

- Objective 1: EUR 171 000 000, including EUR 24 000 000 under transitory support,
- Objective 2: EUR 273 000 000, including EUR 28 000 000 under transitory support.

The reserve concerned 27 regional programmes under Objectives 1 and 2 and an IT management programme under Objective 2, for amounts ranging from 2% to 6.55% of the initial Structural Fund appropriations of the SPD. It has mainly affected the ERDF.

The breakdown between funds by Objective following the allocation of the performance reserve and shifts between the Funds is as follows:

EUROS	OBJECTIVE 1	OBJECTIVE 2
ERDF	2 466 406 948	5 698 675 610

52 Guadeloupe, Guyane, Martinique, Réunion

ESF	947 715 419	823 346 213
EAGGF-GUIDANCE SECTION	670 263 108	-
FIFG	34 614 525	-
TOTAL SF	4 119 000 000	6 522 021 823

Average programming at the end of December 2004 (all Structural Funds together) increased up to 67% for Objective 1 regions and up to 70% for Objective 2 regions, with one rather significant discrepancy between regions, since the spread ranges from 64% to more than 91%, thus generating financial tensions in a number of programmes. In terms of executed payments, in Objective 1, 34.9% was paid out from ERDF, 48.93% from ESF, 44.3% from EAGGF-G and 40% from FIFG, while in Objective 2, 46.4% was paid out from ERDF and 35.8% from ESF .

Decommitments under the 2002 instalment (to 31.12.2004) were limited to: EUR 57 000 for the ERDF (national programme of technical assistance - Objective 2), EUR 772 200 for Fisheries - Objective l, EUR 10.858 million for the ESF concerning 6 Objective 2 SPDs. No decommitments were registered under the EAGGF Guidance Section.

The 31 annual reports on execution in 2004 of Objectives 1 and 2 were deemed acceptable. An analysis of the reports confirms the overall improvement in content, although differences remain between regions. Accounting and financial information is complete but the qualitative analyses of the programmes should be improved.

Five decisions on Community participation in major ERDF projects were adopted in 2004, all concerning major infrastructure projects: 2 major projects in Objective 1: renovation of the Club Med in Martinique, extension of St-Denis Boulevard Sud on Réunion; 3 major projects in Objective 2: restoration of the island status of Mont-Saint-Michel (Lower Normandy), road (RN 66) bypassing Rupt-sur-Moselle (Lorraine), construction of the Clermont-Ferrand tramway (Auvergne).

Two seminars to prepare future programmes for the 2007-2013 period were organised at the Commission's initiative in close collaboration with the French authorities, with the aim of making managers and regional partners aware of the new regulatory frameworks and management systems proposed by the Commission. The first seminar was held in mid-November on the island of Réunion for Objective 1 regions. The second seminar was held at the beginning of December in the Centre region for Objective 2 regions. These seminars, in which other countries also participated, were well received but showed that dialogue has to continue. Proposals along these lines will be made at the beginning of 2005.

In addition, a seminar on exchange of experience in the fight against social exclusion was held from 23 to 25 June 2004 in Le Havre (Upper Normandy) and concentrated on 4 themes: urban restructuring, economic integration, social integration and preparation for employment and cultural action. The seminar, which brought together representatives from 21 of the 25 Member States, provided a platform for exchange between project promoters and institutional stakeholders. A special effort was made to allow associations to take part, in particular those in the new Member States.

9.2. Objective 3

The Objective 3 SPD concerns the whole of the French territory outside Objective 1 areas. The overall ESF appropriation amounts to EUR 4.918 million.

2004 was marked by the continuation and completion of the mid-term review of the SPD, including allocation of the performance reserve by priority. Discussions were completed during the first quarter of 2004, and the formal revision decision taken on 7 June 2004. This revision resulted primarily from changes in the French policy on employment and training (new mechanisms, greater decentralisation), on the one hand, and from lessons learnt through the mid-term evaluation, on the other. Moreover, the regional aspect of the SPD was accentuated by the allocation of the entire performance reserve in the regions. Two transverse priorities were introduced at the time of the mid-term review: active ageing and integration of disabled persons.

The method of allocation of the performance reserve (i.e. EUR 204.5 million) by priority proceeded as follows: 2/3 of the reserve was distributed according to the predetermined results criteria (the performance reserve indicators initially envisaged), and 1/3 according to the "opportunities" provided by the new French policies. Thus, allocation by priority was as follows: priority 1 Active labour market policies 20%, priority 2 Equal opportunities and social integration 20%, Priority 3 Education and lifelong training 30%, Priority 4 Workers' adaptation, entrepreneurship and research 10%, Priority 5 Improvement of women's access to the labour market 10%, Priority 6 Transverse actions 10%.

At the end of 2004, 45% of the overall amount of ESF was certified by the French authorities, which thus ruled out the risk of any automatic decommitment at the end of 2004.

9.3. Fisheries outside Objective 1

The year 2004 was an important turning point for the implementation of structural policy in the fields of fisheries and aquaculture. All stakeholders have now absorbed the radical reform of the Common Fisheries Policy of December 2002.

In France, 2004 was a particularly successful year in terms of both projects completed and projects undertaken. Thus, after a difficult start, all French maritime regions are now in the process of implementing the fisheries structural policy. The declarations of expenditure for the year 2004 alone show almost EUR 50 million from the FIFG, i.e. 21.5% of the FIFG share reserved for France before the allocation of an additional EUR 10.10 million under the performance reserve. Altogether, almost EUR 400 million has been invested in 4000 projects with support from the FIFG, more than a quarter of them situated in Brittany.

France therefore crossed the threshold of EUR 90 million from the FIFG (i.e. 37% of its allocation) and thus approached the leading group of Member States (Austria, Spain, Finland and Portugal) posting execution rates of 50% or more.

This shows an overall positive financial balance sheet. Contrary to the other Funds, the “n+2” rule was applicable for the first time at the end of December 2004 for the FIFG part in France. Although 2000 and 2001 were “lost” years in terms of implementation, FIFG decommitments were avoided.

9.4. Community Initiatives

9.4.1. Urban

The 9 French URBAN II programmes were amended between August and December 2004. The ERDF will contribute EUR 102 million to these programmes, total financing amounting to EUR 283.609 million.

The programme managing authorities are either the mayor or the president of the inter-communal cooperative (4 programmes), the prefect of the region (3 programmes) or public bodies (2 programmes). The paying authority in all the cases is the “Caisse des Dépôts et Consignation”.

9.4.2. Equal

Following the mid-term evaluation and the Commission Communication of December 2003 establishing guidelines for the second round of EQUAL, the Commission adopted a new decision on 12 August 2004 amending the programme adopted in 2001. The new ESF financial participation is EUR 325.650 million. The themes have not changed considerably, apart from the addition of the theme concerning the fight against human trafficking (as for all the Member States). Programme implementation shows increased deconcentration: 90% of total ESF aid will be deconcentrated and divided between the regions. The call for projects for the second round (2004-2008) was launched in May 2004. 319 projects were selected in September and action 1 (adoption of the partnership) began.

9.4.3. Leader

The total Community contribution (EAGGF-Guidance) amounts to EUR 268.1 million.

Projects are implemented by 140 Local Action Groups (LAGs), which were selected in 2002. Their action plans were set up in 2003, after signature of bilateral agreements with CNASEA.

Payments reached EUR 32.685 million in 2004, although the expenditure statements could not prevent N+2 decommitments. Financial implementation since 2000 has totalled EUR 62 million, which represents 23% of the total budget appropriations for 2000-2006.

9.5. Closure of the 1994-99 programming period

Requests to balance outstanding commitments continued to be handled during 2004. The "RAL" for the ERDF was reduced by EUR 79.3 million to EUR 44.4 million on 31.12.2004 – by comparison with EUR 693.9 million before examination of the final reports and balance requests on 1 January 2003.

For the ESF, the RAL was reduced by EUR 64.015 million to EUR 9.025 million on 31.12.2004, by comparison with EUR 358.143 million of "RAL" at the end of 2002.

As regards EAGGF-Guidance, accelerated closure procedures meant that 32 of the 64 programmes definitively closed on 31 December 2004.

Outstanding commitments are still relatively high for the FIFG (EUR 28 million) because a number technical questions from DG OLAF concerning irregularities, State aid rules and fleet management had not been completely solved or were solved only recently.

10. ITALY

10.1. Objective 1

The mid-term review of the CSF and the 14 operational programmes was based on a non-paper prepared by the Commission and presented at the annual meetings in November 2003. These meetings made it possible to reach a first general agreement with the Italian authorities on a number of general principles, which provided a kind of "platform" for the official discussions on the review. The negotiations took place in March-April-May 2004. The Commission decisions were adopted in November-December 2004.

The Italian authorities decided to introduce, in addition to the Community 4% performance reserve, a so-called "national" performance reserve of 6%. 10% of the CSF was therefore subject to the performance mechanisms. A proposal for the allocation of both reserves was submitted to the Commission at the end of 2003. These allocations were not decided upon without a certain amount of tension, in particular with the less effective management authorities, but they showed the validity of this approach, which aims to reward the most effective programmes. Certain programmes received more than the overall average of 10% (for example, Basilicata and Campania), while others received much less (for example, Calabria and Sardinia).

The mid-term assessment of compliance with the additionality principle by Italy at 31 December 2003 showed yearly average public expenditure of EUR 18.493 million in 1999 prices, an amount slightly lower than the ex-ante yearly average public expenditure for the 2000-2006 period of EUR 19.591 million. Although this is mainly due to the growing profile of expenditure (in fact, the ex-ante yearly average for the sub-period 2000-2002 is lower than the amount resulting form the mid-term assessment), it led to the ex-ante profile of national expenditure being lowered from EUR 19.591 million to 18.559 million. This target is still 14% above the 1994-1999 ex-post yearly average. Achieving this target depends crucially on the bodies responsible for certain policies (e.g. transport), for which a target of at least 30% of national expenditure to be allocated to the Mezzogiorno was set by the Ministry of Economy and Finance.

With respect to quality, the CSF and OPs have been reviewed following recommendations given by the intermediate evaluations. The core of the review was the establishment of more concrete and deeper links to Lisbon and Gothenburg priorities.

Action was taken to rationalise aid schemes, to improve implementation of territorial integrated projects, to prioritise programmes on urban development, to upgrade strategic environmental frameworks and to implement regional strategies for innovation and the information society. Concerning measures co-financed by the EAGGF, the amendments took account of new opportunities introduced by Regulation (EC) No 1257/1999 on the development of reformed common agricultural policy, forestry and environmental aspects in the area of hydro- and agriculture as well as an evaluation of market perspectives and consequences of sectoral limits regarding aid schemes for investments in enterprises. While additional resources for measures co-financed by the FIFG (EUR 174.172 million) were used to increase the vessel modernisation budget within the national programme, the regional authorities decided to allocate these resources mainly to socio-economic measures.

Progress was made in enhancing capacity building, especially at sub-regional level (local partnerships and municipalities). The technical assistance priority of the CSF was amended to cater more effectively for the needs of capacity enhancement. A specific provision was included in the CSF in order to establish regional programmes to internalise competences in the public administration.

According to the official monitoring data as of 30.9.2004 provided by the Italian Ministry of Economy and Finance, the average commitment rate on total eligible expenditure (at CSF level) is 59% and the average payment rate on total eligible expenditure is 31% (all Structural Funds together). As far as the ERDF is concerned, the financial performance is slightly more positive: the commitment rate is 60% and the payment rate 31%.

The programmes performing the best in financial terms are the national programmes for “local development” (payment rate: 72%) and “technical assistance” (53%). At regional level, the best programmes are “Molise” and “Basilicata” (35%). The programmes performing the poorest in financial terms are the national programme for “transport” (17%) and the regional programmes for “Apulia” (21%) and “Sicily” (22%).

With respect to the “n+2” rule, the most recent data available show that no decommitment will be made for Objective 1 programmes, as far as the ERDF, ESF and EAGGF are concerned. This is due to the positive financial performance and to substantial use of derogations for large projects, aid schemes and judiciary proceedings. The average financial execution of ESF funding (provided by the national monitoring system of the Ministry of Economy up to 31.12.2004) shows a commitment rate of 56.5% and a payment rate of 33.0%. The financial performance of the national fisheries programme is globally satisfactory (execution rate: 50%), whereas some problems remain for the regional programmes: only Campania fully absorbed the funds committed (execution rate: 49%), while Calabria, Sicily and Molise (execution rates: 33%, 39%, 7% respectively) will avoid decommitment of funds in 2005 only through the use of derogations to the ‘n+2’ rule (for a subsequent Commission decision to authorise FIFG measures, and for judiciary proceedings). For Apulia and Sardinia (execution rates: 25% and 27% respectively), however, decommitment proposals were made for 2005 of EUR 1.167 million and 1.594 million respectively.

10.2. Objective 2

During the first part of the year, negotiations on the mid-term review of the 14 SPDs took place between the Commission and the Italian authorities. Discussions were based on the mid-term evaluation reports and the Commission staff working paper.

The quality of the programmes was highlighted, thanks to the work performed in cooperation with the regional partnerships and the allocation of the performance reserve. As regards the latter aspect, it must be stressed that the SPDs have performed well in general, which allowed them to achieve the objectives needed for allocation of the performance reserve. All 14 SPDs therefore received their 4% (in contrast to Objective 1, there was no “national” performance reserve for Objective 2).

Revision of the SPDs targeted strategic framing of the programmes, in particular in the fields of environment, innovation, aid for companies and development of the information society. In particular, the strategies of the SPDs were re-examined in the light of the Lisbon and Gothenburg Council conclusions.

In detail, the improvements in the SPD are concentrated on waste management, protection of the soil, connections between industrial and public research, rationalisation of subsidy systems, taking account of the aims of “e-Europe 2005”, and simplification of management procedures.

The revised SPDs were adopted by Commission decisions in the second half of 2004. The 2004 annual instalments of the performance reserve were committed according to schedule.

All the SPDs avoided application of the “n+2” rule at the end of 2004. The average financial execution (provided by the national monitoring system of the Ministry of Economy as at 30.9.2004) shows a commitment rate of 52% and a payment rate of 26%.

10.3. Objective 3

Negotiations between the Commission and the Italian authorities on the mid-term review of the 15 OPs took place at the end of 2003 and in early 2004. They were based on the mid-term evaluation reports, which did not suggest any major change of strategy and highlighted the ESF contribution to the implementation of the National Action Plan for Employment and the European employment strategy.

The mid-term review confirmed the structure and strategy of each OP, with only minor adjustments. The revised OPs had been adopted by the end of July at the latest.

Given the good performance level of the different programmes, all OPs benefited, to different degrees, from the additional resources of the performance reserve.

The socio-economic context continued to show positive employment trends, with rising employment rates and unemployment below 4% in several Objective 3 regions and autonomous provinces.

As for operational results, progress in the area of public employment services was confirmed, both structurally and in terms of service provision, and the employment centres are a success. Further improvement in this field is expected from the development of the "Borsa Lavoro", the nationwide computerised labour market data system, to be composed of a network of the regional systems. The ESF is contributing to the "Borsa Lavoro", as it co-finances the development of regional systems.

Initiatives against social exclusion continue to be particularly popular and specific funding was increased more than proportionally following the allocation of the performance reserve. The latter confirmed the share of total resources (10%) set aside for specific initiatives for gender equality.

Progress was also registered in initiatives on human resources in research and technological development, which in any case are lagging behind in terms of implementation and need particular attention.

All OPs avoided application of the "n+2" rule at the end of 2004, showing a remarkable financial performance. The average financial execution (provided by the national monitoring system of the Ministry of Economy up to 31.12.2004) shows a commitment rate of 71.6% and a payment rate of 49.2%.

The 2004 yearly meetings addressed aspects such as the exchange of good practices and a first discussion on ideas for the next programming period.

10.4. Fisheries outside Objective 1

Italy's SPD mid-term review was based on the intermediate evaluation findings and on the allocation of the 4% Community performance reserve (no additional 6% national reserve had been decided on by the Italian authorities for non-Objective 1 regions).

The EUR 4.4 million performance reserve was distributed equally between two priorities: adjustment of fishing effort (managed by the Ministry), on the one hand, and protection - development of aquatic resources, aquaculture, fishing port facilities, processing and marketing, and inland water fisheries (managed by the regions), on the other.

The SPD financial performance is globally satisfactory (execution rate: 44%), with no decommitment proposed for 2005, although the regionally managed funds show a slower absorption rate. As at 31.12.2004, EUR 35.258 million had been spent – mainly on the scrapping of vessels and aquaculture.

10.5. Community Initiatives

10.5.1. Urban

All the URBAN II Programmes for Italy were adopted by the European Commission in November 2001 and were amended, as part of the mid-term review process, between September and December 2004. Changes to the programmes were to include indexation in line with the mid-term review. As a result, the present total eligible cost of all 10 URBAN II programmes, including indexation, is EUR 268 010 837, with an EU contribution of EUR 116 535 331 and EUR 17 006 545 from the private sector.

The Managing Authority of each Italian URBAN II Programme is the Municipality of the respective city. Therefore, the Monitoring Committees, chaired by the Town Council, are organised at local level, one for each programme, and include both institutional bodies and environmental and social-economic partners. Inhabitants and local partners are often directly involved in programme design and implementation.

All Monitoring Committees met twice in 2004. Annual reports on implementation in 2003 were submitted in June 2004.

10.5.2. Equal

Having incorporated the initial guidelines on Community Initiatives for Italy, the second phase of the EQUAL programme focused more attention on new social integration problems, such as ethnic minorities and the victims of human trafficking, as addressed by the new European Commission Communication. The Italian programme[53] abides by the guidelines by targeting EQUAL actions at the Roma and at the victims of human trafficking. Indexation was also incorporated, and Italy's budget for the EQUAL programme amounts therefore to EUR 401 364 808 million for the period 2001-2008, including a 50% national contribution.

The call for proposals for the second EQUAL project was published in May 2004, attracting more than 1 700 applicants and, after selection, resulting in 418 EQUAL Development Partnerships (DPs). With regard to the mainstreaming activities undertaken under Action 3, the national and local Mainstreaming Committees set up during the second six-month period focused on the mechanism and tool identification for the transfer of good practices to political priorities.

10.5.3. Leader

The LEADER+ programme in Italy is implemented under 22 programmes (21 regional programmes and one national concerning the LEADER network). An overall amount of EUR 5 million, including indexation for the years 2004-2006, was allocated in 2004 to 12 of the 22 Italian Programmes. The Community contribution for the whole period 2000-2006 increased from EUR 284.1 million to EUR 289.1 million.

In 2004, 5 programmes were amended by Commission Decision (Campania, Sardinia, Tuscany, Friuli and Network LEADER) to take into account the results of implementation and financial programming following selection of the Local Action Groups.

As regards the programme for the region of Lazio, the Commission approved in 2004 a Decision on decommitments amounting to EUR 1.118 million from the EAGGF contribution for undeclared expenditures for the period before the end of 2003, pursuant to the n+2 rule.

In 2004, EUR 47.817 million from the EAGGF was committed. EAGGF payments amounted to EUR 13.292 million. All regions presented payment requests for a cumulative amount of EUR 83.498 million of the EAGGF contribution before the end of the year.

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[53] Commission Decision C(2004) 3551 of 17/09/2004

The annual reports for 2003 were submitted for all programmes and the principal results were examined with the managing authorities at the annual meetings in 2004. Following this examination, the Commission addressed comments to Italy and to the managing authorities designed to improve, in particular, management, evaluation and monitoring.

Concerning implementation on the ground, LAGs were selected for all programmes and the first section on support for rural territorial development was already making some progress, especially in regions outside Objective 1. Section 2 on support for inter-territorial and transnational cooperation started at the beginning of 2004 in several programmes.

Monitoring Committee meetings were held for all programmes, focusing on amendments and programming complements to take account of requests and recommendations of the Commission.

10.6. Closure of the 1994-99 programming period

In total, 106 forms of assistance were approved for Italy during the period 1994/1999. At the beginning of the closure exercise, the total RAL (outstanding commitments) was approximately EUR 1 031 million. The situation at the end of 2004 shows a RAL of slightly more than EUR 200 million. 68 programmes had been closed by the end of 2004. Of the 38 remaining, 4 will be closed at the beginning of 2005, 24 need a reply from Italy, and 10 closure proposals are contested.

11. IRELAND

11.1. Objective 1

Implementation of the ERDF in five Irish Objective 1 programmes – Economic & Social Infrastructure, Productive Sector, Technical Assistance, Border, Midland & Western Region and Southern & Eastern Region – continued at a satisfactory pace in 2004. In the Economic and Social Infrastructure programme, a number of major projects in the roads and public transport sectors were completed. Also, in the programmes for the Border, Midland & Western Region and Southern & Eastern Region, progress continued in the roll-out of broadband infrastructure, while in the Productive Sector programme significant support continued for Research & Development activities. Payments for a total of EUR 301 million were made to the programmes, including an amount of EUR 165 million to the Economic and Social Infrastructure Operational Programme.

A major task in 2004 was the amendment of the Operational Programmes to take account of the results of the Mid-Term Evaluation and Mid-Term Review. Overall, the mid-term evaluations concluded that the strategies underpinning the programmes remain valid, and in particular the importance of addressing Ireland's infrastructure deficit. This was reflected in the limited nature of the changes to the programmes, which consisted of the revision of indicators and targets and limited transfers of funds within and between programmes. In recognition of the continuing infrastructure deficit, the entire Performance Reserve, amounting to EUR 134 million, was applied to major road and public transport projects in the Economic & Social Infrastructure programme.

The annual meeting considered the ongoing implementation of the programmes with particular reference to the need to increase the rate of implementation of certain actions in order to avoid the risk of decommitment under the N+2 rule. Monitoring committee meetings were held for all programmes.

ESF support to Ireland is mainly concentrated in the Employment and Human Resources Development OP (EHRD OP), which is structured around the four pillars of the European Employment Strategy. Other programmes receiving ESF support are the Regional OPs, in which ESF is used for investment in childcare, and a small share goes to the PEACE OP and the EQUAL Community Initiative.

Implementation was satisfactory in 2004 and all programmes met their N+2 targets in relation to ESF. Payments to the EHRD OP amounted to over EUR 132.5 million.

2004 was characterised by the Mid-term Review, which was based on the Mid-term Evaluation, which recommended for the EHRD OP that funding should remain broadly similar to that which was provided but there should be a greater focus on measures for the short-term unemployed to prevent the drift to long-term unemployment. It also recommended a greater focus on training for those at work and on lifelong learning. Other crucial factors for the Mid-term Review were policy developments at national and EU level and absorption capacity. Key amendments included the transfer of EUR 9 million to the Childcare measures in the Regional OPs and the redesign of the scope of some measures to facilitate implementation.

The Annual Implementation Report for the EHRD OP was received and discussed at the Annual Review Meeting in November 2004. Monitoring Committee meetings were held as scheduled.

The EAGGF-Guidance Section contributes to Rural Development measures under the two Operational Programmes (Operational Programmes for the Border Midland and Western region and Southern and Eastern region) in the Community Support Framework 2000-2006. Progress in expenditure in the two regional Operational Programmes was still low in 2004 due to difficulties encountered in implementing certain co-funded measures (on-farm investments, Area-Based Rural Development Initiative). The EU contribution was revised in 2004, taking into account the 2000 decommitment (2003 Commission Decision)/recommitment (2004 Commission Decision) due to "*force majeure*" (Foot and Mouth outbreaks) and the 2001 decommitment (2004 Commission Decision). The EAGGF contribution for the 2000-2006 period amounts to EUR 161.3 million. Up to the end of 2004, 77.7% of the EAGGF contribution was committed (EUR 125.02 million) and 22.5% (with advance 29.9%) spent (EUR 48.08 million).

The EAGGF-Guidance Section contributes to the PEACE II operational programme in the Border Regions for 2000-2004 to the tune of EUR 12.6 million. Details concerning financial implementation of the programme are illustrated in the section on the United Kingdom. The extension of the programme for 2005 and 2006 is not applied to the EAGGF contribution.

As to the implementation of the FIFG, the ban on public aid for fleet measures imposed by the Commission in June 2002 was lifted in October 2004. This enabled Ireland to submit a payment claim for the Productive Sector OP at the end of 2004 and avoid application of the "N+2" rule. It should also enable expenditure in this programme to get back on track. There was still no decommissioning scheme for fishing vessels despite having money set aside for one in the programme. The spending on aquaculture in the two regional programmes (S&E and BMW) is gradually making up for the slow start at the beginning of the programme.

11.2. Community Initiatives

11.2.1. Urban

The Dublin-Ballyfermot URBAN II programme, approved in December 2004, is the only one in Ireland. The ERDF will contribute a total of EUR 5.38 million to this programme, whose total cost amounts to EUR 11.58 million. The programme complement was approved by the Monitoring Committees and submitted to the Commission in March 2002. The annual implementation report for 2003 was received by the Commission in August 2004.

The Managing Authority for the programme is the Dublin Corporation and the functional day-to-day management is delegated to URBAN Dublin-Ballyfermot. The Monitoring Committee met once during 2004.

11.2.2. Equal

Following the mid-term review in 2003 there were two changes to the EQUAL priorities for round two: the proportion for the adaptability pillar was increased from 20% to 35%; the allocation for the employability pillar was decreased by the corresponding 15% of the total allocation. Those corrections together with the additional funding arising from indexation required a new Commission Decision.[54]

The revised total budget for Ireland is EUR 47.8 million, with ESF contributing EUR 34.49 million. The programme operates in six EQUAL themes - Employability (Theme A), Entrepreneurship (Theme C), Adaptability (Theme E and F), Equal Opportunities (Theme G) and Asylum Seekers (Theme I). The additional ESF funding from indexation was allocated mostly to Theme E to take account of the recommendations of the mid-term review.

21 Development Partnerships operated in the first round of EQUAL and 22 DPs were selected in December 2004 for the second round (9 covering Employability, 3 for Entrepreneurship, 5 DPs in Adaptability (Theme E) and 1 DP in Adaptability (Theme F), 2 DPs covering Equal opportunities and 2 DPs for Asylum Seekers) and begin their work in 2005.

11.2.3. Leader

In 2004, the Leader+ programme was amended and EUR 845 878 in indexation funds was allocated to Ireland.

The EU contribution for 2000-2006 amounts to EUR 48 745 878. Up to the end of 2004, 63.1% of this amount had been committed and 28.0% (with an advance of 35%) spent (EUR 16.75 million).

11.3. Closure of the 1994-99 programming period

At the beginning of 2004, 16 programmes funded by the ERDF remained to be closed. The remaining balance (RAL) amounted to EUR 152 million. By the end of 2004, 5 programmes had been completely closed, most of the remainder were at an advanced stage of closure and the RAL had been reduced to EUR 45 million.

With regard to ESF, the closure process was at a final stage by the end of 2004. At the end of 2004, 3 out of 7 programmes funded by EAGGF remained to be closed.

FIFG, PEACE I and INTERREG II programmes are all but closed and slow but steady progress has been made in closing the C.I. PESCA and Fisheries programmes.

[54] Commission Decision C(2004) 3548 of 17/09/2004.

12. LATVIA

12.1. Objective 1

Latvia, which comprises a single NUTS II region, has a single programming document (SPD) under Objective 1 with a financial allocation of EUR 626 million (current prices) and five priorities. National public financing is approximately EUR 220 million. The SPD was signed on 23 June 2004.

EU funding is distributed by priority as follows:

– Promotion of Territorial Cohesion	2.6 %
– Promotion of Enterprise and Innovation	5.0 %
– Development of Human Resources and Promotion of Employment	21.2 %
– Promotion of Development of Rural Areas and Fisheries	18.5 %
– Technical assistance	2.7 %

1. Priority: Promotion of Territorial Cohesion (ERDF EUR 203.8 million)

The objective of the priority is to raise the quality of life, improve the attractiveness of regions and promote balanced development of the whole territory of Latvia.

2. Priority: Promotion of Enterprise and Innovation (ERDF EUR 156.4 million)

The main objective is to promote the creation of new enterprises and raise the competitiveness of existing enterprises by providing the conditions for transition towards knowledge intensive production.

3. Priority: Development of Human Resources and Promotion of Employment (ESF EUR 132.7 million)

The objective of the priority is to enhance the competitiveness and quality of the workforce through lifelong learning, regional and local development, information society, equal opportunities between women and men and contribute to social cohesion and economic growth, employability and employment promotion.

4. Priority: Promotion of Development of Rural Areas and Fisheries (EAGGF and FIFG EUR 115.7 million)

The financing aims to overcome structural problems in agriculture and the processing of its products, the low level of entrepreneurship in rural areas, and the lack of initiative of rural inhabitants and to ensure sustainable rural, agricultural and forestry development. The priority includes support for investments in agricultural holdings, setting up of young farmers, training, improving processing and marketing of agricultural, fishery and aquaculture products, promoting the adaptation and development of rural areas, forestry and development of Local Action (LEADER+

Type measures), adjustment of fishing effort, fleet renewal and modernisation of fishing vessels, fishing port facilities and aquaculture, development of coastal fisheries, socio-economic measures, promotion of new market outlets and support for producer organisations.

5. Priority: Technical Assistance (ERDF, ESF + EAGGF EUR 17 million)

Distribution of EU financing by fund:

ERDF	59.02 %	EUR 369 202 826
ESF	22.17 %	EUR 138 698 000
EAGGF	14.92 %	EUR 93 333 000
FIFG	3.89 %	EUR 24 335 000
Total EU		EUR 625 568 826

Programme size EUR 845 362 092

There is specificity as regards actions for improving the health and social care system and educational infrastructure and for combating social exclusion; these may be co-financed with an EU contribution of more than 75% (possible under Regulation 1260/99).

The principal objectives of the programme are:

the creation of 10 000 new jobs;

a 10% increase of companies per 1000 inhabitants;

an increase in disposable income per household in rural areas of 7%.

The SPD is implemented by a Managing Authority (Ministry of Finance), two levels of Intermediate Bodies (first level: Line Ministries and second level: Implementing Agencies). Nine ministries and four implementing agencies are envisaged. The Paying Authority is the Ministry of Finance.

The SPD Monitoring Committee has met on four occasions, once before accession and three times since accession; of the latter, once before the programme was adopted and twice since adoption.

Calls for projects were held during the latter part of 2004 and there has been a high take-up of projects, for example, in measures aiming at compensating for scrapping and aid to aquaculture. Commitment levels are also reported to be high. First payment claims for the fishing effort adjustment reached the Commission in November 2004.

12.2. Community Initiatives

12.2.1. Equal

After a period of intense negotiation in advance of accession, the Latvian EQUAL Programme was adopted by the Commission.[55] The budget allocated to the Programme for the period 2004-2006 will be EUR 10.7 million, of which EUR 8 million from the ESF.

The principal target groups of this Programme are the long-term unemployed, young unemployed people and pre-retirement age unemployed people, as well as such special groups at risk of unemployment as ex-prisoners, disabled people and those living in least developed territories. Latvia decided to concentrate its efforts on Theme A (Employability - 53% of the budget), Themes G and H (Equal Opportunities - 34% of the budget), and Asylum Seekers (5% of the budget). Following the selection process, the Managing Authority for EQUAL in Latvia selected a total of 10 DPs; 5 in Theme A; 4 covering Themes G and H; and one for Asylum Seekers. These Development Partnerships will begin their work in 2005.

12.2.2. Leader

Measure 4.6 Development of Local Action (LEADER+-type measure) during the current programme will focus on the implementation of the first paragraph of Article 33f ("Acquisition of skills"). Only limited support is provided for activities under the second paragraph of Article 33f ("Adopting integrated territorial rural development strategies") and it was not operational in 2004.

[55] Commission Decision C(2004)2539 of 29/06/2004

13. LITHUANIA

13.1. Objective 1

The whole of Lithuania qualifies for Objective 1 support. The Lithuanian Single Programming Document (SPD) was approved by a Commission Decision of 18 June 2004 with total Structural Funds support of EUR 895 million for the period 2004-06 - ERDF EUR 584 million, ESF EUR 176 million, EAGGF EUR 123 million and FIFG EUR 12 million.

Following two meetings of a provisional Monitoring Committee, the appointed Monitoring Committee (created by governmental Resolution No 950 of 11 August 2004) approved the Programme Complement on 15 September.

In 2004, all measures in the SPD were launched through either a call for proposals or, in particular cases, through direct invitation, leading to 2 090 applications for total support of 89% of the total structural funds allocation for the 2004-06 period. Other than the automatic 10% advance payment, no Commission payment was made to the programme during the year.

Four operational priorities have been agreed, each of which has its own set of measures. The fifth priority concerns Technical Assistance.

Priority 1: Development of social and economic infrastructure – (EUR 347.1 million ERDF, 38.8 %)

The aim of the priority is to invest in physical infrastructure to facilitate social and economic development. The objective of the priority is to develop a sustainable and economically efficient infrastructure in key areas for creating a modern and dynamic knowledge-driven economy, such as in transport, energy, environment, health care and educational and labour market institutions (linked to ESF measures).

Priority 2: Human resource development – (EUR 163.8 million ESF, 18.3%)

The human resource priority goal is to reduce structural youth unemployment and prevent unemployment by coordinating the knowledge and skills of employees with evolving labour market needs, and sustainable growth of human resource competence with economic development goals. In implementing this priority, investment will be made in the following objectives: reduction of unemployment and more efficient prevention of employment; development of adaptability to change; targeted promotion of social integration; promotion of lifelong learning; ensuring that sufficient numbers of highly qualified specialists in the R&D and energy sectors are trained in order to stem the adverse impact of an ageing workforce in these sectors in particular.

Priority 3: Development of productive sector – (EUR 222.4 million ERDF, 24.8%)

This priority aims to assist the Lithuanian productive sector to adapt to an increasingly competitive EU and global market. The priority covers active measures providing direct support to businesses, improving the business environment, developing information technologies, services and infrastructure, and promoting more effective use of tourism potential.

Priority 4: Rural and fisheries development – total Community support EUR 135 million, 15% (EUR 122.9 million EAGGF, 13.7% for Rural development part, EUR 12 million FIFG)

This priority is designed to foster competitive EU market-orientated agriculture, encourage food safety and develop marketing with more effective use of existing possibilities, to ensure employment in rural and fishing areas, to help diversify economic activities in rural and fishing areas and fishing fleet-related actions, and to protect and develop aquatic resources, aquaculture, fishing port facilities and other fisheries-related actions (individual premiums to fishermen, compensation for temporary cessation of fishing activities, support for producer organisations and small-scale collective coastal projects).

Priority 5: Technical assistance - total Community support EUR 26.9 million, 3.0% (EUR 14.5 million ERDF and EUR 12.4 million ESF)

Technical Assistance is available to support the effective management and administration of the programme. It includes both support for programme management, implementation, monitoring and control, financing of publicity measures and evaluation of the programme.

The Structural Funds information and publicity strategy for the years 2004-2006, together with the action plan for programme implementation, was approved by Order of the Minister of Finance No 1K-279 of 23 July 2004. In 2004, guidelines were also issued to the final beneficiaries on publicity concerning EU Structural Funds assistance.

13.2. Community Initiatives

13.2.1. Equal

After a period of intense negotiation in advance of accession, the Lithuanian EQUAL Programme was adopted by Commission Decision C(2004)2541 on 29/06/2004. The budget allocated to the Programme for the period 2004-2006 is EUR 15.8 million, of which EUR 11.8 million from the ESF.

The main objectives of the EQUAL Programme in Lithuania are overcoming difficulties in integrating/re-integrating into employment, the lack of flexible forms of work organisation to reconcile family and professional life, and problems with the education and vocational training system, which is lagging behind and does not sufficiently promote a culture of lifelong learning. Following the selection process the Managing Authority for EQUAL in Lithuania selected a total of 29 Development Partnerships (DPs). Lithuania decided to concentrate its efforts on Theme A (Employability - 69% of the budget, 21 Development Partnerships selected), Theme G (Equal Opportunities - 20% of the budget, 7 DPs selected), and Theme I (Asylum Seekers - 3% of the budget, 1 DP). These DPs will begin their work in 2005.

The principal targets of the CIP are to search for new methods of combating discrimination and inequalities, and in particular for ways of including disadvantaged groups in mainstream organisations' provisions and services, and for new and effective policies and practices for tackling problems faced by disadvantaged groups, including innovation, which could be incorporated into policies and practices so as to secure wider coverage of disadvantaged groups, policies, sectors or geographical areas than at present.

13.2.2. Leader

Lithuania has opted not to implement the Leader+-type measure.

14. LUXEMBOURG

14.1. Objective 2

In 2004, project selection continued following two calls for projects launched in February and April.

The programme Monitoring Committee met on two occasions in 2004 at the initiative of the Ministry for Economy and Transport, the managing authority of the programme. The Commission participated actively in the work of this Committee.

2004 was also the year of the mid-term review of the programme on the basis of the conclusions of the mid-term evaluation. The amendments to the SPD involve in particular the allocation of the performance reserve of EUR 3 million and financial transfer between two main priorities of the SPD, from the priority "Promotion of research" to the priority "endogenous economic development", which accounts for more than 25% of the amount of one of these priorities. At the request of the Commission, increased funding was provided for the priority "Environmental protection" in order to take greater account of the problems of waste water treatment.

With regard to payments, the interim payment requests presented to the Commission in 2004 made it possible to comply with the "n + 2" rule for the annual instalment 2002 of the programme.

14.2. Objective 3

2004 was the year of the mid-term review of the Objective 3 programme. The SPD and the financial table were replaced, on the basis of the following parameters: under- or over-consumption during the first period, changes in the labour market, or in the socio-economic, political or legislative fields, developments in the recommendations sent to Luxembourg in the framework of the EES, and results of the mid-term-evaluation. Globally, lifelong learning (mainly within the perspective of support for restructuring) and equal opportunities priorities were strengthened.

A new call for proposals was launched in October 2004 for the period 2005-2006. 24 projects were selected.

The Monitoring Committee met twice: in February and June 2004.

In terms of payments, four requests were presented in 2004, which allowed the N+2 rule to be avoided.

14.3. Community Initiatives

14.3.1. Equal

The priorities of the EQUAL Programme were unchanged following the mid-term review in 2003, although the additional funding due to indexation required a new

Commission Decision.[56] The budget for the Luxembourg EQUAL Programme is now almost EUR 9 million in total for the period 2001-2006, of which half is contributed by the ESF.

The three Round One Development Partnerships reached the end of their lives in 2004, and for the second Round (2005-2006) another three Development Partnerships were selected, taking into account the additional funding made available in the new Decision. The three new Development Partnerships include two in Theme A (Employability) and one in Theme G (Equal Opportunities).

14.3.2. Leader

In 2004, the programme absorbed EUR 473 000. The report concerning the mid-term evaluation was submitted and will be updated in 2005. At the time of the first report, it was too early to draw conclusions regarding the implementation of the programme. A financial amendment was introduced to take account of indexation.

14.4. Closure of the 1994-99 programming period

The ERDF accounts for ten Luxembourg programmes for the 1994-99 period (Objective 2 SPD or 5b, Community initiatives, etc.). The Commission terminated its examination of all the final declarations of the programmes and proposed that the Luxembourg authorities close each of them. Agreement was reached on all programmes except three, which still remain to be finalised in terms of closure.

Of the 6 programmes supported by the ESF in 1994-1999, only one is closed (period 1994-96). For the 5 other programmes, the number of irregularities and the rate of ESF payments are now established. The remaining closures can be undertaken.

The EAGGF is involved in the closure of four programmes for the 1994-1999 period. At the end of 2004, all final declarations were examined by the Commission's departments, but none of the programmes has yet been closed.

The audit of programmes co-financed by the FIFG took place in June 2004 and final closure is forecast for first half of 2005.

[56] Commission Decision C(2004)4370 of 08/11/2004

15. HUNGARY

15.1. Objective 1

Hungary joined the European Union on 1 May 2004 in the middle of intensive work undertaken at national and Commission level aimed at launching the first Structural Funds programmes ever to be implemented in this country. After finalisation of the negotiations on the programming documents in December 2003, work focused on setting up the Monitoring Committees and monitoring tools, finalising the Programme Complements and operational manuals, defining the project selection criteria, and launching the calls for proposals, etc.

The Community Support Framework and the five Operational Programmes implementing it were formally adopted by the Commission between 17 June and 20 July 2004. The CSF covers the whole country, since all seven Hungarian NUTS II level regions are covered by Objective 1 in the 2004-2006 period. The Structural Funds' contribution to the CSF is EUR 1.995 billion in current prices, which will help mobilise a total investment of EUR 3.7 billion financed out of EU and national funding, including an expected private contribution of EUR 1 billion. Within this same period, the Cohesion Fund will make an additional EUR 1.1 billion available for Hungary, and an amount of EUR 455 million will be provided through loans from the European Investment Bank (EIB) for the national co-financing of the Structural Funds.

Assistance from the Structural Funds breaks down as follows: ERDF 62.1%; ESF 22%; EAGGF Guidance Section 15.68%; FIFG 0.22%.

The CSF strategy is built on five priority axes relating to crucial factors needed for improving competitiveness and creating employment. The Structural Funds allocated to each of these priorities are as follows:

- Increasing the Competitiveness of the Productive Sector: EUR 721 million (including EUR 304 million for agriculture and rural development).
- Promoting Employment and Human Resource Development: EUR 535 million.
- Improving Transport Infrastructure and Protecting the Environment: EUR 314 million.
- Strengthening Regional and Local Potential: EUR 338 million.
- Technical Assistance: EUR 88 million.

The CSF for Hungary will be implemented through five operational programmes:

The Economic Competitiveness Operational Programme (ECOP) is focused on improving the competitiveness of the Hungarian economy. This will be achieved through direct and indirect investments in key areas to increase firms' productivity and improve the wider business environment. The ECOP strategy will address, together with the Agriculture and Rural Development Operational Programme, the first CSF priority of improving the competitiveness of the productive sector. The Community participation in the ECOP amounts to EUR 429 million from the ERDF.

The Operational Programme for Agricultural and Rural Development (ARDOP) provides support for developing a more competitive and sustainable agricultural sector, including agriculture, fisheries and food processing, while promoting integrated development of rural areas based on higher income levels and better job opportunities. The Community participation in the ARDOP is EUR 317.2 million. This includes a contribution from the EAGGF Guidance Section of EUR 312.8 million and a contribution from the FIFG of EUR 4.4 million.

The Human Resources Development Operational Programme's (HRDOP) primary focus is on improving the use of existing human resources potential. To this end, the HRDOP supports a broad range of activities, including more active labour market policies and the development of a lifelong learning framework incorporating adaptability and entrepreneurship measures designed to increase the skills base of the workforce. In order to improve the position of the disadvantaged (in particular the Roma, the inactive, the socially excluded, as well as disabled persons and addicts), the focus will also be placed on tackling regional disparities and problems of mobility in access to both educational/training facilities and social and health care services. The Community participation in the HRDOP amounts to EUR 562.8 million, of which EUR 385.4 million will be provided through assistance from the ESF and EUR 177.4 million from the ERDF.

The Environmental Protection and Infrastructure Operational Programme (EIOP) will contribute directly to implementing priority 3 of the CSF, i.e. improving transport infrastructure and protecting the environment. The investments supported by the EIOP will, however, also contribute significantly to other objectives of the CSF through creating the basic conditions for improved and more balanced regional economic competitiveness. The Community participation in the EIOP amounts to EUR 327.2 million from the European Regional Development Fund. The contribution of the EIOP will be complemented by the large contribution from the Cohesion Fund to the two main sectors covered by this Programme, namely, the environment and the transport sectors.

Finally, *the Operational Programme for Regional Development (OPRD)* will contribute to achieving the fourth specific objective of the CSF: more balanced territorial development of Hungary and its regions. While the other OPs will also impact on regional disparities and support activities beneficial to the regions lagging behind, the OPRD is entirely focused on strengthening the potential of the regions and addressing the problems of both urban areas facing difficulties and disadvantaged social groups. The Community participation in the OPRD amounts to EUR 359.4 million, of which EUR 305.7 million will be provided through assistance from the ERDF and EUR 53.7 million from the ESF.

Following formal approval of the Operational Programmes by the Commission, the 2004 annual allocation has been committed and the first part of the advance payment (10% of the total 2004-2006 allocation) has been paid by the Commission for each Programme and Fund. The Programme Complements of the five Operational

Programmes were all adopted by the Monitoring Committees and subsequently validated by the Commission. A first interim payment was made under the Regional Development Programme (for the CSF Technical Assistance measure).

16 065 project applications had been submitted under the five Operational Programmes by 31 December 2004. By that date, the Managing Authorities had approved a total of 4 174 projects, amounting to some EUR 778.6 million (total eligible public contribution). This corresponds to 29.37 % of the total 2004-2006 Structural Funds allocation (and 123 % of the 2004 annual allocation). 9% of the total allocation had been contracted between the competent Managing Authority or Intermediate Body and the final beneficiaries.[57]

15.2. Community Initiatives

15.2.1. Equal

The negotiation process with the Republic of Hungary kicked off in September 2003. The draft SPD was submitted on 30/09/2003. The negotiation was concluded on 07/07/2004 with the Commission Decision.[58] Four measures are identified in the SPD: facilitating access and return to the labour market (priority 'employability') – 42%; promoting lifelong learning and “inclusive” work practices (priority 'adaptability') - 39%; reducing gender gaps and supporting job desegregation (priority 'equal opportunities for women and men') – 8%; helping the social and professional integration of asylum seekers (priority 'asylum seekers') – 3%. The remaining 8% is used for the fifth priority: technical assistance.

The measures are co-financed by the Government of Hungary (25%) and the European Social Fund (75%). The share of national co-financing is EUR 10 097 378 and ESF funding is EUR 30 292 135, amounting to a total of EUR 40 389 513.

The selection process resulted in a total of 40 Development Partnerships, among which 16 are in the priority 'employability', 16 in the priority 'adaptability', 6 in the priority 'equal opportunities' and 2 in the priority 'asylum seekers'.

Regarding the mainstreaming of EQUAL, there have already been several conferences and launch events organised in Hungary. A seminar on the issue of gender mainstreaming, targeting the National Support Structures from the different Member States, and co-organised by Unit B.4 of DG Employment, Social Affairs and Equal Opportunities, was also organised in July 2004 in Budapest.

15.2.2. Leader

Under Article 33f of Council Regulation (EC) No 1257/1999 on support for rural development, as amended by the Act of Accession,[59] LEADER-type activities may be supported through the LEADER+-type measure incorporated into the rural development programming documents of the new Member States. Hungary has

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[57] Information received from the CSF Managing Authority.
[58] C (2004) 2745
[59] OJ L 236, 23.9.2003, p. 33.

chosen to implement the LEADER+-type measure and included it in the Agriculture and Rural Development Operational Programme under the priority aiming at promoting integrated development of rural areas.

16. MALTA

16.1. Objective 1

Malta was not eligible for ISPA funding but instead was granted funding under a pre-accession programme focusing on capacity building which enabled the Maltese Authorities to present a well prepared draft SPD during negotiations. During the latter, Malta undertook to meet the commitments made during discussions on chapter 21 of the *acquis* and the recommendations of the July 2003 report to prepare a comprehensive text in December 2003.

As with all other new Member States, the Commission took the decision approving Malta's SPD in June 2004, which, due to the limited resources available and short programming period, focuses on addressing the most immediate problems relating to infrastructure and the environment.

Malta's Objective 1 SPD, adopted by the Commission in June 2004, allocates EUR 63.2 million to the Island. The 2004 annual allocation has been committed and the first part of the advance payment (10% of the total 2004-2006 allocation) has been paid by the Commission, as provided for by the Regulation after amendment by the Act of Accession. The Programme Complement was received in time and validated by the Commission in October 2004. Interim payments had not yet been requested.

Practically all funds have been committed by the managing authority (projects submitted by final beneficiaries have been approved by Cabinet). There is still some ESF money to be committed. Malta's technical assistance allocation has been fully committed.

One Preliminary Programme Monitoring Committee meeting and two Official Programme Monitoring Committee meetings were held in 2004. Measures to be financed, tasks of the Managing Authority, Intermediary bodies and final beneficiaries, monitoring and evaluation of progress, communication and awareness raising and approval of and changes to the Programme Complement were amongst the topics discussed during these meetings.

16.2. Community Initiatives

16.2.1. Equal

The negotiation process with the Republic of Malta kicked off in September 2003. The draft SPD was submitted on 02/12/2003. The negotiation was concluded with the Commission Decision.[60] Three measures are identified in the SPD: facilitating access and return to the labour market (priority 'employability') – 25%; business creation (priority 'entrepreneurship') - 25%; reconciliation of family and professional life (priority 'equal opportunities for women and men') – 25%; helping the social and

[60] Commission Decision C (2004)2743 of 07/07/2004

professional integration of asylum seekers (priority 'asylum seekers') – 15%. The remaining 10% is used for the fourth priority: technical assistance.

The measures are co-financed by the Government of Malta (25%) and the European Social Fund (75%). The share of national co-financing is EUR 413 721 and the ESF funding is EUR 1 241 163, amounting to a total of EUR 1 654 884.

The selection process resulted in a total of five Development Partnerships, among which two are in the priority 'employability', one in the priority 'entrepreneurship', one in the priority 'equal opportunities' and one in the priority 'asylum seekers'

16.2.2. Leader

Due to the particular features of Malta, it has opted not to include the Leader approach in its programme.

17. NETHERLANDS

17.1. Objective 1

The province of Flevoland (representing only 2% of the Dutch population) is the only Dutch region eligible for support under Objective 1. After allocation of the performance reserve in March 2004, Community assistance amounts to some EUR 132 million (of which 81.7m ERDF, 33.6m ESF, 10.4m EAGGF, and 6.3m FIFG). Building on the mid-term evaluation, further adjustments were made to the Single Programming Document and Programme Complement, and a Commission decision amending the programme was approved in December 2004. Once the programme had gained momentum in 2003, implementation and financial absorption accelerated further in 2004, and the programme achieved its expenditure targets for all funds.

17.2. Objective 2

The 4 Objective 2 programmes had achieved their targets for the allocation of the performance reserve, and thus the Netherlands decided to allocate the available reserve for Objective 2 regions proportionally to the 4 programmes. The mid-term evaluations did not lead to substantial programme or financial adjustments. In one case, a new measure was created, reflecting the increased need to focus on innovation. The amending decisions for the 4 programmes were adopted in December 2004. Implementation of the programmes in 2004 continued with the momentum gained in 2003. As last year, financial execution of the programmes advanced well and all programmes achieved their targets.

The Annual Review Meeting (covering Objectives 1 and 2) was held on 29 October in the Flevoland capital Lelystad. No particular difficulties were reported on the implementation of the current programmes. The proposals from the Commission for the next programming period were well received by the Dutch regions, in some contrast to the position taken until now by the Dutch national government.

17.3. Objective 3

The mid-term review decision for the Objective 3 SPD, allocating the performance reserve of EUR 76 million and including an extension of the SPD, was taken on 25 May 2004. The total ESF funding available for the SPD is EUR 1.6 billion**.**

Up to and including 2004, 548 projects were approved for a total of EUR 1.015 billion. Approximately 46% of the budget is being used for projects under the measure "training of workers within companies", 25% for the measure "activation of jobseekers and disabled" and 19% for projects "combating early school leaving". Furthermore, projects were approved in the measures "employability of the labour force" and "lifelong learning in vocational education and training".

ESF implementation was hampered from the beginning of the period 2000-2006. A late start to the Objective 3 programme, closure problems with the 1994-99 programmes and a wholesale reluctance to apply for ESF support in the Netherlands

– due to 1994-99 implementation problems - were reasons for absorption problems. This resulted in a substantial n+2 decommitment in relation to the 2002 instalment.

The Managing Authority increased its efforts to make better use of the funds available (inter alia, by the creation of a helpdesk to encourage municipalities to apply for ESF projects) and to explore new areas of ESF activity. Therefore, a higher uptake of ESF funding is expected for the year 2005.

The Monitoring Committee met six times, the annual Implementation Report was received on 30 June 2004 and the Annual Review Meeting took place in line with regulatory requirements. There were no additional difficulties encountered.

17.4. Fisheries outside Objective 1

The Dutch Fisheries Programme appears to run smoothly in financial terms, as the declared implementation allowed spending of funds without any decommitment of the annual amounts, including 2002, by the end of 2004. Following the mid-term review, a performance reserve of EUR 1.4 million was granted and integrated into the Programme by an amending Decision that is due to be adopted shortly.

The resulting annual amount of FIFG funds for 2004 was EUR 5.7 million. Co-financing granted for projects in 2004 amounted to roughly EUR 5.5 million, split into EUR 1.55 million for market and consumption studies, EUR 3 million for actions of collective interest under the title “profit, people, planet”, a formula for sustainability, and about EUR 0.947 million for pilot and demonstration projects.

The Netherlands assumed the Presidency of the Council for the second half of 2004 and kept it for Fisheries in the first half of 2005. They were thus heavily involved in the evolution of the forthcoming European Fisheries Fund. The follow-up on Programme management, however, was reduced to one Monitoring Committee meeting at the beginning of 2004.

17.5. Community Initiatives

17.5.1. Urban

Three URBAN II programmes are being implemented in the Netherlands between 2000 and 2006 in the cities of Amsterdam, Rotterdam and Heerlen. In 2004, after the conclusion of the mid-term evaluation, the Commission approved programme amendments for all three cities. The indexation of the budgets for 2004-2006 was added, raising the total ERDF contribution to EUR 9 075 140 each for Amsterdam and Rotterdam and to EUR 12 100 180 for Heerlen. Annual reports for 2003 were received and accepted in 2004, giving accounts of satisfactory implementation for all three programmes.

In the case of all three URBAN II programmes, the city itself is both the Managing and the Paying authority. The Ministry of the Interior provides informal coordination of information.

17.5.2. Equal

The Dutch EQUAL programme changed the weighting of its measures (increasing activity on Employability and Adaptability and reducing activity on Entrepreneurship and Asylum seekers) and had to decommit an amount of EUR 2 928 470.36. These changes and indexation were integrated into the new Commission Decision.[61] Following this decision, the total eligible costs for the Dutch EQUAL programme are EUR 418 303 442 for the period 2001-2006, of which 50% or EUR 209 151 720 from the ESF.

The 2nd round of EQUAL started with a call for proposals which was launched in April 2004 and resulted in the approval of 132 Development Partnerships (DPs) in November 2004.

During the first half of 2004, the activities of the NTNs intensified greatly. All five NTNs held at least one practical event in addition to their regular meetings. These events were well attended by representatives of DPs and invited policy-makers. The practical events offer networking opportunities but are also proving to be effective in supporting DPs in how best to present their good practices in a way that will engage policy-makers.

17.5.3. Leader

Four LEADER+ programmes are implemented in the Netherlands for the period 2000-2006. These four programmes are funded by the EAGGF Guidance for a total of EUR 83.9 million. Amendments were submitted for all programmes in 2004 (due to the performance reserve and the mid-term evaluation). The amending decisions for the four programmes were adopted in the period July-September 2004.

The annual reports for 2003 and the updates of the Programme Complements were received and accepted in 2004, the due compliance with EU regulations being noted. Implementation of all four programmes is satisfactory.

17.6. Closure of the 1994-99 programming period

In 2004, closure proposals were sent to the Netherlands for 15 of the 16 programmes from the 1994-99 period that have not yet been formally closed. For the remaining case, the closure procedure is interrupted pending further audits. The Netherlands is expected to agree with most or all closure proposals, so that formal closure of these dossiers is within reach.

[61] Commission Decision C(2004)2022 in June 2004.

18. AUSTRIA

18.1. Objective 1

In 2004, the main feature concerning the Objective 1 programme for Burgenland was the process of preparing and adopting the mid-term review decision for the programme. Working on the basis of the mid-term evaluation report submitted in late 2003, the fifth monitoring committee meeting held in May 2004 discussed and proposed the amendments to be brought to the programme. This led to the formal adoption of a new decision in December 2004, together with the commitment of the extra ERDF amounts for 2004 due to the performance reserve (i.e. EUR 2.6 million out of a total of EUR 4.0 million for all the Funds for 2004, the total amount of performance reserve for all funds for 2004-2006 being EUR 12 million). No amendment to the programme strategy was necessary; changes were mainly made so as to reinforce the development priority relating to industry and business environment (ERDF) as well as the human resources priority (ESF).

The monitoring committee of the programme approved changes in 2004 to the programming complement to reflect the amendments of the new decision (implying loss of FIFG appropriations due to the "n+2" rule). The committee also adopted a new version of the programming complement to bring it in line with the mid-term review decision.

The 2003 annual implementation report for the programme was formally submitted to the Commission in June 2004 and was approved by the Commission in late July. The report indicates that 17% of the planned expenditure for all of the period 2000-2006 was spent during 2004 and that the cumulative eligible expenditure during 2000-2003 had reached 45% of the planned programme expenditure at the end of 2003.

In 2004, commitments of ERDF funds for the Objective 1 programme for Burgenland amounted to EUR 26.3 million while payments made by the Commission in 2004 to the region totalled EUR 25.9 million (following payment claims submitted by Austria). EUR 8.32 million was committed to the Objective 1 programme from the ESF, and EUR 8.96 million paid as interim payments. Both the Monitoring Committee Meeting held in May and the Annual Meeting on 17 November highlighted the smooth implementation of the ESF-related measures of the programme. The EAGGF commitment appropriations amounted to EUR 6.38 million and payments totalled EUR 4.2 million. No loss was recorded under the n+2 rule for the ERDF, ESF or EAGGF.

In 2004, the Commission decommitted EUR 93 859 in FIFG appropriations (i.e. 11% of the initial FIFG contribution) and paid some EUR 82 000 for the FIFG-supported actions of the programme. Consequently, none of the performance reserve was allocated to the FIFG.

18.2. Objective 2

As regards ERDF appropriations, the Commission committed about EUR 98.3 million in 2004 and paid a total of EUR 106.2 million to the eight Objective 2 Austrian programmes.

The main feature of these Objective 2 regional programmes was the preparation, discussion (in monitoring committees) and adoption of the mid-term review decisions, which were finally adopted during the second half of 2004. As for the Objective 1 programme, the mid-term review did not lead to any changes of the initial regional strategies, but rather to fund transfers between the different development priorities within the programmes. Most of the changes were the results of recommendations of the mid-term evaluations.

The monitoring committee meetings were held in May, in Carinthia for 4 regions and in Vienna for the other 4 regions.

In the reporting year, a total of 10 amendments were approved for the SPDs and 12 for the PCs of Objective 2 regional programmes.

In the case of Styria and ESF implementation, EUR 470 000 was decommitted in 2004 (2.3% of the ESF allocated to the programme). In the case of Carinthia, initial organisational difficulties were solved and ESF implementation caught up, avoiding any N+2 loss. Implementation of the Vienna programme ran smoothly and did not present any problems.

The annual review meeting of all Austrian Objective 1 and 2 programmes took place in Vienna in November 2004. It provided an opportunity to discuss the level of implementation of each regional programme and to tackle common horizontal issues, such as calculation of interim payments, preparation of closure of current programmes 2000-2006 and updating of mid-term evaluations before 31 December 2005. This meeting provided an opportunity to visit a number of projects in Burgenland, Lower Austria and Styria.

18.3. Objective 3

A Monitoring Committee Meeting was held in Vienna on 20 July 2004. Points of discussion were the updated mid-term evaluation report to be submitted by the evaluators, the programme complement and the Annual Report for 2003.

The mid-term evaluation report was accepted by the Commission on 03/09/2004. The report states that the programme strategy offers a coherent and consistent picture, target groups were reached and quantified objectives achieved. It was decided to allocate all available funds of the performance reserve to priority 1 (youth and adult long-term unemployment).

18.4. Fisheries outside Objective 1

The mid-term evaluation confirmed the initial strategy of the programme. The programme was implemented in 2004 as scheduled and consequently the performance reserve of EUR 0.3 million was allocated. Two meetings of the

Monitoring Committee took place (Vienna, Bregenz), providing an opportunity to visit a number of projects in Voralberg. In total, an amount of EUR 0.4 million was paid to the fisheries programme.

18.5. Community Initiatives

18.5.1. Urban

There are 2 Urban II programmes in Austria. After the mid-term evaluation, the amendment of the Vienna and Graz programme was approved in December 2004. The Vienna programme receives EUR 4.2 million and the Graz programme EUR 4.3 million from the ERDF. The total cost for Vienna is EUR 13.904 million and for Graz EUR 20.681 million. The programme complement for Vienna was received on 14.01.2005 and for Graz on 10.03.2004. The 2003 annual reports for both programmes were accepted in 2004. The management authority for both programmes is the city. The programmes' management committees are coordinated and are each represented on the other committee. The monitoring committees met in October 2003 in Vienna. This meeting was linked to a meeting of the German-Austrian Urban II network.

18.5.2. Equal

In accordance with the recommendations made by the mid-term evaluation of the Austrian EQUAL programme, the relative importance of two priorities of the EQUAL programme was increased: employability and entrepreneurship. Indexation was integrated into the new Commission Decision.[62] Following this decision, the total eligible costs for the Austrian EQUAL programme are EUR 207 602 486 for the period 2001-2006, of which 50% or EUR 103 801 243 constitute the national contribution.

The 2nd round of EQUAL started with a call for proposals, which was launched in May 2004 and resulted in the selection of 53 Development Partnerships (DPs) in December 2004.

As regards the dissemination and mainstreaming of EQUAL good practices, Austria ensured that it would make the most of the results by first involving the social partners, NGOs and other relevant stakeholders directly in the work programme of the DPs and then inviting interested parties to the mainstreaming events of the single DPs or to meetings of the national thematic groups. Furthermore, the "good products" of the DPs were collected for presentation at the EU-wide Mainstreaming event that took place in Warsaw in February 2005.

18.5.3. Leader

In 2004, the Austrian Leader+ programme was amended. In total, EUR 1.3 million in indexation funds was allocated. Due to the low demand until now, a shift of money was made from TA (technical assistance) to Action 1 (Integrated territorial rural development strategies of a pilot nature).

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[62] Commission Decision C(2004)3379 of 30/08/2004

No money had had to been decommitted so far under the n+2 rule for LEADER+ Austria.

18.6. Closure of the 1994-99 programming period

As regards the ERDF contribution to the Austrian 1995-1999 programmes, 30 Objective 2, Objective 5b and Community Initiative programmes (except one INTERREG programme) were financially closed during 2004, after receipt and analysis of the documentation submitted by the Austrian authorities to the Commission (the Objective 1 programme for Burgenland was already closed in 2003). This means that only one programme has still to be closed, out of 31. 2 further programmes were closed during 2004 in connection with the ESF. The "RAL" was reduced by EUR 9.7 million compared to 2003 and amounted to EUR 13.4 million at the end of 2004. All EAGGF and FIFG programmes have been closed.

19. POLAND

19.1. Objective 1

The Community Support Framework (CSF) was approved by the Commission on 22 July 2004 after in-depth discussions with the national authorities. The Framework, which has the overall objective of promoting economic growth and an environment for job creation, proposes programmes to be financed by all four Structural Funds in a structure of four priority axes and seven Operational Programmes. The four development axes are “Enterprise Sector”, “Human Capital”, Infrastructure” and “Regional and rural development”. The OPs are “Integrated regional”, “Improvement of the competitiveness of enterprises”, “Transport”, “Human resources development”, “Restructuring and modernisation of the food sector and rural development”, “Fisheries and fish processing” and “Technical assistance”.

Total eligible expenditure is expected to exceed EUR 12.5 billion in the period from 2004 to 2006, of which nearly 8.3 billion from Community sources.

Monitoring Committee meetings were held in July and December 2004, at which questions of coordination, reporting and evaluation were discussed in addition to rules of procedure.

The Transport Operational Programme was approved by the Commission on 29 June 2004. The Programme, which includes EUR 1 163 384 465 of Community (ERDF) funding, out of a total of EUR 1 551 546 017, focuses on the following priorities:

(1) Balanced development of different transport modes (railways, ports, intermodality)

(2) Safer road infrastructure (motorways, expressways, national roads & bypasses, transit through big cities, road safety measures)

(3) Technical assistance.

Implementation is now under way, with applications received for almost all measures and the first grant decisions taken. In February 2005, the decisions taken corresponded to 64% of the funding. No reimbursements on expenditure have yet been claimed, however, and thus the only payment made for this OP is the payment on account of 10% (EUR 163 384 465) transferred in July 2004.

Three Monitoring Committee meetings were held, the principal topics discussed being internal rules of procedure, implementing rules, amendments to the selection process and criteria, amendment of budget allocation between measures and the progress of implementation in the different measures.

The Improvement of the Competitiveness of Enterprises OP was approved by the Commission on 29 June 2004. The Programme, which combines EUR 1 251 098 419 of Community (ERDF) funding with EUR 461 440 366 of funding from national public funds and an anticipated EUR 1 147 619 783 from the private sector, is designed to stimulate the enterprise sector by both improving the environment in which firms operate and offering direct incentives for investment, especially to SMEs and for environmental improvement of processes.

Implementation is now under way, with applications received for almost all measures and the first grant decisions taken. No reimbursements on expenditure have yet been claimed, however, and thus the only payment made for this OP is the payment on account of 10% (EUR 125 109 841) transferred in July 2004.

Three Monitoring Committee meetings were held, the principal topics discussed being implementing rules, amendments to the selection process and criteria, and the progress of implementation in the different measures.

The Integrated Regional Operational Programme (IROP) is the largest programme in Poland and also the largest programme in all ten new Member States (EU co-financing is EUR 2968 million, or 36% of total Structural Fund assistance to Poland). The programme was adopted by Commission Decision of 13 July. It is the only multi-fund programme in Poland, with funding from the ERDF (85% of total funding) and the ESF (15% of the total).

The IROP is unique among the seven Polish Structural Fund programmes because of the role of the sixteen regions which are responsible for calls for proposals and the selection of projects in all measures of IROP except one (public transport in the major cities). First calls for proposals for ERDF measures took place in all regions in June and July. As regards the ESF priority (Human Resources Development in the Regions), calls for proposals have been published by all regions only for Measure 2.2 (scholarships); for the remaining measures the situation varies considerably from region to region. Towards the end of the year, calls were progressively launched for other measures, but not in all the regions. It is recognised that implementation of some ESF measures proved to be particularly difficult. This situation is expected to recover early next year. Only 33.55% of the budgetary allocation for Priority 2 in 2004 was committed, which amounts to 7.8% of the total ESF 2004-06 budget for the IROP.

The final selection of the first projects to be assisted did not take place until after the completion of the Polish legal regulations concerning the implementation of the Structural Funds in mid-October. Project selection progressed rapidly in the last months of 2004. At the end of December, the budget of the ERDF applications submitted exceeded the whole allocation to the programme for 2004-06 (cost of applications was over 60% higher than the whole EU allocation to the IROP for 2004-2006), indicating the interest in the IROP at regional level. Interest was strongest in measures for development of rural areas and local infrastructure.

In 2004, there were four meetings of the IROP Monitoring Committee: two as shadow Committees in March and April 2004 in order to adopt the Programme Complement and start the first calls for proposals, one in July 2004 to officially confirm the Programme Complement, and one in December 2004 to discuss the first quarterly implementation report and to amend the Programme Complement. As the programme was still at the early stages of implementation, changes were minor and technical in nature.

No payment claims were submitted to the Commission in 2004. Only the first part of the advance (10% of the total ESF allocation for the programme) was transferred to the Polish account.

The Sectoral Operational Programme Human Resources Development with an ESF budget of EUR 1470 million was adopted by Commission Decision of 20 July. It is the second largest Operational Programme with a share of 18% of total Structural Funds assistance for the period 2004-06.

The HRD OP's wider objective is to build an open, knowledge-based society by creating the conditions for human resource development by means of education, training and employment. This goal is translated by the following specific objectives: improving employability through enhancement of the quality of human resources and promoting entrepreneurial attitudes; improving adaptability of businesses and their employees to the changing market conditions; raising the educational attainment of Polish society; promoting equal opportunities in the labour market, including gender equality. In seeking to achieve these objectives, a broad range of activities are supported by the HRD OP, including more active labour market policies and improved access to and quality of education, and the development of a lifelong learning framework incorporating adaptability measures designed to increase the skills base of the workforce. Actions are also promoted to counteract social exclusion and to improve the position of disadvantaged groups on the labour market.

The HRD OP is structured around two operational priorities:

Priority 1 – Active labour market and inclusion policy. This priority directly contributes to the CSF objective of raising the overall rate of employment and promotes equality of opportunities for women.

Priority 2 – Development of a knowledge-based society. This priority directly contributes to achieving the CSF objective of increasing overall education levels.

A third priority for technical assistance will provide the resources to support efficient and effective implementation of the programme.

After two shadow Monitoring Committee meetings, the first formal Committee meeting was convened at the end of July, followed by a second formal meeting held in December. The main items on the agenda of the July meeting were adoption of the rules of procedures of the Monitoring Committee and approval of the Programme Complement. The Monitoring Committee organised in December examined the implementation of the programme up the end of September on the basis of the Quarterly Report, adopted amendments to the Programme Complement and endorsed the Evaluation Plan for the Programme.

By the end of 2004, calls for proposals for all the measures were launched. Implementation of projects supporting youth and long-term unemployed is regarded as the most advanced.

At the end of 2004, 127 projects were being implemented (Priority 1 - 48 projects; Priority 2 - 34 projects; Priority 3 - 45 projects). 123.01% of the budgetary allocation for 2004 was committed, which amounts to 28.74% of the total 2004-06 budget.

No payment claims were submitted to the Commission in 2004. Only the first part of the advance payment (10% of the total programme budget) was transferred to the account of the Paying Authority.

The Restructuring and Modernisation of the Food Sector and Rural Development OP was approved by the Commission on 7 July 2004. The Programme combines EUR 1 192 689 238 of Community funding (Guidance Section of the European Agricultural Guidance and Guarantee Fund, EAGGF) with EUR 591 459 823 funding from national public funds (State budget and budgets of local governments) and an anticipated EUR 945 332 095 from the private sector, and focuses on the following priorities: supporting changes in the agricultural and food sector, sustainable development of rural areas, and technical assistance.

They are implemented by some fifteen measures. In 2004, applications were received for twelve measures, with the strongest interest in on-farm investment and installation support for young farmers. Largely due to long national legislative processes, commitments started late and only for two measures. No EU-co-financed payments to recipients have as yet been made, and thus the only payment made for this OP in 2004 was an advance payment of 10% of the total EAGGF contribution, which was transferred in October 2004. Nonetheless, there was significant interest in the Programme, as evidenced by the more than 12 000 projects submitted, amounting to about 90% of the total Programme allocation for 2004.

Two official Monitoring Committee meetings were held in 2004, in July and December, the principal topics discussed being rules of procedure of the Committee, approval and amendment of the Programme Complement and programme implementation.

The Fisheries and Fish Processing OP was approved by Commission Decision on 28 July 2004. The FIFG contribution amounts to EUR 201.8 million. The most important measures planned include the scrapping of fishing vessels (EUR 83.5 million), socio-economic measures (EUR 38.8 million), fishing port facilities (EUR 28.7 million) and processing and marketing (EUR 19.6 million).

In total, the Polish implementing authority had received around 700 applications, amounting to some EUR 85 million by 11 March 2005, since the application period opened in August 2004. 258 applications (80% of the value) concern the scrapping of fishing vessels whereas 338 applications (barely 4% of the value) relate to socio-economic measures. Agreements have been signed with 183 applicants for the sum of EUR 44.5 million. No requests for the first interim payment have been received so far, and thus the only payments made for this OP are two advance payments on account totalling 17% of the total contribution. Five Monitoring Committee meetings have been held to date.

The Technical Assistance Operational Programme is the smallest of the Polish Operational Programmes, with approximately EUR 28.3 million (all ERDF) in allocations. It focuses on improving the quality of management, monitoring, evaluation and control of Structural Funds expenditure, on the organisation of an efficient information system and on promotion of the Structural Funds and the Community Support Framework. It was approved by Commission Decision of 29 June 2004.

Two Monitoring Committee meetings were held for this Operational Programme in 2004, on 30 July and 13 December. The issues dealt with included implementation arrangements and the approval of and changes to the Programme Complement. There was no Annual Meeting and no amendments were made to the Programme during 2004.

Despite the fact that more than 20 projects were submitted by the end of the year, no payment requests have been received due to bottlenecks caused by the budgetary administrative set-up in Poland, and the advance of EUR 2 830 447 remains the only payment made to date. Payments are expected to start during 2005.

Support for the creation of an IT system to facilitate the submission of project applications, improve the evaluation, monitoring, and management of projects, and monitor financial indicators and results of Structural Fund support – known as SIMIK – is one of the three priorities of the TA OP. Despite its importance for the implementation of the Structural Funds, by the end of 2004 the system was still not fully operational. While several project applications concerning SIMIK have been submitted, the main ones were not accepted by the Steering Committee due to quality issues. Revised versions of the projects are expected in the new year.

Coordination between the activities of the TA OP, on the one hand, and technical assistance activities within the other Operational Programmes, on the other, is being managed through a Working Group set up by the Polish authorities.

19.2. Community Initiatives

19.2.1. Equal

After a period of intense negotiation in advance of accession, the Polish EQUAL Programme was adopted by the Commission.[63] The budget allocated to the Programme for the period 2004-2006 will be EUR 178.6 million, of which EUR 133.9 million from the ESF.

The principal targets of the EQUAL CIP are to search for new methods of combating discrimination and inequalities, in particular for ways of including disadvantaged groups in mainstream organisations’ provisions and services, and for new and effective policies and practices for tackling problems faced by disadvantaged groups, including innovation, which could be incorporated into policies and practices and thus secure wider coverage of disadvantaged groups, policies, sectors or geographical areas than at present.

[63] Commission Decision C(2004)2740 of 7/07/2004

EQUAL focuses on different approaches than the ESF programme under the Objective 1 SPD: EQUAL tackles the roots of discrimination, inequality and exclusion, addressing the needs of the most disadvantaged in connection with the labour market, either unemployed, inactive or employed, by seeking innovative means and instruments and benefiting from transnational cooperation. EQUAL is designed to influence local and national policies and structures by transferring innovations in the relevant systems. Thus, mainstreaming, dissemination of innovation, and the spread of innovation following the principle of empowerment constitute the central elements of the EQUAL strategy.

Following the selection process, the Managing Authority for EQUAL in Poland selected a total of 107 Development Partnerships (DPs). Poland decided to concentrate its efforts on Theme A (Employability - 34% of the budget, 38 DPs selected), Theme D (Entrepreneurship – 27% of the budget, 27 DPs), Theme F (Adaptability – 21% of the budget, 25 DPs), Theme G (Equal Opportunities – 9% of the budget, 13 DPs) and Theme I (Asylum Seekers – 2% of the budget, 4 DPs). These Development Partnerships will begin their work in 2005.

19.2.2. Leader

Poland has included the Leader+-type measure in the OP “Restructuring and modernisation of the food sector and rural development”.

20. PORTUGAL

20.1. Objective 1

Implementation of the 2000-2006 period in 2004 was marked by the conclusion of the mid-term evaluation of all 19 programmes and analysis of the respective results, by the allocation of the performance reserve and programming reserve included in the Portuguese CSF for the programmes considered to perform well (according to the pre-defined indicators), and by revision of the programmes, following the results of the mid-term evaluation.

On the basis of the CSF and programme evaluations and the relative performances of the programmes, the Commission adopted Decision 2004/344/EC allocating the performance reserve to the operational programmes of each Member State. This was followed by revision of the Portuguese CSF and the Portuguese Operational Programmes. This revision included allocation of the programming reserve. The programmes connected with the Lisbon agenda were amended substantially, with the objective of focusing funding on improving competitiveness and innovation in line with the suggestions of the mid-term evaluation. A new Operational Programme was created aimed at modernising the Portuguese public administration.

For each OP, two Monitoring committee meetings were held in 2004, one in June/July, the other at the end of the year, November/December. For the CSF one Monitoring committee meeting was organised in July 2004. The annual meeting of 2004 and a second CSF meeting, usually scheduled at the end of the year, were postponed to the beginning of 2005, as the end of 2004 was dedicated to the amendments of the CSF and the 19 Portuguese programmes.

The main item on the agenda of the July CSF Monitoring committee meeting was the proposed revision of the Portuguese CSF, presented by the Portuguese Authorities, on the basis of the mid-term revision. This implied a general revision of the OPs. Other items relating to the global implementation of the Portuguese CSF were also covered, including approval of the revised rules of procedure of the monitoring committee. The 2003 CSF annual report was discussed and approved. A financial execution balance (31/05/2004) was presented.

The main issues discussed in relation to management were: the new approach of the CSF thematic working groups, directly linked to the global management of the CSF, the information system (updated to 31/05/2004), the control effort, and State aid global monitoring procedures. The Portuguese State secretary responsible for Regional Policy was present at the July CSF Monitoring committee meeting.

The CSF meeting held in January 2005 examined the implementation of the programmes until the end of November and presented the main results of the reprogramming exercise.

In the first round of programme monitoring committee meetings (June/ July), the main subject discussed was the annual report of the previous year (2003). This document was approved for all the Portuguese programmes. The

November/December monitoring committee meetings focused mainly on the programme amendments stemming from the revision of the CSF and the necessary adjustments of the programming complements. Other management issues, such as the information system and control results, were also covered.

For the 2004 annual management meeting held in January 2005, the Commission proposed, as the main theme, the future of the Cohesion Policy for the period 2007-2013. The basis of the discussion was a Commission presentation concerning the new Structural Funds regulations (and the proposed implementation mechanisms) and the financial perspectives, together with an initial definition of the Portuguese strategy for the next planning period presented by the Portuguese authorities. In order to plan the future, account had to be taken of the results of the CSF III (as assessed during the mid-term evaluation), and of the EU priorities set out in the Lisbon and Gothenburg agendas.

Other management issues covered at this meeting were: the global information system (automatic payment claims, information necessary for control purposes); audit and control (public procurement aspects, sufficiency of the audit trail following recent audit missions); expenditure charging mechanisms in the Lisbon and Tagus Valley region; and horizontal coordination structures of the CSF.

Several technical meetings took place in 2004 between the Portuguese authorities and the Commission concerning the mid-term review and the performance and programming reserves. They aimed at defining indicators and allocation of the performance reserve, and at analysing the results of the mid-term evaluation and of its implications for the amendment of the CSF and the programmes.

Up to 30 November 2004, the co-financing decisions adopted at national level amount to EUR 32.708 million, or 86% of the global amount programmed for the period 2000-2006 (total cost), and 83% of the funds involved.

In general terms, the CSF implementation rhythm stabilised in 2004. Up to 30 November 2004, expenditure for the CSF (total cost) was 52% of the amount programmed for 2000-2006. At structural funds level, the executed expenditure of the CSF was 64% of the amount programmed for the period 2000-2006.

From the beginning of the current programming period to the end 2004, payment claims (up to 31/12/2004) sent to the Commission totalled EUR 10.107 million, or about 53% of the amount programmed for 2000-2006 (all funds). It corresponds to 64% of the co-financing decisions taken at national level and all validated expenditures up to 30 November 2004. In 2004, payment claims amounting to EUR 2.508 million were transmitted to the four Commission departments.

ERDF payment claims for the period 2000-2004 (up to 31/12/2004) sent to the Commission amounted to EUR 6.665 million, or about 54% of the amount programmed for 2000-2006. This is 65% of the amount corresponding to the co-financing decisions taken at national level (up to 30 November 2004).

EAGGF guidance payment claims for the period 2000-2004 (up to 31/12/2004) sent to the Commission amounted to EUR 888 million, or about 39% of the amount programmed for 2000-2006. This is 54% of the amount corresponding to the co-financing decisions taken at national level.

Concerning the ESF, payment claims for the period 2000-2004 (up to 31/12/2004) sent to the Commission corresponded to EUR 2.705 million, or about 57.5% of the total amount programmed for the 2000-2006 period.

For the FIFG, payments applied for by Portugal over that same period came to about EUR 117 million, or about 52 % of the amount programmed for all of the period 2000-2006.

In 2004, the Commission decommitted an amount of EUR 3 536 929 for the four Funds under the n+2 rule at the end 2003.

The Portuguese CSF and OPs were revised following the mid-term evaluation and in order to allocate the performance and programming reserves. The Portuguese performance reserve amounted to EUR 855 million, to be allocated to the programmes considered to be performing best according to agreed indicators. This allocation was decided on by the Commission on the basis of the Portuguese proposal. A predetermined share of this reserve was allocated to the phasing-out regions. The programming reserve of EUR 501.5 million was allocated to priorities proposed by Portugal and agreed to by the Commission: consolidating OPs in the fields of i) competitiveness, innovation, information society, modernisation of public administration; ii) natural catastrophes and prevention measures (summer fires 2003, rainfall in Douro, storms in Azores); iii) irrigation networks in the major Integrated Alqueva project.

In addition to allocating the performance and programming reserves, OP measures and priorities were also amended. The basic strategy of the CSF was not substantially changed, but it was focused more on the objectives of the Lisbon Strategy. The operational programmes “Information society” (now called “Knowledge society”) and “Science, technology and innovation” (now called “Science and Innovation 2010”) were radically changed as a result of the evaluation studies. The new “Knowledge society” programme now incorporates the new national strategic initiative “Action plan for the information society" and the priorities of the European Union specified in "e-Europe 2005”.

The OP "Science and Innovation 2010" has to be revised because of the implications in the Lisbon strategy and because of the urgent need to adapt the national system of science and technology and increase the competitiveness of Portuguese companies. Support for universities, until now part of the "Education" OP, was transferred to "Science and Innovation 2010".

The main amendment to the OP "Agricultural and Rural Development" was the creation of a new action “Innovative actions for the development and improvement of support infrastructure in agriculture”. This was accompanied by certain amendments to the strategy in the forestry sector following the fires in the summer of 2003. The measures relating to fire prevention and restoring the potential of agricultural and forestry production damaged by fire were given greater funding.

Under the OP "Fishing" and the FIFG section of the regional programmes, the MTR's principal objective was the allocation of the performance reserve and the adjustment of programmes to how the sector is developing. This development is a result of the reform of the CFP in December 2002, which emphasises the safeguarding of resources.

The most important change in the revised CSF was the creation of a new Operational Programme designed to improve the efficiency of the public administration. This new programme will promote both the modernisation of the public sector and the training of civil servants. It will seek coordination and synergy with measures included in national programmes, such as Employment and Knowledge Society, and in regional programmes.

The mid-term evaluation concluded on the failure of the coordination mechanisms set up in the CSF adopted in 2000: the Thematic Working Groups (TWGs) established in the fields of Environment, Health, Transport, Information Society, Human resources, Equal opportunities, and Competitiveness. The Portuguese authorities and the Commission agreed to define revised coordination instruments in four specific domains: Human potential, Competitiveness, Regional Development and Public Administration. These new platforms will have a different approach and system, directly linked to overall management of the CSF. The TWGs on Equal Opportunities and Environment will be maintained.

This Community support framework coordinates the financing from the Structural Funds and the Cohesion Fund, in particular through a “reference framework” in the transport and environment sectors. The mid-term evaluation suggested consolidating this coordination. In particular, the regional programmes should give priority to projects needed at municipal level to complete the multi-municipal systems financed by the Cohesion Fund for water supply, urban waste water treatment and solid waste treatment. A new measure was created in the 5 Regional programmes on the mainland and on Madeira to ensure adequate implementation and monitoring of these priority projects.

In addition to the technical assistance measures envisaged in the Operational Programmes, the CSF also includes a technical assistance operational programme which aims to ensure the right conditions for effective implementation of the defined development strategy, and to facilitate the implementation, management, follow-up, control and evaluation of the operational programmes. This programme was co-financed by the ERDF and ESF. Revision of the Technical Assistance Operational Programme added two more Structural Funds to it, the EAGGF and FIFG, although their scale is very small (EUR 301 000 for both funds).

20.2. Community Initiatives

20.2.1. Urban

There are three URBAN II programmes for Portugal – Amadora (Damaia-Buraca), Lisbon (Vale de Alcântara) and Porto-Gondomar – and after the mi-term evaluation all three programme amendments were approved at the end of December 2004. The total eligible cost for the three programmes is EUR 35 321 354. The total EDRF contribution is EUR 19 490 229. Amadora receives EUR 3 701 613, Lisbon, which does not benefit from indexation, receives EUR 5 663 822 and Porto-Gondomar EUR 10 124 794. All programmes presented annual reports for 2003 which were accepted in 2004.

The management authority for the programmes is at regional level through the Regional Coordination Commissions, for Amadora and Lisbon from the Lisboa e Vale do Tejo Region and for Porto-Gondomar from the Norte Region. The Monitoring Committees for the two programmes in the Region of Lisboa e Vale do Tejo met twice in 2004. For the Porto-Gondomar programme only one Monitoring Committee meeting took place, at the end of the year.

20.2.2. Equal

A new decision for Portugal was adopted in August,[64] integrating indexation. Specific focuses in the Portuguese programme are empowerment, partnership, direct work with enterprises, gender discrimination, learning communities and generating and sharing new knowledge. The total budget for the second round of projects amounts to EUR 77 878 147, with an ESF contribution of EUR 57 904 811.

For round 2, a series of nine seminars was organised. The call for proposals was launched in 4 phases (April for priority 1, June for priority 2, September for priority 3 and November for priorities 4 and 5), 370 applications were received, and 94 Development Partnerships (DPs) were selected.

For mainstreaming, Portugal has developed an extensive product validation methodology. Portugal has also been active in organising national thematic networks and events. Specific thematic priorities were Integrated guidance-training–integration pathways; Combating racial and ethnic discrimination; Business creation and local development; Consolidating social economy organisations and professionals; Lifelong learning and inclusive work practices; Adaptation and retraining; Organisational modernisation and innovation; Entrepreneurial citizenship and social economy; Information and knowledge society; Reconciling family and professional life; Eliminating gender discrimination in the workplace; and Vocational training and professional and social integration of asylum seekers. Also, two thematic forums were organised to present the results of the 1st phase of thematic work.

20.2.3. Leader

The Portuguese LEADER+ Programme was amended twice in 2004. The first amendment was twofold: that the EAGGF contribution should be calculated in relation to the total eligible cost, on the one hand, and that 2% indexation should be taken into account for the years 2004-2006, on the other. Consequently, the total public eligible expenditure for the whole programming period now amounts to EUR 227 580 191 and the EAGGF contribution to EUR 164 453 735. The Leader+ Financing Agreement signed in December 2001 was amended accordingly.

[64] Commission Decision C(2004)3190 of 11/08/2004

Following the results of the Mid-Term Evaluation Report communicated to the Commission in December 2003, the programme was amended again with the aim of improving several aspects of its management.

20.3. Closure of the 1994-99 programming period

Closing the 1994-99 programming period was one the main activities in 2004. Priorities were defined by the Commission, in order to reduce outstanding commitments as far as possible. The progress made by Portugal in the closure of the 1994-99 programming period is satisfactory. In 2004, 9 programmes were closed, and only 10 of the 33 programmes are still open. "RAL" was reduced from EUR 127.0 million at the beginning of 2004 to EUR 41.9 million at the end of the year, thus making for a reduction of EUR 85.1 million. For four of the programmes still open, the final closure letter was sent late in 2004, meaning that a reply is still awaited from Portugal before closure can go ahead (these programmes are: Knowledge society and innovation, PPDR, CI Textile, Fisheries). The other programmes are partially closed, the biggest part of the balance has already been paid, but the proposal for closure by the Commission has been challenged by Portugal so that the closure will probably require an Article 24 procedure (these programmes are: Development support infrastructure, Alentejo, Resider, Health, GG Support for local investment, Retex).

As far as EAGGF programmes are concerned, 7 of the 10 programmes were still open at the end of 2004 (OP Modernisation of the economic fabric - PAMAF, PPDR, REGIS II, INTERREG II A, Alqueva, OP Madeira and OP Azores). A decision was taken in 2004 to apply Article 24 of Council Regulation (EC) No 4253/88 to 5 of these programmes.

21. SLOVAKIA

21.1. Objective 1

Following accession to the EU, the Slovakian Community Support Framework and the relevant Operational programmes for the period 2004-2006 were approved by the Commission in June 2004. The major objective of Slovakia's CSF is economic growth through increasing competitiveness, promoting employment and encouraging well-balanced regional development. The CSF will focus attention on growth poles, such as Bratislava/Nitra/Trnava, or Banská Bystrica/Zvolen, or Košice/Prešov (but not exclusively these), where clusters of projects could be funded to upgrade economic activity, benefiting from the effects of linkages, synergy and critical mass.

This will be within a context of overall rebalancing of regional development, where particular attention will be given to the needs of the Roma minority. Furthermore, the CSF envisages support for the Roma community to be integrated in a cross-cutting theme within the CSF. A Roma Working Commission was created as a Sub-committee of the CSF designed to drive coordination proactively and facilitate consensus-building among all parties involved.

The CSF (funding from ERDF, ESF, EAGGF and FIFG) gives Slovakia a total EU contribution of over EUR 1.041 billion between 2004 and 2006, split into 3 mono-fund operational programmes, as described below.

The Basic Infrastructure OP (ERDF – EUR 422.3 million) concentrates on public infrastructure at selected economic growth centres in the regions so that they become, over time, competitive and viable additional centres alongside Bratislava.

Priorities.

– Transport improvements in road, rail and safety and security at certain airports. Structural Funds resources will focus on improved connections to the international transport network and inter-regional access. This will complement Cohesion Fund investments with their trans-European dimension.

– Environmental upgrading in relation to water services, air emissions, waste and protection of the natural environment, these being the most pressing problems with a view to compliance with EC environmental legislation on expiry of the transition period (waste water treatment and protection, improvement of drinking water quality, adequate level of protection against floods, technology improvements at selected heating plants, incinerators and industrial plants, dealing with solid waste). This investment will complement large-scale projects financed by the Cohesion Fund.

– Renovation of facilities catering for education, health care and social services, including services provided by public employment offices and cultural activities.

– In addition, the process of wider development of the information society will be supported; this will focus initially on public access to the internet and pilot projects to develop e-government.

The Industry and Services OP (ERDF - EUR 151.2 million) targets greater competitiveness in industry and services. Currently most exports from Slovakia are based on price competitiveness of non-sophisticated products. This OP will support those business activities, but with the global objective of developing specialisation in more sophisticated products with a higher added-value. The strategic objective defined above will be implemented through the following specific objectives:

– Growth in the competitiveness of domestic industry and services: development of SMEs, creating job opportunities, provision of business infrastructure, research and development activities, especially links between research institutes, academies, and industry.

Development of tourism: marketing and promoting the country's assets, and improving tourism infrastructure, including the renovation of selected cultural monuments and buildings.

The Human Resources OP (ESF - EUR 284.5 million) has a global objective of "employment growth based on a qualified and flexible labour force", to be gradually achieved through the pursuit of a coherent set of specific objectives, as follows:

– Development of an active labour market policy, mainly to improve the employability of the unemployed, with a view to achieving faster integration of the unemployed, especially the long-term unemployed, into the labour market, modernisation of public employment services; special attention will be given to the needs of both the Roma minority and the young unemployed.

– Reinforcement of social inclusion and equal opportunities on the labour market, aiming at improving the social inclusion of marginalised groups of the population by providing job opportunities and by increasing their employability. Special attention will be given to local and regional partnerships active in this area, in which marginalised groups such as Roma will participate.

– Improved qualifications and adaptability of people in employment and those entering the labour market, mainly targeting the employed and people in secondary or tertiary education, with the aim of focusing initial education and vocational training more on labour market needs and increasing Roma participation in mainstream education.

Following adoption of the OP Human Resources Decision on 16 July 2004, the draft Programme Complement was adopted by the Monitoring Committee and subsequently sent to the Commission in October 2004, where it was accepted. The first advance payment representing 10% of the programme's ESF allocation (EUR 22.5 million) was paid to the OP HR Paying Authority in July 2004.

The Agriculture and Rural Development OP (EAGGF - EUR 181.1 million and FIFG – 1.8 million) has the overall objective of supporting productive agriculture together with sustainable rural development. This is translated into the following strategic objectives:

– Support for productive agriculture: ensuring greater competitiveness of the agricultural sector, increasing labour productivity, and adding value and quality to agricultural products.

– Support for sustainable rural development: diversification of agricultural activities in rural areas and actions in support of forestry and fisheries will provide new sources of income in rural areas and create new jobs.

Commitments for 2004 for ERDF Objective 1 OPs in the amount of EUR 134.1 million were allocated as per the financial plans. Advance payments for ERDF Objective 1 OPs (EUR 57.4 million) representing 10% of total ERDF allocation were paid to the Slovak Payment Authority in 2004.

Calls for proposals for all Objective 1 OPs were published in the course of 2004. These have shown great interest on the part of potential beneficiaries in using SF assistance. Under the ERDF Objective 1 Programmes, some 2 650 projects were submitted, for a total value of around EUR 1 200 million. There are several measures under these programmes where the interest exceeded the total allocation available for 2004-2006 several times over. In some measures under the OP Basic Infrastructure, the selection of projects has been finalised, some projects have already been approved and implementation has started. In most other cases, the evaluation process has started or has been completed and projects are being prepared for signature of the contracts.

21.2. Objective 2

The Single Programming Document Objective 2 (ERDF – EUR 37.1 million) is limited to the Bratislava region, the only Slovakian region outside Objective 1. This programme will focus on the economic development of the hinterland of Bratislava, in particular through SME development, and provide better business and local infrastructure by increasing the quality of tourism services. It is similar to the Objective 1 Industry and Services OP in its priorities and measures.

Commitments for the SPD Objective 2 in the amount of EUR 12.1 million were allocated in line with financial plans. Advance payments for the SPD Objective 2 (EUR 3.7 million) representing 10% of the total ERDF allocation were paid to the Slovak Payment Authority in 2004.

21.3. Objective 3

The Single Programming Document Objective 3 (ESF - EUR 44.9 million) is also limited to the Bratislava region, and will concentrate more on helping groups at risk of social exclusion to re/enter the labour market. Unemployed persons will benefit from more and better services provided by the public employment services. The particular situation of the Bratislava region compared with the rest of the country (in terms of economic results and unemployment rate) is mainly reflected in the focus on fostering research and development and providing training according to the needs of enterprises.

Following the adoption of the Objective 3 SPD Decision on 8 July 2004, the draft Programme Complement was adopted by the Monitoring Committee and sent to the Commission in October 2004, where it was accepted. The first advance payment representing 10% of the programme's ESF allocation (EUR 4.5 million) was paid to the SPD3 Paying Authority in July 2004.

21.4. Community Initiatives

21.4.1. Equal

The Community Initiative programme for combating discrimination and inequalities in connection with the labour market (EQUAL) in the Slovak Republic has been approved by the Commission's Decision.[65]

The ESF budget allocated for the Slovak programme is EUR 22.2 million, national co-financing is EUR 9.6 million, and 8% of the budget is allocated to technical assistance. Slovakia focuses on 6 measures: Facilitating access and return to the labour market (priority Employability) - 20%, Combating racism and xenophobia (priority Employability) - 13%, Social Economy (priority Entrepreneurship) - 23%, Supporting adaptability (priority Adaptability) - 21%, Reducing gender gaps (priority Equal Opportunities) - 12%, and Socio-vocational Integration of Asylum Seekers - 3%.

The call for proposals was published on 24 June 2004. There were 101 Development Partnerships selected to participate in the process of closing transnational partnership cooperation agreements. The biggest number of DPs (25 and 22) will operate under social economy (priority entrepreneurship) and supporting the adaptability of firms and employees (priority adaptability).

21.4.2. Leader

Slovakia has chosen not to implement the Leader+-type measure.

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[65] (CCl: 2004 SK 05 0 PC 001) on 7. 7. 2004

22. SLOVENIA

22.1. Objective 1

Negotiations regarding the Single Programming Document (SPD) were finalised in December 2003 and the Commission Decision on the SPD taken in June 2004. The total financial contribution from the four Structural Funds (ERDF, ESF, EAGGF, FIFG) amounts to EUR 237.5 million, corresponding to a total of EUR 334.5 million of planned public expenditure.

The strategic objectives to be achieved through the SPD cover four main aspects:

- The competitiveness of the productive sector
- The development of human resources and employment (creation of new jobs and securing existing jobs)
- The restructuring of the agricultural, forestry and fisheries sectors
- The improvement of competitiveness in the different regions and areas.

In terms of the Single Programming Document, these are structured as three priorities:

Priority 1: Promotion of the Productive Sector and Competitiveness: This targets the development of an innovative environment with the objective of accelerating growth, R&D and knowledge transfer. It includes support for start-ups and SMEs, the promotion of clusters and technology networks and the fostering of regional tourist development.

Priority 2: Knowledge, Human Resource Development and Employment: This priority aims to combat unemployment by improving the employability and adaptability of the work force, supporting the inclusion in the labour market of people with special needs, developing lifelong learning and improving the quality of and access to education and training. The upgrading of human resources is closely connected with the European employment strategy.

Priority 3: Restructuring of Agriculture, Forestry and Fisheries: This priority addresses investment in agricultural holdings and forests, improved processing and marketing of products, development of alternative income sources connected to agriculture, promotion of good quality agricultural products, while in the fisheries sector support will focus on modernisation of the fleet, aquaculture and marketing of fisheries products.

The SPD operational technical assistance programme includes a specific priority designed both to ensure the appropriate conditions for effective implementation of the defined development strategy and to facilitate the implementation, management, follow-up, control and evaluation of the programme. This priority is co-financed by the ERDF and ESF.

Two Monitoring committee meetings were held in 2004, one in July and the other in November.

At the July 2004 Monitoring committee meeting both the rules of procedure for the Monitoring Committee and the Programme Complement (PC) were approved. A number of improvements to aspects of the Programme Complement were nevertheless suggested by the Commission and will be finalised by early 2005, in the form of annexes to the PC. These will cover project selection criteria, monitoring indicators and an update of the existing State aid table.

The Programme Complement was formally notified to the Commission in September 2004.

Although an annual implementation report was not due in 2004, the Slovene authorities provided information to the November monitoring committee on the current state of implementation of the Programme. For the ERDF measures significant progress had been made in the launching of tenders, project approval and the overall level of financial commitment for the priority. For the ESF all the planned calls for proposals for 2004 were successfully concluded, although ESF technical assistance remained inactivated. In the framework of EAGGF measures, calls for applications for all measures were published in July 2004, and 2 081 applications for projects co-financed by EAGGF had been received by the end of 2004, of which 1835 were approved. The two most interesting measures have proved to be investments in agricultural holdings and diversification of agricultural activities and activities close to agriculture.

No ERDF, ESF or EAGGF payment claims were received by the Commission. However, a first advance payment, amounting to 10% (EUR 13 652 347.80) of the total ERDF financing earmarked, 10% (EUR 7 563 598.60) of total ESF financing and 10% (EUR 2 356 909.00) of the total EAGGF contribution, was paid out.

22.2. Community Initiatives

22.2.1. Equal

After a period of intense negotiation in advance of accession, the Slovene EQUAL programme document was adopted by Commission Decision.[66] The budget allocated to the Programme for the period 2004-2006 will be EUR 8.59 million, of which EUR 6.44 million from the ESF.

Slovenia decided to concentrate its efforts on measure 1 (Employability - 60% of the budget), measures 5 and 8 (Lifelong learning and Reducing gender gaps – each 15% of the budget), and Asylum Seekers (2% of the budget). Technical assistance has 2 measures corresponding to rules 11.2 and 11.3 (5% and 3% of the funds respectively).

[66] Commission Decision C(2004)2744 of 07/07/2004

Following the selection process, the Managing Authority for EQUAL in Slovenia selected a total of 26 Development Partnerships. These Development Partnerships started their work in late 2004.

22.2.2. Leader

Slovenia has opted not to implement the Leader+-type measure.

23. FINLAND

In mainland Finland, there are two Objective 1 programmes — Eastern and Northern Finland — and two Objective 2 programmes — Southern Finland and Western Finland. There is also one Objective 2 programme in the Swedish-speaking, self-governing region of the Åland Islands. The total Structural Fund support for these programmes over the period 2000–2006 is approx. EUR 1.5 million in current prices, broken down roughly as follows: 60% ERDF, 26% ESF, 13.5% EAGGF and 0.5% FIFG.

23.1. Objective 1

By the end of 2004, the Northern and Eastern Finland Objective 1 programmes had allocated (committed) more than 60% of the total EU funding and paid 40% to projects on the ground. There were no decommitments in 2004. The total ERDF contribution in Northern Finland is EUR 169.7 million and in Eastern Finland EUR 328.9 million, including the performance reserve. The ESF contribution for Eastern Finland is EUR 189.1 million, including the performance reserve. The number of projects in 2004 was 561, involving 99 987 persons. For Northern Finland, the ESF contribution is EUR 90.73 million including the performance reserve. In measures co-financed by the ESF, 426 projects were started and 44 366 persons participated. The EAGGF expenditure targets set for the end of 2004 were met in both programmes. After four years of actual implementation, an amount of EUR 78.79 million (38.95%) has been paid out of the total budget for 2000–2006. The FIFG contributes a total of EUR 8 249 000 to these programmes. By the end of 2004, EUR 3 996 123 euros were paid out.

Two Monitoring Committee meetings were organised for each programme in 2004, along with thematic discussions on the role of universities and on R&D financing for Structural Fund implementation and visits to several projects in the field.

The mid-term evaluation confirmed the relevance of the programme strategies and objectives. The mid-term review for 2004 therefore covered only minor modifications and the allocation of the performance reserve to programme measures, stressing the role of business development for the remaining period.

23.2. Objective 2

The Southern and Western Finland Objective 2 programmes have progressed well. By the end of 2004, over 60% of the total EU funding had been absorbed (committed) and 40% paid out. There were no decommitments in 2004. The Western Finland programme receives EUR 13 million from the ERDF and EUR 69.657 million from the ESF, including the performance reserve. The number of projects in 2004 was 452 with 58 156 persons participating. For Southern Finland, the ERDF contribution is EUR 180 million and the ESF contribution EUR 48.177 million, including the performance reserve. The number of projects in 2004 was 336 and the number of persons participating 46 220.

Four Monitoring Committee meetings along with thematic discussions were organised in 2004. The members of the Monitoring Committees also visited several projects in the field.

The mid-term evaluation confirmed the programme strategies chosen, and no major changes were recommended by the evaluators. As a result of the mid-term review, more financing was allocated to the measures for developing technology, innovation and business and for strengthening the interconnection between education and the labour market. Although achievement of some programme objectives is still well short of the set targets, the programme implementers have opted to retain them.

The implementation of the Åland Islands Objective 2 programme accelerated and no decommitment was necessary by the end of 2004. A new programme decision following the mid-term review was taken during 2004 and shifted the focus of the programme towards further spending on business development, the archipelago area and activities related to the environment. Two Monitoring Committee meetings for Objective 2 and Objective 3 were held jointly.

The joint mainland Objective 1 and 2 Annual Review Meeting between the Commission and the Managing Authority was held on 27 October 2004 and that for the Åland Islands on 20 October 2004. The review covered the 2003 annual reports and the progress of the programmes, the follow-up of the mid-term evaluation and the planned update in 2005, management and control issues, developments in the operational environment and socio-economic situation, and the exchange of information, including preparations for the future cohesion policy.

23.3. Objective 3

ESF funding for Finland's Objective 3 SPD (excluding the Åland Islands) totals EUR 433.8 million.

The programme has progressed well. By the end of June 2004, commitments totalled 59% and payments 40% of the ESF allocation for 2000–2006. Aid has been granted to 1662 projects, in which 282 000 persons are participating. The programme has contributed to the creation of 4500 new companies and 11 000 new jobs and helped secure 20 000 existing jobs.

The mid-term evaluation confirmed the relevance of the programme strategy and only minor adjustments were made to the programme. The annual review meeting took place in Helsinki on 15 November 2004. The main purpose of the meeting was to review the implementation of each measure and agree on the necessary action to further strengthen the management and monitoring arrangements for the programme.

The separate Objective 3 programme for the autonomous Åland Islands with EUR 2.7 million funding from the ESF has also progressed well: ESF commitments 90.0%, payments 35.8%, number of projects 29, and more than 1600 persons participating in them by the end of September 2004. The mid-term evaluation confirmed the relevance of the programme strategy and only minor adjustments were made to the programme. The annual review in 2004 was conducted in the form of an exchange of letters.

23.4. Fisheries outside Objective 1

By the end of 2004 the programme had committed 64% of the total EU funding and paid 45% to projects on the ground. There were no decommitments in 2004. The implementation of the measures progressed very well. Most of the measures had more than a 50% implementation rate. The socio-economic measure was the only one still unused. However, progress in the Åland Islands was relatively slow.

Two Monitoring Committee meetings were organised in 2004. No study visits were made. There was an information meeting on the forthcoming period 2007—2013 between the managing authority and DG Fisheries and Maritime Affairs representatives in October 2004. The annual review meeting was held in November 2004.

The mid-term evaluation confirmed the overall relevance of the programme strategies and objectives. The mid-term review for 2004 therefore covered only minor financial modifications, the allocation of the performance reserve to programme measures, and the updating of the programme in line with the reform of the CFP. The programme modifications were approved on 28 July 2004.

One payment request ensuring compliance with the N+2 rule was received in 2004.

23.5. Community Initiatives

23.5.1. Urban

The Helsinki-Vantaa URBAN II programme, approved in December 2004, is the only one in Finland. The ERDF will contribute a total of EUR 5.38 million to this programme, whose total cost amounts to EUR 20.37 million. The programme complement was approved by the Monitoring Committees and submitted to the Commission in July 2002. The 2003 annual implementation report was submitted to the Commission in August 2004. The Managing Authority for the programme is the City of Helsinki while the functional day-to-day management is delegated to URBAN Helsinki-Vantaa. The Monitoring Committee met twice during 2004.

23.5.2. EQUAL

The new decision (adopted on 11 August 2004) on the Finnish CIP slightly modified the programme by changing the balance between priorities (basically a higher proportion of the budget for the Employability theme and a decrease for the Adaptability theme) and incorporating the indexation. The total budget for 2000–2006 is therefore EUR 159 769 181, with the EU contribution amounting to EUR 73 576 763.

For the second call for proposals under the EQUAL programme, 54 projects were selected in October 2004.

Important mainstreaming work has been carried out: mostly at local and regional levels in the form of seminars, workshops and other kind of events. The Ministry of Labour, in cooperation with other implementing ministries, has organised large-scale seminars at which best practices have been demonstrated.

23.5.3. Leader

In Finland, there is one LEADER+ programme. The total public cost of the programme is EUR 112.8 million, of which the contribution from EAGGF Guidance is EUR 56.4 million (50%). Under this programme, 25 Local Action Groups (LAGs) have been selected in different regions of Finland and are supported by a national network.

In 2004, two Monitoring Committee meetings were held. The Commission received the annual report for LEADER+ 2003 in June 2004 and considered the document satisfactory. The annual review meeting with the managing authority was held in December 2004. The programme was modified in 2004 to incorporate indexation resources amounting to EUR 978 000 for the years 2004–2006.

After three years of implementation, an amount of EUR 19.08 million (33.85%) has been paid out of the total budget for 2001–2006.

23.6. Closure of the 1994–99 programming period

All closure decisions for the Finnish programmes were made by the end of 2003. Some of the related payments and decommitments were carried out during the first months of 2004.

24. SWEDEN

24.1. Objective 1

There are two Swedish Objective 1 programmes, for Norra Norrland and Södra Skogslänsregionen, which cover 65% of Sweden's area but have a population of less than one million (11% of the total population). The total support from the Structural Funds for the period 2000–2006 is EUR 780 million (including the performance reserve), of which the ERDF accounts for almost EUR 490 million or 63%, the ESF EUR 164 million, the EAGGF EUR 116 million and the FIFG EUR 10 million.

The implementation of the Objective 1 programmes is running smoothly. By the end of 2004, approximately 88% (96% for ERDF, 79% for ESF, 67% for EAGGF and 56% for FIFG) of the total Structural Fund budget for 2000–2006 had been allocated to projects and approximately 53% paid out. Payment claims presented to the Commission by the end of 2004 were large enough to avoid any automatic decommitments of the 2002 budget for all Funds except the FIFG, where 6% and 19%, respectively, of the seven-year FIFG budget will be decommitted due to a lack of projects. For both programmes, payments from the Commission were 56 – 45% of the total EU budget for ERDF, ESF and EAGGF, whereas FIFG was lagging behind with some 23%.

So far 1 354 projects have been started. Almost 38% of the projects involve support for investment in businesses, trade and industry and 10% of the projects concern IT infrastructure. During the mid-term review process, both Objective 1 programmes merged the two initial measures for fisheries (adjustment of fishing capacity — 2% — and development of the fisheries industry — 98% of the total), covering all the priorities mentioned in Regulation 2792/1999, into one single measure "Development of fisheries" for more flexibility. Subsequent programme modifications were approved by a Commission Decision on 17 September 2004.

In 2004, two Monitoring Committee meetings were held for each programme. The agenda of the April meetings included discussions on the evaluation plans for 2005–2006 and the adoption of the annual implementation report for 2003. The November/December meetings both focused on the planning of the update of the mid-term evaluation and the adoption of evaluation plans for 2005–2006. There were also project visits linked to the meetings.

The annual implementation reports for 2003 were received in June 2004 and, after a review, the Commission considered both reports satisfactory. The reports were also discussed at the annual review meeting, where some proposals for improvements were made.

The focus of the information and publicity activities has shifted from the promotion of the programmes, in order to create demand, to the promotion of results and examples of good practice. For this purpose, both programmes have organised EU fairs with a mix of seminars and project presentations/stands. One Swedish Objective 1 project, "Northern Sweden Soil Remediation Centre" was presented at the best practice seminar in Rovaniemi, Finland, 13–15 October 2004.

At the initiative of the County Governors of the regions in Northern Sweden, the Objective 1 programme Norra Norrland and the North Sweden Regional Office in Brussels hosted an equal opportunities conference on the subject “Gender mainstreaming as a tool for regional development”, which took place in Brussels on 9 November 2004. There was an audience of 120 people, including members of the European Parliament and representatives from 20 different regions in the European Union. The conference programme covered gender mainstreaming at local, regional, national and international level. Most of the projects that took part in the conference and shared their experiences were financed by the Structural Funds through the Objective 1 programme.

The Objective 1 Norra Norrland programme was also represented at the seminar for the French Objective 1 regions on the island of Reunion on 17–19 November 2004. Representatives participated in one of the workshops, “ICT and waste treatment”, and showed how projects were implementing ICT in their work.

The Swedish Objective 1 regions have continued to participate actively in the debate on the future cohesion policy. Position papers have been submitted to the Commission and seminars involving local and regional politicians, MPs, MEPs and representatives from the Swedish Government and the European Commission have been organised twice a year as part of the “Forum Europe Northern Sweden”. The debate has focused on the specific situation and needs of a region with an extremely low population density.

24.2. Objective 2

There are four Objective 2 programmes, North, West, South and the Islands, with a total Structural Fund support of EUR 440 million (including the performance reserve) for the period 2000–2006 (ERDF EUR 385 million or 88%, ESF EUR 55 million or 12%). The programmes cover approximately 16% of the Swedish population.

All four programmes are progressing very well. At the end of 2004, approximately 95% of the total 2000–2006 budget had already been allocated to projects (95% for ERDF, 93% for ESF) and approximately 57% had been paid out to projects (57% for ERDF, 53% for ESF). At the end of the year, the Commission had paid out between 46% and 53% for all programmes and funds, enough to avoid any automatic de-commitment of the 2002 budget.

So far a total of 1498 projects have been started. Almost 48% of the projects concern support for investment in businesses, trade and industry and almost 29% is allocated to investment in infrastructure, mostly IT infrastructure.

Two monitoring committee meetings were held for each programme during 2004, one of which included one day of project visits. For each meeting a press release was prepared. At the spring meetings, the annual reports for 2003 were adopted and evaluation plans for the remaining programme period were discussed. These plans were later adopted at the autumn meetings.

The annual implementation reports for 2003 were received by the Commission on 30 June 2004 and were accepted on 31 August 2004. The reports for this year showed that the programmes were progressing well but that the analysis of the results continued to be somewhat weak. Furthermore, there was no comparison between financial execution and the financial plan. These issues were discussed later at the Annual Review meeting in December 2004.

During the year, two of the managing authorities started a cooperation project with the province of Ferrara in Emilia Romagna in Italy, and participated in a fair in Bologna in November 2004. They also made a study visit to some Irish islands, where they shared project information on fresh water systems. One managing authority organised a fair at the end of September, with seminars and exhibitions, to provide a meeting place for beneficiaries and to show both their partners and the general public what has been done in the region with the help of EU funding.

Some of the regions and special interest groups also actively participated during the year in the debate on the future cohesion policy.

In 2004, Swedish radio produced two hour-long programmes on the projects and efforts made under the Objective 2 North programme.

The Annual Review meeting between the Commission and the Swedish authorities and Managing Authorities for Objective 1 and 2 was held in Brussels on 10 December 2004. The meeting was devoted to an exchange of information on the continued development of the programmes and a presentation by the Commission of the revised guidelines for annual reports. The meeting concluded that the programmes were progressing well and the Commission did not request any additional information or follow up. The participants very much appreciated the discussion with the Director, Mr José Palma Andres, on the future cohesion policy — as well as the presentation of the best-practice seminar in Rovaniemi 13–15 October 2004 on the Structural Fund programmes in Finland and on the use of risk and venture capital funds.

24.3. Objective 3

ESF funding for Sweden's Objective 3 SPD for the period 2000–2006 totals EUR 779 962 700.

The programme is progressing well, as is the financial implementation of the programme, with no decommitments under the N+2 rule.

At the mid-term review, Sweden introduced changes to the Objective 3 programme following changes in its employment situation and policies. The general structure remained but modifications to the programme were made based on the new employment guidelines and recommendations, the findings of the mid-term evaluation and experience with the implementation of the programme. The modifications to the programme are intended to strengthen the focus on the target of full employment.

In particular, the revision of the programme aims to put greater emphasis on persons on sick leave and at the same time provide help for the reintegration of persons who are or at risk of being long-term sick and do not have a job they can return to. This also reflects the recommendation made under the European Employment Strategy to address the rising number of people on long-term sick leave by promoting work-oriented solutions and improving conditions of work.

24.4. Fisheries outside Objective 1

The total FIFG allocation to the Swedish fisheries programme outside Objective 1 is EUR 65 million for the period 2000–2006. In 2004, a performance reserve of EUR 2.7 million was allocated and the mid-term review incorporated the recommendations of the mid-term evaluation e.g. calling for the Managing Authority to streamline the handling of applications, increase its support for beneficiaries and develop information actions. Subsequent programme modifications were approved by a Commission decision on 25 October 2004.

The most important measures planned in line with the recent reform of the Common Fisheries Policy included the scrapping of vessels (15% of the framework budget), processing and marketing (23%), innovative measures/pilot projects (9%), fishing port equipment (8%), protection of aquatic resources (7%), collective investment (5%) and renewal and modernisation of the fleet (14%).

Due to a rather low level of implementation, and in application of the N+2 rule, a decommitment of EUR 5 857 662.92 could not be avoided by 31 December 2004.

Two meetings of the Monitoring Committee were held in 2004.

24.5. Community Initiatives

24.5.1. Urban

The Gothenburg URBAN II programme, approved in September 2004, is the only one in Sweden. The ERDF will contribute a total of EUR 5.38 million to this programme, whose total cost amounts to EUR 16.08 million. The programme complement was approved by the Monitoring Committees and submitted to the Commission in March 2004. The annual implementation report was submitted to the Commission in June 2003.

The Managing Authority for the programme is the County Administrative Board in Örebro while the functional day-to-day management is delegated to the URBAN Secretariat in Gothenburg. The Monitoring Committee met twice during 2002.

24.5.2. Equal

The EQUAL programme in Sweden was not modified for the second round of the programming period. The indexation money was used instead to strengthen certain areas of the programme, mainly the Asylum Seekers theme. Under the updated decision[67] the total programme budget is EUR 175 444 454. The ESF share is EUR 87 722 227.

For the second call for proposals under the EQUAL programme, 30 Development Partnerships were selected in October 2004. An ambitious launch yielded 160 applications, from which a selection was made.

A well-developed strategy and method of involving the Monitoring Committee in EQUAL through workshops on selected topics proved very effective during the year and has yielded mainstreaming results often difficult to achieve otherwise. Important mainstreaming work was carried out to establish a link between the national thematic work and the political level, involving members of parliament and other influential persons such as the chairs of the national thematic groups, with regular meetings and reports at ministerial level on several topics.

24.5.3. Leader

In 2001 the Commission approved one Leader+ programme. A total of 12 Local Action Groups were selected. During 2004, an additional EUR 715 200 was allocated to the programme as a result of indexation.

Financial execution after 4 years of implementation is 34.06% of the total budget for 2000–2006, with thus EUR 14.04 million having been paid out of the EUR 41.2 million available for the whole programming period.

24.6. Closure of the 1994–99 programming period

Regarding the closure of the budget period 1994–1999, the nineteen Swedish programmes remaining at the end of 2003 were formally closed during 2004.

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67 C(2004) 3252

25. UNITED KINGDOM

In the United Kingdom, there are six Objective 1 programmes, 14 Objective 2 programmes and one Objective 3 programme with three OPs. In total, including the performance reserve, the Structural Funds contribute EUR 6 317 million to the Objective 1 regions, EUR 5 062 million to the Objective 2 regions and EUR 10 781 million to Objective 3.

25.1. Objective 1

The ERDF provides a total of EUR 3981 million to Objective 1 programmes in the United Kingdom during the programming period, plus EUR 258 million for "PEACE II" in Northern Ireland until the end of 2004. The ESF participates in all of the six Objective 1 programmes, with its share ranging from 19% to 33%. The total amount of ESF support is EUR 2 024 million (30%). EAGGF Guidance support is available only in regions eligible for Objective 1 (or regions in transition). In addition, EAGGF Guidance contributes to the special programme PEACE II.

Assistance is provided through five single programming documents and two operational programmes. Three of the single programming documents concern the English regions of Cornwall and the Isles of Scilly, Merseyside and South Yorkshire; the other two single programming documents concern Wales (West Wales and The Valleys) and Scotland (transitional programme for Highlands and Islands). Each programme covers four to six priority areas, grouped around five main themes: support for small and medium-sized business, support for business modernisation, community economic regeneration, human resource development and development of strategic infrastructure. The two operational programmes concern the Northern Ireland Community Support Framework, "Building Sustainable Prosperity", a transitional Objective 1 programme, and the EU Programme for Peace and Reconciliation in Northern Ireland and the Border Region of Ireland ("PEACE II" programme 2000–2004).

2004 saw the completion of the mid-term evaluation and review process. The mid-term evaluations concluded that the programmes were progressing well and that strategies across the UK Objective 1 programmes remained relevant, as did the emphasis placed upon economic restructuring and regeneration, based on the development of key sectors and community economic development. The adjustments introduced with the mid-term review were essentially fine-tuning, e.g. greater emphasis on quality jobs rather than quantity, more profitable businesses and associated investment infrastructure, and small adjustments to the structure of the programmes, including in some cases simplification of the measure structure and consolidation of ESF activity under a single priority in order to facilitate absorption. All the amending decisions to the programmes were adopted by the end of the year and the performance reserve amounts were allocated to all the programmes.

There were no decommitments of ERDF, ESF or EAGGF funding in 2004 under the N+2 rule. For the Merseyside programme, the FIFG allocation was reduced by almost EUR 0.1 million due to the application of the N+2 rule for the year 2004, while for the Highlights and Islands EUR 2.15 million of FIFG funding will have to be deducted from the programme in 2005.

PEACE II

For a region in transition from Objective 1 and emerging from conflict to peace, the thrust of the operational programme “Building Sustainable Prosperity” is to move Northern Ireland towards a state of sustainable prosperity in a competitive economy by focusing on restructuring to modernise business and developing the skills of its people in order to secure a high-technology future. This is complemented by the “PEACE II” programme, which builds on the experience of the special support programme “PEACE I” 1995–1999 and exemplifies the concrete support given by the EU to the peace process after the Belfast Agreement.

On 17–18 June 2004, the European Council took note of the current difficulties with the peace process in Northern Ireland and confirmed its support for the efforts of the two governments to re-establish the devolved institutions. In order to support these efforts, the European Council called on the Commission to examine the possibility of aligning interventions under the PEACE Programme and the International Fund for Ireland with the Structural Fund programmes due to end in 2006, including the implications in financial terms.

On 13 October 2004, the Commission proposed additional EU funding of EUR 60 million (current prices) per year for the PEACE Programme for 2005 and 2006, so as to align it with the other Structural Funds. On 25 November 2004, the Budgetary Authority agreed a smaller amount of European funding for the PEACE Programme: EUR 50 million for 2005 and EUR 16 million in 2006.

In the mid-term review process, most of the ESF programmes were allocated performance reserve funds. The conclusions of the mid-term evaluation found most programmes to be progressing well. The main programme strategies were felt to be sound and still largely relevant, while recommendations for changes mostly concerned small adjustments to the programme structure, including in some cases simplification of the measure structure and consolidation of ESF activity under a single priority in order to facilitate absorption.

All ESF Objective 1 programmes claimed sufficient expenditure to meet the N+2 target for the ESF in 2004.

25.2. Objective 2

The ERDF provides a total of EUR 4 325 million to Objective 2 programmes in the United Kingdom, implemented through fourteen single programming documents. The ESF participates in eight of the fourteen Objective 2 programmes and provides a total of EUR 529 million (10%). The ESF share ranges from 9% to 18%. Following amendments after the mid-term review, some ESF programmes received performance reserve funds. Nine programmes concern the English regions of West Midlands, Yorkshire and the Humber, East Midlands, North East of England, North West of England, East England, South East England, South West England and London; three concern the regions of South of Scotland, East of Scotland and

Western Scotland, one concerns East Wales and one concerns Gibraltar. Each programme covers an average of three priority areas, grouped around three main themes: developing diverse, dynamic and competitive business bases, strategic spatial development, and community regeneration and economic and social development. The UK Objective 2 programmes were adopted in 2001, so it was not until 2003 that increasing levels of activity and progress were registered.

All Objective 2 programmes claimed sufficient expenditure to meet the N+2 decommitment target set by Article 31(2) of Council Regulation 1260/1999 for the ERDF.

As with Objective 1, a significant challenge during 2004 was the amendment of all programmes to reflect the changes proposed in the mid-term review and to allocate the performance reserve. Overall, the mid-term evaluation concluded that strategies across the UK Objective 2 programmes remained relevant, as did the emphasis placed upon competitiveness, strategic spatial development, community regeneration and economic and social development. Recommendations for change mostly concerned small adjustments to the programme structure, including in some cases simplification of the measure structure and consolidation of ESF activity under a single priority in order to facilitate absorption. However, a key issue for all programmes has been the reliable and timely availability of ESF data on progress towards performance indicators. The adjustments to be introduced with the mid-term review are essentially to reinforce emphasis on new technology sectors, more profitable businesses and associated investment infrastructure.

25.3. Objective 3

Under Objective 3, the ESF provides EUR 4 948 million (including the performance reserve).

The assistance is provided through a Community Support Framework covering Great Britain and three operational programmes for each of the nations England, Wales and Scotland. The CSF and each of the OPs cover the five priorities of the ESF: active labour market policies, equal opportunities, lifelong learning, adaptability and entrepreneurship and improving women's participation in the labour market.

During 2004, the mid-term review of the CSF and the three OPs was carried out. The mid-term review confirmed the relevance of the policy priorities and the strong link between the programmes and the European employment strategy, as established in the mid-term evaluations. Minor adjustments were carried out to reinforce the equal opportunities priority in the programmes, with a special focus on the hardest to reach in the labour market. The four amending decisions were adopted in the second half of the year. These included the performance reserve allocations.

There were no decommitments in 2004 under the N+2 rule.

25.4. Fisheries outside Objective 1

For the period 2000–2006, the UK fisheries programme outside objective 1 covers all areas of the UK not in objective 1. It covers most of England, all of Scotland excluding Highlands & Islands and a very small part of Wales. The total FIFG funding allocated over the period 2000–2006 is EUR 125.5 million with almost 50% set aside for Scotland.

Since the programme was not approved until December 2000, the administrations needed to put in place the various procedures and documentation required under fisheries regulations. A monitoring committee, including representatives of all sectors of the fishing industry plus members with specific interest in the environment, has been set up and meets regularly. FIFG grant schemes have been established, together with programme complements, application forms, guidance notes and state aid approvals.. A fisheries management working group has been set up in Scotland and meets regularly to review progress.

Under this programme, take-up of FIFG funding for measures other than decommissioning has been slow mainly because of the depressed state of the fishing industry and the fact that the maximum FIFG grant is only 15%. In order to speed up implementation, national co-financing, which ranges from a minimum of 5% to a maximum of 25% of investment costs, will be increased for certain priority measures. For the time being, no new decommissioning schemes are planned.

Due to the slow implementation, the N+2 target for 2003 was not met. Consequently, the programme was reduced by EUR 4.1 million. The N+2 target was missed again in 2004, and the programme will have to be reduced by a further EUR 7.6 million in 2005. The UK was allocated EUR 5.6 million from the performance reserve. This amount has not yet been included in the programme and it seems more than likely that the UK will decline it.

25.5. Community Initiatives

25.5.1. Urban

As part of the mid-term review process, modifications to all 11 URBAN II programmes in the UK were approved between September and December 2004. Following the review, the ERDF will contribute a total of some EUR 126.2 million to these programmes, whose total cost amounts to over EUR 277.5 million. All 11 programmes submitted satisfactory annual implementation reports for 2003 in the course of 2004.

The Managing Authorities for the programmes are the regional Government Offices in England and the appropriate Government Department in other parts of the UK. In most cases, however, operational responsibility has been delegated to the local authority most concerned.

The UK programmes meet regularly in a network to discuss administrative issues and programme implementation. This year there were two meetings: at Thames Gateway (in May) and Wrexham (in November).

25.5.2. Equal

<u>Great Britain</u>

There were no changes to the EQUAL priorities following the 2003 mid-term review. The additional funding arising from indexation required a new Commission Decision[68]. The additional ESF funding with a revised budget of EUR 789 million was allocated across all measures, with the ESF contributing half of the total eligible costs. The programme continues to focus on a broad range of disadvantaged groups facing discrimination in the labour market, with 40% of the budget supporting Employability (Themes A and B).

The mid-term evaluation was updated in September 2004 and reported continued good progress in implementation with effective engagement by first-round Development Partnerships in mainstreaming activity as they moved towards the end of their programmes. Following the call for applications, 100 Development Partnerships were selected and approved for the second round and will commence their work in 2005. Those selected cover the full range of themes in the programme, with 38% devoted to Employability. During 2004, the UK (GB) continued to contribute actively to EQUAL horizontal and thematic work at European level.

Northern Ireland

There were no changes to the EQUAL priorities following the mid-term review in 2003. The additional funding arising from indexation required a new Commission Decision[69]. All of the additional ESF funding from indexation was allocated to Technical Assistance to take account of a significant increase in the number of Development Partnerships operating in the second round. The revised budget for Northern Ireland is almost EUR 19 million, with the ESF contributing 63% of the total eligible costs. The programme concerns only two EQUAL themes — Employability (Theme A) and Equal Opportunities (Theme G), with around 60% of the budget supporting Employability.

The mid-term evaluation was updated in December 2004 and reported generally positive progress, with Development Partnerships benefiting from the experiences of partnership and transnationality. Only 6 Development Partnerships operated in the first round of EQUAL but an additional 13 were approved for the second round (8 covering Employability and 5 covering Equal Opportunities) and will begin their work in 2005.

25.5.3. Leader

The UK has four Leader+ programmes: England, Northern Ireland, Scotland and Wales, with 55 Local Action Groups. The total cost of the four programmes is EUR 266 million, of which the EAGGF contributes EUR 113 million.

By the end of 2004, a total of EUR 31 million had been paid (27% of the total budget for the 2000–2006 programming period).

All the programmes reached their respective N+2 targets.

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68 Commission Decision C(2004) 5440 adopted on 20/12/2004

69 Commission Decision C(2004) 4317 adopted on 03/11/2004

25.6. Closure of the 1994–99 programming period

29 programmes were closed in 2004, with a total of EUR 214 million in final payments and decommitments. 42 programmes remained open at the end of the year.

Part 3: List of major projects

MAJOR PROJECTS APPROVED IN 2004									
COUNTRY	**REFERENCE**	**TITLE**	**DECISION NO**	**DATE OF DECISION**	**TOTAL COSTS**	**ERDF AMOUNT**	**TOTAL NATIONAL AMOUNT**	**PRIVATE ELIGIBLE AMOUNT**	**RATE OF COMMUNITY ASSISTANCE**
					IN EUR M	IN EUR M	IN EUR M	IN EUR M	IN %
DEUTSCHLAND	2003DE161PR006	OSTSEE- AUTOBAHN A20	C(2004)2792	12/07/2004	411,3	28,1	383,2	0,0	7%
	2003DE161PR007	ABS PADERBORN- CHEMNITZ	C(2004)1913	14/05/2004	102,7	61,9	40,8	0,0	60%
	2003DE161PR008	OTTO GMBH & CO. KG	C(2004)2959	26/07/2004	116,0	13,7	102,2	88,5	12%
	2004DE161PR001	MOLKEREI LEPPERSDORF	C(2004)839	09/03/2004	186,2	37,3 (EAGGF)	147,9	103,2	20%
ELLADA	2003GR161PR008	COMPLETION OF EGNATIA ROAD AXE SECTIONS ON MACEDONIA AND THRACE	C(2004)1884	12/05/2004	690,0	345,0	345,0	0,0	50%
	2003GR161PR009	RIO-ANTIRIO BRIDGE	C(2004)908	16/03/2004	110,9	88,7	22,2	328,8	80%
	2003GR161PR010	METRO D'ATHÈNES ET STATIONS	C(2004)1537	16/04/2004	1170,0	585,0	585,0	0,0	50%
	2003GR161PR014	SECTIONS D'EGNATIA ODOS-IOANNINA-METSOVO	C(2004)4367	05/11/2004	548,0	274,0	274,0	0,0	50%
	2003GR161PR016	SUBURBAN RAILWAY ATHENS/SECTION ATHENS-THREE BRIDGES-SKA-SPATA	C(2004)1692	23/04/2004	560,9	280,4	280,4	0,0	50%
ESPAÑA	2002ES161PR007	AMPLIACION PUERTO DEL FERROL (PUERTO EXTERIOR)	C(2004)1862	10/05/2004	90,1	39,1	51,0	0,0	43%

	2002ES161PR027	MASPALOMAS RESORT S.L.	C(2004)838	09/03/2004	61,2	7,3	3,1	50,8	70% [1]
	2003ES161PR007	SUSTITUCIÓN DE LAS LÍNEAS DE TELEFONÍA RURAL DE ACCESO CELULAR	C/2004/351	04/02/2004	430,3	108,1	14,5	270,8	25%
	2003ES161PR009	CORREDOR NADELA-SARRIA	C(2004)660	25/02/2004	79,9	55,9	24,0	0,0	70%
	2003ES161PR019	BIOCARBURANTES DE CASTILLA Y LEÓN	C(2004)658	25/02/2004	112,4	11,0	4,7	96,7	70% [1]
	2003ES161PR025	AUTOVIA DE LA PLATA. CN-630 DE GIJON A SEVILLA. TRAMO ENLACE DE HINOJAL-CACERES (NORTE)	C(2004)275	29/01/2004	72,6	50,8	21,8	0,0	70%
	2003ES161PR026	PETROQUIMICA ESPAÑOLA - ANDALUCIA	C(2004)145	20/01/2004	98,2	8,9	3,8	85,1	70% [1]
	2003ES162PR001	AMPLIACIÓN DEL RECINTO FERIAL DE BARCELONA (M-II)	C(2004)3701	30/09/2004	241,1	84,4	156,7	0,0	35%
	2004ES161PR004	INTERCONTINENTAL QUIMICA, S.A.	C(2004)2306	18/06/2004	188,6	13,2	5,7	169,7	70% [1]
	2004ES161PR005	TERCER CARRIL DE LA AUTOPISTA TF-1. TRAMO: SANTA CRUZ DE TENERIFE-GÜIMAR	C(2004)2207	16/06/2004	86,6	60,6	26,0	0,0	70%
	2004ES161PR007	IRCOSA CANARIAS S.A. CG/411/P06	C(2004)3963	08/10/2004	85,8	10,2	4,4	71,2	70% [1]
	2004ES161PR009	CONSTRUCCIONES AERONAUTICAS -SEVILLA	C(2004)2441	24/06/2004	254,0	30,2	13,0	210,9	70% [1]
	2004ES161PR010	CONSTRUCCIONES AERONAUTICAS - CÁDIZ	C(2004)1237	25/03/2004	55,9	4,1	1,8	50,0	70% [1]
	2004ES161PR011	FORD ESPANA, S.A. V/982/P12	C(2004)2303	18/06/2004	333,0	25,6	11,0	296,4	70% [1]
	2004ES161PR013	RENAULT ESPANA, S. A. SE/1209/P08	C(2004)2304	18/06/2004	179,6	17,6	7,5	154,4	70% [1]

	2004ES161PR014	LINEA DE ALTA VELOCIDAD. MADRID-SEGOVIA-VALLADOLID/MEDINA DEL CAMPO. TRAMO: SEGOVIA-VALLADOLID. SUPERESTRUCTURA (VIA) E INSTALACIONES (ELECTRIFICACION, SENALIZACION Y COMUNICACIONES)	C(2004)2062	04/06/2004	322,1	193,3	128,8	0,0	60%
	2004ES161PR016	AUTOVIA DE LA PLATA. CN-630 DE GIJON A SEVILLA. TRAMO: CAÑAVERAL (ESTE)-ENLACE DE HINOJAL	C(2004)2440	24/06/2004	66,6	46,6	20,0	0,0	70%
	2004ES161PR017	ECO-TEO, S.A.	C(2004)2305	18/06/2004	83,4	8,2	3,5	71,7	70% [1]
	2004ES161PR018	RENAULT ESPANA S.A. VA/398/P07	C(2004)3444	03/09/2004	149,4	10,5	4,5	134,5	70% [1]
	2004ES161PR020	RENAULT ESPANA S.A. VA/259/P07	C(2004)3702	30/09/2004	301,1	23,2	9,9	268,0	70% [1]
FRANCE	2003FR162PR006	RETABLISSEMENT DU CARACTERE MARITIME DU MONT SAINT MICHEL	C(2004)1538	16/04/2004	85,2	17,2	68,0	0,0	20%
	2004FR161PR002	VILLAGE DE VACANCES - CLUB MEDITERRANEE - LES BOUCANIERS	C(2004)4142	18/10/2004	50,0	12,5	37,5	18,3	25%
	2004FR161PR004	LA RÉUNION - "BOULEVARD SUD"	C(2004)4691	30/11/2004	65,0	35,8	29,3	0,0	55%
	2004FR162PR001	CONTOURNEMENT DE RUPT-SUR-MOSELLE, RN 66 - VOSGES	C(2004)1136	23/03/2004	57,3	13,2	39,0	0,0	23%
	2004FR162PR005	TRAMWAY DE CLERMONT-FERRAND	C(2004)4349	04/11/2004	290,0	20,0	270,0	0,0	7%

ITALIA	2003IT161PR010	DIESEL PUMPS	C(2004)5697	24/12/2004	155,2	33,1	33,1	90,0	21%
PORTUGAL	2003PT161PR002	INFINEON TECHNOLOGIES	C(2004)3220	12/08/2004	145,0	42,0	100,0	86,0	30%
	2003PT161PR003	MABOR CONTINENTAL	C(2004)661	25/02/2004	101,0	17,0	39,0	20,0	19%
	2004PT161PR001	INFINEON TECHNOLOGIES-FABRICO DE SEMICONDUTORES-MODULO II	C(2004)3750	04/10/2004	231,0	43,0	186,0	171,0	20%
SLOVENSKÁ REPUBLIKA	2004SK161PR001	R1 RUDNO-ZARNOVICA	C(2004)4661	29/11/2004	54,6	40,9	13,6	0,0	75%

Source: DG REGIO Infoview database and Commission

(1) Rate of assistance calculated on total public expenditure (national and Community), eligible private expenditure excluded.

Part 4: Financial figures

Financial execution 2004: Objective 1 - 3

		Period 2000-2006					Financial year: 2004				
Country		ERDF	ESF	EAGGF	FIFG	Total SF	ERDF	ESF	EAGGF	FIFG	Total SF
Belgique-België	1.Decided	843.903.942,00	1.046.195.678,00	44.081.433,00	754.933,00	1.934.935.986,00	123.585.656,00	158.289.192,00	7.383.073,00		289.257.921,00
	2.Committed	659.073.971,00	729.981.424,44	37.861.473,00	754.933,00	1.427.671.801,44	123.585.656,00	157.579.408,44	7.383.073,00	-281.393,00	288.266.744,44
	3.Paid	379.718.189,01	367.374.663,16	15.865.508,00	121.800,00	763.080.160,17	123.351.242,69	144.533.578,22	3.360.412,00		271.245.232,91
	% (2)/(1)	78,10 %	69,77 %	85,89 %	100,00 %	73,78 %					
	% (3)/(1)	45,00 %	35,12 %	35,99 %	16,13 %	39,44 %					
Ceska Republika	1.Decided	985.562.948,00	424.890.166,00	166.649.738,00	7.251.689,00	1.584.354.541,00	236.388.896,00	104.538.970,00	38.841.866,00	1.690.186,00	381.459.918,00
	2.Committed	565.367.820,00	104.538.970,00	38.841.866,00	1.690.186,00	710.438.842,00	236.388.896,00	104.538.970,00	38.841.866,00	1.690.186,00	381.459.918,00
	3.Paid	98.556.294,80	42.489.016,60	16.664.973,00	1.160.270,24	158.870.554,64	98.556.294,80	42.489.016,60	16.664.973,00	725.168,90	158.435.453,30
	% (2)/(1)	57,36 %	24,60 %	23,31 %	23,31 %	44,84 %					
	% (3)/(1)	10,00 %	10,00 %	10,00 %	16,00 %	10,03 %					
Cyprus	1.Decided	28.022.807,00	21.945.197,00			49.968.004,00	9.715.911,00	7.618.158,00			17.334.069,00
	2.Committed	9.715.911,00	7.618.158,00			17.334.069,00	9.715.911,00	7.618.158,00			17.334.069,00
	3.Paid	4.483.649,12	2.194.519,70			6.678.168,82	2.802.280,70	2.194.519,70			4.996.800,40
	% (2)/(1)	34,67 %	34,71 %			34,69 %					
	% (3)/(1)	16,00 %	10,00 %			13,36 %					
Danmark	1.Decided	140.459.584,00	451.339.665,00			591.799.249,00	19.001.940,00	65.567.960,00			84.569.900,00
	2.Committed	123.809.146,00	324.373.003,00			448.182.149,00	19.001.940,00	64.969.609,00			83.971.549,00
	3.Paid	60.323.790,93	185.134.956,34			245.458.747,27	16.056.824,41	91.692.157,87			107.748.982,28

	% (2)/(1)	88,15 %	71,87 %			75,73 %					
	% (3)/(1)	42,95 %	41,02 %			41,48 %					
Deutschland	1.Decided	15.252.734.611,00	11.537.336.769,00	3.443.433.569,00	108.716.556,00	30.342.221.505,00	2.278.735.373,00	1.658.441.572,00	472.785.610,00	6.558.244,00	4.416.520.799,00
	2.Committed	12.318.821.741,35	8.639.631.863,00	2.448.588.619,00	95.404.744,00	23.502.446.967,35	2.278.721.383,35	1.658.441.572,00	472.785.610,00	6.558.244,00	4.416.506.809,35
	3.Paid	6.786.041.740,59	5.840.227.514,29	1.937.373.564,00	66.749.087,55	14.630.391.906,43	2.173.798.057,58	1.105.110.954,66	593.356.348,00	13.437.491,78	3.885.702.852,02
	% (2)/(1)	80,76 %	74,88 %	71,11 %	87,76 %	77,46 %					
	% (3)/(1)	44,49 %	50,62 %	56,26 %	61,40 %	48,22 %					
Eesti	1.Decided	225.975.652,00	76.120.100,00	56.798.282,00	12.469.418,00	371.363.452,00	54.746.877,00	18.532.978,00	13.061.751,00	4.082.612,00	90.424.218,00
	2.Committed	54.746.877,00	18.532.978,00	31.683.237,00	4.082.612,00	109.045.704,00	54.746.877,00	18.532.978,00	13.061.751,00	4.082.612,00	90.424.218,00
	3.Paid	22.597.565,20	12.179.216,00	5.679.828,00	1.995.106,88	42.451.716,08	22.597.565,20	7.612.010,00	5.679.828,00	1.246.941,80	37.136.345,00
	% (2)/(1)	24,23 %	24,35 %	55,78 %	32,74 %	29,36 %					
	% (3)/(1)	10,00 %	16,00 %	10,00 %	16,00 %	11,43 %					
Ellada	1.Decided	15.248.128.868,00	4.514.352.864,00	2.551.840.397,00	223.611.900,00	22.537.934.029,00	2.704.349.553,00	817.212.849,00	484.806.983,00	42.103.004,00	4.048.472.389,00
	2.Committed	9.860.393.550,00	2.929.280.462,00	1.593.284.984,00	138.741.004,00	14.521.700.000,00	2.704.349.553,00	869.780.461,00	484.806.983,00	42.103.004,00	4.101.040.001,00
	3.Paid	5.248.673.432,08	1.605.097.388,92	708.651.019,00	84.045.361,68	7.646.467.201,68	1.426.755.706,05	498.547.239,11	231.939.109,00	23.088.653,10	2.180.330.707,26
	% (2)/(1)	64,67 %	64,89 %	62,44 %	62,05 %	64,43 %					
	% (3)/(1)	34,42 %	35,56 %	27,77 %	37,59 %	33,93 %					
España	1.Decided	27.867.281.645,00	11.775.242.413,00	5.168.523.153,00	1.570.925.014,00	46.381.972.225,00	4.071.203.675,00	1.695.237.630,00	791.107.032,00	228.098.805,00	6.785.647.142,00
	2.Committed	23.178.912.646,00	8.277.145.523,51	3.557.096.792,28	1.100.998.805,00	36.114.153.766,79	4.071.204.675,21	1.692.914.100,30	791.107.032,00	228.098.805,00	6.783.324.612,51
	3.Paid	15.412.190.664,71	5.871.452.272,55	2.719.300.402,52	842.179.946,21	24.845.123.285,99	4.136.851.387,17	1.290.202.906,20	712.037.641,52	186.765.509,09	6.325.857.443,98
	% (2)/(1)	83,18 %	70,29 %	68,82 %	70,09 %	77,86 %					
	% (3)/(1)	55,31 %	49,86 %	52,61 %	53,61 %	53,57 %					

EU Interregional cooperation.	1.Decided	313.677.434,00	170.083.365,00	43.782.029,00	3.457.172,00	531.000.000,00	71.198.968,00	29.285.182,00	8.758.514,00	757.336,00	110.000.000,00
	2.Committed	313.677.434,00	170.083.365,00	43.782.029,00	3.457.172,00	531.000.000,00	71.198.968,00	29.285.182,00	8.758.514,00	757.336,00	110.000.000,00
	3.Paid	124.216.517,63	74.798.076,21	17.950.976,00	1.468.449,86	218.434.019,70	59.533.947,92	59.304.921,27	14.812.876,00	1.059.998,65	134.711.743,84
	% (2)/(1)	100,00 %	100,00 %	100,00 %	100,00 %	100,00 %					
	% (3)/(1)	39,60 %	43,98 %	41,00 %	42,48 %	41,14 %					
France	1.Decided	8.165.082.558,00	6.689.158.732,00	670.263.108,00	34.614.525,00	15.559.118.923,00	1.178.285.714,00	954.499.110,00	89.255.929,00	3.759.550,00	2.225.800.303,00
	2.Committed	5.767.101.333,00	4.794.960.307,09	513.733.036,00	25.877.012,00	11.101.671.688,09	1.178.285.714,00	941.521.933,09	89.255.929,00	3.759.550,00	2.212.823.126,09
	3.Paid	3.557.503.506,04	2.609.677.953,30	296.970.902,00	16.751.312,40	6.480.903.673,74	1.361.340.443,97	637.793.709,71	83.595.872,00	3.817.552,37	2.086.547.578,05
	% (2)/(1)	70,63 %	71,68 %	76,65 %	74,76 %	71,35 %					
	% (3)/(1)	43,57 %	39,01 %	44,31 %	48,39 %	41,65 %					
Ireland	1.Decided	1.946.313.000,00	1.016.487.000,00	160.969.375,00	67.800.000,00	3.191.569.375,00	240.739.000,00	97.811.000,00	21.969.595,00	11.750.000,00	372.269.595,00
	2.Committed	1.587.966.000,00	775.054.000,00	125.029.375,00	50.520.000,00	2.538.569.375,00	240.739.000,00	97.811.000,00	10.269.375,00	11.750.000,00	360.569.375,00
	3.Paid	1.331.052.446,18	508.172.487,59	48.082.248,00	20.054.388,49	1.907.361.570,26	331.794.159,19	147.982.496,54	20.691.982,00	6.753.255,49	507.221.893,22
	% (2)/(1)	81,59 %	76,25 %	77,67 %	74,51 %	79,54 %					
	% (3)/(1)	68,39 %	49,99 %	29,87 %	29,58 %	59,76 %					
Italia	1.Decided	18.625.151.579,00	8.495.916.835,00	3.292.308.933,00	296.172.900,00	30.709.550.247,00	2.761.652.691,00	1.272.984.483,00	524.876.492,00	41.675.450,00	4.601.189.116,00
	2.Committed	15.860.291.509,00	5.791.017.463,00	2.228.808.492,00	207.399.626,00	24.087.517.090,00	2.766.766.017,00	1.222.918.560,00	524.876.492,00	45.296.626,00	4.559.857.695,00
	3.Paid	6.780.408.266,13	3.489.180.336,77	1.232.000.086,00	96.342.623,33	11.597.931.312,23	1.934.486.517,10	1.368.139.402,76	418.894.142,00	23.652.997,71	3.745.173.059,57
	% (2)/(1)	85,16 %	68,16 %	67,70 %	70,03 %	78,44 %					
	% (3)/(1)	36,40 %	41,07 %	37,42 %	32,53 %	37,77 %					
Latvija	1.Decided	369.202.826,00	138.698.000,00	93.333.000,00	24.335.000,00	625.568.826,00	95.045.740,00	35.728.460,00	24.042.189,00	6.269.000,00	161.085.389,00
	2.Committed	228.590.061,00	35.728.460,00	57.791.365,00	6.269.000,00	328.378.886,00	95.045.740,00	35.728.460,00	24.042.189,00	6.269.000,00	161.085.389,00

	3.Paid	36.920.282,60	13.869.800,00	16.278.383,00	4.131.927,97	71.200.393,57	36.920.282,60	13.869.800,00	10.678.403,00	2.671.827,97	64.140.313,57
	% (2)/(1)	61,91 %	25,76 %	61,92 %	25,76 %	52,49 %					
	% (3)/(1)	10,00 %	10,00 %	17,44 %	16,98 %	11,38 %					
Lietuva	1.Decided	583.939.739,00	176.217.551,00	122.898.628,00	12.116.766,00	895.172.684,00	141.458.097,00	36.635.904,00	31.953.643,00	3.150.359,00	213.198.003,00
	2.Committed	141.458.098,00	89.837.676,00	31.953.643,00	3.150.359,00	266.399.776,00	141.458.098,00	36.635.904,00	31.953.643,00	3.150.359,00	213.198.004,00
	3.Paid	58.393.973,90	17.621.755,10	12.289.862,00	1.938.681,00	90.244.272,00	58.393.973,90	17.621.755,10	12.289.862,00	1.211.676,00	89.517.267,00
	% (2)/(1)	24,22 %	50,98 %	26,00 %	26,00 %	29,76 %					
	% (3)/(1)	10,00 %	10,00 %	10,00 %	16,00 %	10,08 %					
Luxembourg (Grand-Duche)	1.Decided	44.000.000,00	41.164.700,00			85.164.700,00	8.450.000,00	5.993.600,00			14.443.600,00
	2.Committed	29.350.000,00	28.256.100,00			57.606.100,00	8.450.000,00	5.434.200,00			13.884.200,00
	3.Paid	13.889.231,35	18.097.691,16			31.986.922,51	10.457.526,99	6.473.336,91			16.930.863,90
	% (2)/(1)	66,70 %	68,64 %			67,64 %					
	% (3)/(1)	31,57 %	43,96 %			37,56 %					
Magyarország	1.Decided	1.239.381.188,00	439.117.222,00	312.828.868,00	4.389.882,00	1.995.717.160,00	289.758.551,00	102.662.499,00	73.137.174,00	1.026.323,00	466.584.547,00
	2.Committed	289.758.551,00	102.662.499,00	177.552.348,00	1.026.323,00	570.999.721,00	289.758.551,00	102.662.499,00	73.137.174,00	1.026.323,00	466.584.547,00
	3.Paid	198.807.839,18	43.911.722,20	50.052.618,00	438.988,00	293.211.167,38	124.444.967,90	43.911.722,20	31.282.886,00	438.988,00	200.078.564,10
	% (2)/(1)	23,38 %	23,38 %	56,76 %	23,38 %	28,61 %					
	% (3)/(1)	16,04 %	10,00 %	16,00 %	10,00 %	14,69 %					
Malta	1.Decided	46.697.639,00	9.457.500,00	4.200.000,00	2.837.500,00	63.192.639,00	10.933.211,00	2.213.996,00	983.219,00	664.257,00	14.794.683,00
	2.Committed	10.933.211,00	2.213.996,00	2.382.933,00	664.257,00	16.194.397,00	10.933.211,00	2.213.996,00	983.219,00	664.257,00	14.794.683,00
	3.Paid	7.471.622,24	945.750,00	420.000,00	283.750,00	9.121.122,24	4.669.763,90	945.750,00	420.000,00	283.750,00	6.319.263,90
	% (2)/(1)	23,41 %	23,41 %	56,74 %	23,41 %	25,63 %					
	% (3)/(1)	16,00 %	10,00 %	10,00 %	10,00 %	14,43 %					

Nederland	1.Decided	940.660.000,00	1.644.855.817,00	10.398.242,00	6.280.000,00	2.602.194.059,00	155.140.000,00	271.275.800,00	700.000,00	880.000,00	427.995.800,00
	2.Committed	806.300.000,00	1.061.832.730,61	8.198.242,00	5.080.000,00	1.881.410.972,61	155.140.000,00	53.493.117,25	700.000,00	880.000,00	210.213.117,25
	3.Paid	281.217.213,15	333.760.478,48	4.767.535,00	4.820.466,20	624.565.692,83	84.246.763,79	133.756.295,11	2.132.078,00	2.802.255,20	222.937.392,10
	% (2)/(1)	85,72 %	64,55 %	78,84 %	80,89 %	72,30 %					
	% (3)/(1)	29,90 %	20,29 %	45,85 %	76,76 %	24,00 %					
Österreich	1.Decided	887.122.691,00	657.338.420,00	43.684.352,00	262.565,00	1.588.408.028,00	124.611.660,00	95.792.623,00	6.380.917,00		226.785.200,00
	2.Committed	647.167.492,00	464.913.460,00	30.455.684,00	262.565,09	1.142.799.201,09	124.611.660,00	87.549.410,00	6.502.771,00	-93.858,91	218.569.982,09
	3.Paid	415.329.507,37	390.417.583,68	22.744.822,00	140.711,09	828.632.624,14	132.067.269,29	103.111.369,27	4.192.744,00	81.951,33	239.453.333,89
	% (2)/(1)	72,95 %	70,73 %	69,72 %	100,00 %	71,95 %					
	% (3)/(1)	46,82 %	59,39 %	52,07 %	53,59 %	52,17 %					
Polska	1.Decided	4.972.788.583,00	1.908.502.751,00	1.192.689.238,00	201.832.064,00	8.275.812.636,00	1.161.883.759,00	445.918.083,00	278.636.384,00	47.138.485,00	1.933.576.711,00
	2.Committed	1.161.883.759,00	445.918.083,00	676.792.503,00	47.138.485,00	2.331.732.830,00	1.161.883.759,00	445.918.083,00	278.636.384,00	47.138.485,00	1.933.576.711,00
	3.Paid	795.646.173,28	190.850.275,10	190.830.278,00	20.183.206,00	1.197.509.932,38	497.278.858,30	190.850.275,10	119.268.923,00	20.183.206,00	827.581.262,40
	% (2)/(1)	23,36 %	23,36 %	56,75 %	23,36 %	28,18 %					
	% (3)/(1)	16,00 %	10,00 %	16,00 %	10,00 %	14,47 %					
Portugal	1.Decided	13.309.174.226,00	4.706.451.852,00	2.288.977.151,00	225.790.728,00	20.530.393.957,00	1.774.242.741,00	654.171.106,00	304.410.089,00	29.176.064,00	2.762.000.000,00
	2.Committed	9.775.178.783,00	3.411.794.157,00	1.652.841.089,00	167.652.064,00	15.007.466.093,00	1.771.607.783,00	653.101.992,00	304.410.132,00	29.176.064,00	2.758.295.971,00
	3.Paid	7.410.749.409,32	2.636.228.126,54	1.036.772.728,00	117.570.701,01	11.201.320.964,87	1.793.908.098,61	694.171.100,46	334.910.494,00	34.128.292,42	2.857.117.985,49
	% (2)/(1)	73,45 %	72,49 %	72,21 %	74,25 %	73,10 %					
	% (3)/(1)	55,68 %	56,01 %	45,29 %	52,07 %	54,56 %					
Slovenija	1.Decided	136.523.478,00	75.635.986,00	23.569.093,00	1.781.040,00	237.509.597,00	32.095.874,00	17.512.467,00	5.510.512,00	416.411,00	55.535.264,00
	2.Committed	32.095.874,00	42.781.191,00	5.510.512,00	416.411,00	80.803.988,00	32.095.874,00	17.512.467,00	5.510.512,00	416.411,00	55.535.264,00
	3.Paid	13.652.347,80	7.563.598,60	2.356.909,00	178.104,00	23.750.959,40	13.652.347,80	7.563.598,60	2.356.909,00	178.104,00	23.750.959,40
	% (2)/(1)	23,51 %	56,56 %	23,38 %	23,38 %	34,02 %					

	% (3)/(1)	10,00 %	10,00 %	10,00 %	10,00 %	10,00 %					
Slovenska Republica	1.Decided	610.742.353,00	329.420.677,00	181.158.922,00	1.829.065,00	1.123.151.017,00	146.215.418,00	81.180.487,00	42.345.016,00	427.652,00	270.168.573,00
	2.Committed	146.215.418,00	81.180.487,00	42.345.016,00	427.652,00	270.168.573,00	146.215.418,00	81.180.487,00	42.345.016,00	427.652,00	270.168.573,00
	3.Paid	88.646.135,50	32.942.067,70	18.115.892,00	182.906,50	139.887.001,70	61.074.235,30	32.942.067,70	18.115.892,00	182.906,50	112.315.101,50
	% (2)/(1)	23,94 %	24,64 %	23,37 %	23,38 %	24,05 %					
	% (3)/(1)	14,51 %	10,00 %	10,00 %	10,00 %	12,45 %					
Suomi/Finland	1.Decided	910.807.000,00	834.231.400,00	202.275.000,00	8.249.000,00	1.955.562.400,00	128.395.000,00	120.265.499,00	33.480.000,00	1.422.000,00	283.562.499,00
	2.Committed	653.434.000,00	584.185.199,00	167.818.000,00	5.338.000,00	1.410.775.199,00	128.395.000,00	120.265.499,00	33.480.000,00	1.422.000,00	283.562.499,00
	3.Paid	428.189.422,51	401.849.539,22	78.790.395,00	4.475.833,36	913.305.190,09	135.497.255,89	125.809.073,76	28.369.926,00	1.634.962,23	291.311.217,88
	% (2)/(1)	71,74 %	70,03 %	82,97 %	64,71 %	72,14 %					
	% (3)/(1)	47,01 %	48,17 %	38,95 %	54,26 %	46,70 %					
Sverige	1.Decided	874.856.295,00	998.588.629,00	116.044.514,00	10.473.263,00	1.999.962.701,00	124.218.491,00	145.473.621,00	16.725.450,00	1.219.976,00	287.637.538,00
	2.Committed	750.830.339,00	698.780.033,00	98.573.855,00	8.031.743,00	1.556.215.970,00	124.218.491,00	145.468.071,00	16.725.450,00	1.219.976,00	287.631.988,00
	3.Paid	482.496.132,30	432.392.938,27	53.021.111,00	3.685.690,19	971.595.871,76	133.582.422,20	142.660.027,41	13.068.142,00	863.790,23	290.174.381,84
	% (2)/(1)	85,82 %	69,98 %	84,94 %	76,69 %	77,81 %					
	% (3)/(1)	55,15 %	43,30 %	45,69 %	35,19 %	48,58 %					
United Kingdom	1.Decided	8.509.038.630,00	7.362.011.426,00	357.057.223,00	98.111.460,00	16.326.218.739,00	1.182.881.109,00	1.050.622.814,00	48.986.196,00	15.943.481,00	2.298.433.600,00
	2.Committed	6.286.686.209,00	5.184.416.214,00	260.455.235,00	68.343.481,00	11.799.901.139,00	1.183.939.209,00	1.050.622.814,00	48.986.195,77	15.943.481,00	2.299.491.699,77
	3.Paid	3.372.861.512,73	2.032.129.055,83	113.719.730,00	31.365.440,23	5.550.075.738,79	1.355.492.958,33	310.816.631,67	45.649.915,00	9.898.146,60	1.721.857.651,60
	% (2)/(1)	73,88 %	70,42 %	72,94 %	69,66 %	72,28 %					
	% (3)/(1)	39,64 %	27,60 %	31,85 %	31,97 %	33,99 %					
Total	1. Decided	123.077.229.276,00	65.540.760.715,00	20.547.764.248,00	2.924.062.440,00	212.089.816.679,00	19.124.933.905,00	9.945.466.043,00	3.320.137.634,00	448.209.195,00	32.838.746.777,00

	2.Committed	91.259.759.733,35	44.796.717.802,65	13.831.380.328,28	1.942.726.434,09	151.830.584.298,37	19.128.457.384,56	9.703.698.931,08	3.308.559.310,77	451.455.119,09	32.592.170.745,50
	3.Paid	53.410.036.865,65	27.160.558.783,31	8.598.699.769,52	1.320.264.752,19	90.489.560.170,67	16.129.611.151,58	7.220.105.715,93	2.723.769.357,52	335.107.425,37	26.408.593.650,40
	% (2)/(1)	74,15 %	68,35 %	67,31 %	66,44 %	71,59 %					
	% (3)/(1)	43,40 %	41,44 %	41,85 %	45,15 %	42,67 %					

Source: DG REGIO database Infoview, data as of March 2005

Financial execution 2004: Objective 1

		Period 2000-2006					Financial year: 2004				
Country		**ERDF**	**ESF**	**EAGGF**	**FIFG**	**Total SF**	**ERDF**	**ESF**	**EAGGF**	**FIFG**	**Total SF**
Belgique-België	1.Decided	427.589.200,00	200.203.797,00	44.081.433,00	754.933,00	672.629.363,00	58.806.464,00	34.810.463,00	7.383.073,00		101.000.000,00
	2.Committed	345.191.382,00	139.014.984,00	37.861.473,00	754.933,00	522.822.772,00	58.806.464,00	34.808.134,00	7.383.073,00	-281.393,00	100.716.278,00
	3.Paid	228.035.286,70	78.509.673,56	15.865.508,00	121.800,00	322.532.268,26	60.622.674,37	12.581.797,99	3.360.412,00		76.564.884,36
	% (2)/(1)	**80,73 %**	**69,44 %**	**85,89 %**	**100,00 %**	**77,73 %**					
	% (3)/(1)	**53,33 %**	**39,21 %**	**35,99 %**	**16,13 %**	**47,95 %**					
Ceska Republika	1.Decided	914.267.548,00	366.096.803,00	166.649.738,00	7.251.689,00	1.454.265.778,00	213.092.791,00	85.327.964,00	38.841.866,00	1.690.186,00	338.952.807,00
	2.Committed	518.309.688,00	85.327.964,00	38.841.866,00	1.690.186,00	644.169.704,00	213.092.791,00	85.327.964,00	38.841.866,00	1.690.186,00	338.952.807,00
	3.Paid	91.426.754,80	36.609.680,30	16.664.973,00	1.160.270,24	145.861.678,34	91.426.754,80	36.609.680,30	16.664.973,00	725.168,90	145.426.577,00
	% (2)/(1)	**56,69 %**	**23,31 %**	**23,31 %**	**23,31 %**	**44,30 %**					
	% (3)/(1)	**10,00 %**	**10,00 %**	**10,00 %**	**16,00 %**	**10,03 %**					
Deutschland	1.Decided	11.992.773.381,00	6.061.076.494,00	3.443.433.569,00	108.716.556,00	21.606.000.000,00	1.785.740.530,00	853.915.616,00	472.785.610,00	6.558.244,00	3.119.000.000,00
	2.Committed	9.962.455.415,00	4.793.309.419,00	2.448.588.619,00	95.404.744,00	17.299.758.197,00	1.785.740.530,00	853.915.616,00	472.785.610,00	6.558.244,00	3.119.000.000,00
	3.Paid	5.534.085.969,96	3.330.977.322,16	1.937.373.564,00	66.749.087,55	10.869.185.943,67	1.714.946.412,60	601.152.643,79	593.356.348,00	13.437.491,78	2.922.892.896,17
	% (2)/(1)	**83,07 %**	**79,08 %**	**71,11 %**	**87,76 %**	**80,07 %**					
	% (3)/(1)	**46,15 %**	**54,96 %**	**56,26 %**	**61,40 %**	**50,31 %**					
Eesti	1.Decided	225.975.652,00	76.120.100,00	56.798.282,00	12.469.418,00	371.363.452,00	54.746.877,00	18.532.978,00	13.061.751,00	4.082.612,00	90.424.218,00
	2.Committed	54.746.877,00	18.532.978,00	31.683.237,00	4.082.612,00	109.045.704,00	54.746.877,00	18.532.978,00	13.061.751,00	4.082.612,00	90.424.218,00
	3.Paid	22.597.565,20	12.179.216,00	5.679.828,00	1.995.106,88	42.451.716,08	22.597.565,20	7.612.010,00	5.679.828,00	1.246.941,80	37.136.345,00
	% (2)/(1)	**24,23 %**	**24,35 %**	**55,78 %**	**32,74 %**	**29,36 %**					
	% (3)/(1)	**10,00 %**	**16,00 %**	**10,00 %**	**16,00 %**	**11,43 %**					
Ellada	1.Decided	15.248.128.868,00	4.514.352.864,00	2.551.840.397,00	223.611.900,00	22.537.934.029,00	2.704.349.553,00	817.212.849,00	484.806.983,00	42.103.004,00	4.048.472.389,00
	2.Committed	9.860.393.550,00	2.929.280.462,00	1.593.284.984,00	138.741.004,00	14.521.700.000,00	2.704.349.553,00	869.780.461,00	484.806.983,00	42.103.004,00	4.101.040.001,00
	3.Paid	5.248.673.432,08	1.605.097.388,92	708.651.019,00	84.045.361,68	7.646.467.201,68	1.426.755.706,05	498.547.239,11	231.939.109,00	23.088.653,10	2.180.330.707,26
	% (2)/(1)	**64,67 %**	**64,89 %**	**62,44 %**	**62,05 %**	**64,43 %**					
	% (3)/(1)	**34,42 %**	**35,56 %**	**27,77 %**	**37,59 %**	**33,93 %**					
España	1.Decided	25.315.803.145,00	9.143.822.543,00	5.168.523.153,00	1.570.925.014,00	41.199.073.855,00	3.701.702.892,00	1.315.205.113,00	791.107.032,00	228.098.805,00	6.036.113.842,00

	2.Committed	21.369.030.664,00	6.433.582.735,00	3.557.096.792,28	1.100.998.805,00	32.460.708.996,28	3.701.702.892,00	1.315.205.113,00	791.107.032,00	228.098.805,00	6.036.113.842,00
	3.Paid	13.912.036.035,81	4.582.349.694,18	2.719.300.402,52	842.179.946,21	22.055.866.078,72	3.834.671.649,69	975.337.342,85	712.037.641,52	186.765.509,09	5.708.812.143,15
	% (2)/(1)	**84,41 %**	**70,36 %**	**68,82 %**	**70,09 %**	**78,79 %**					
	% (3)/(1)	**54,95 %**	**50,11 %**	**52,61 %**	**53,61 %**	**53,53 %**					
EU Interregional cooperation.	1.Decided	313.677.434,00	170.083.365,00	43.782.029,00	3.457.172,00	531.000.000,00	71.198.968,00	29.285.182,00	8.758.514,00	757.336,00	110.000.000,00
	2.Committed	313.677.434,00	170.083.365,00	43.782.029,00	3.457.172,00	531.000.000,00	71.198.968,00	29.285.182,00	8.758.514,00	757.336,00	110.000.000,00
	3.Paid	124.216.517,63	74.798.076,21	17.950.976,00	1.468.449,86	218.434.019,70	59.533.947,92	59.304.921,27	14.812.876,00	1.059.998,65	134.711.743,84
	% (2)/(1)	**100,00 %**	**100,00 %**	**100,00 %**	**100,00 %**	**100,00 %**					
	% (3)/(1)	**39,60 %**	**43,98 %**	**41,00 %**	**42,48 %**	**41,14 %**					
France	1.Decided	2.466.406.948,00	947.715.419,00	670.263.108,00	34.614.525,00	4.119.000.000,00	360.307.355,00	133.795.542,00	89.255.929,00	3.759.550,00	587.118.376,00
	2.Committed	1.655.541.135,00	742.018.040,00	513.733.036,00	25.877.012,00	2.937.169.223,00	360.307.355,00	133.795.542,00	89.255.929,00	3.759.550,00	587.118.376,00
	3.Paid	883.486.536,10	479.097.565,35	296.970.902,00	16.751.312,40	1.676.306.315,85	333.405.052,21	191.366.490,42	83.595.872,00	3.817.552,37	612.184.967,00
	% (2)/(1)	**67,12 %**	**78,30 %**	**76,65 %**	**74,76 %**	**71,31 %**					
	% (3)/(1)	**35,82 %**	**50,55 %**	**44,31 %**	**48,39 %**	**40,70 %**					
Ireland	1.Decided	1.946.313.000,00	1.016.487.000,00	160.969.375,00	67.800.000,00	3.191.569.375,00	240.739.000,00	97.811.000,00	21.969.595,00	11.750.000,00	372.269.595,00
	2.Committed	1.587.966.000,00	775.054.000,00	125.029.375,00	50.520.000,00	2.538.569.375,00	240.739.000,00	97.811.000,00	10.269.375,00	11.750.000,00	360.569.375,00
	3.Paid	1.331.052.446,18	508.172.487,59	48.082.248,00	20.054.388,49	1.907.361.570,26	331.794.159,19	147.982.496,54	20.691.982,00	6.753.255,49	507.221.893,22
	% (2)/(1)	**81,59 %**	**76,25 %**	**77,67 %**	**74,51 %**	**79,54 %**					
	% (3)/(1)	**68,39 %**	**49,99 %**	**29,87 %**	**29,58 %**	**59,76 %**					
Italia	1.Decided	15.918.088.813,00	4.440.111.635,00	3.292.308.933,00	296.172.900,00	23.946.682.281,00	2.298.666.017,00	682.458.885,00	524.876.492,00	41.675.450,00	3.547.676.844,00
	2.Committed	13.553.891.509,00	2.951.930.962,00	2.228.808.492,00	207.399.626,00	18.942.030.589,00	2.298.666.017,00	632.392.962,00	524.876.492,00	45.296.626,00	3.501.232.097,00
	3.Paid	5.878.498.980,40	1.544.072.181,78	1.232.000.086,00	96.342.623,33	8.750.913.871,51	1.579.697.992,60	608.105.766,55	418.894.142,00	23.652.997,71	2.630.350.898,86
	% (2)/(1)	**85,15 %**	**66,48 %**	**67,70 %**	**70,03 %**	**79,10 %**					
	% (3)/(1)	**36,93 %**	**34,78 %**	**37,42 %**	**32,53 %**	**36,54 %**					
Latvija	1.Decided	369.202.826,00	138.698.000,00	93.333.000,00	24.335.000,00	625.568.826,00	95.045.740,00	35.728.460,00	24.042.189,00	6.269.000,00	161.085.389,00
	2.Committed	228.590.061,00	35.728.460,00	57.791.365,00	6.269.000,00	328.378.886,00	95.045.740,00	35.728.460,00	24.042.189,00	6.269.000,00	161.085.389,00
	3.Paid	36.920.282,60	13.869.800,00	16.278.383,00	4.131.927,97	71.200.393,57	36.920.282,60	13.869.800,00	10.678.403,00	2.671.827,97	64.140.313,57
	% (2)/(1)	**61,91 %**	**25,76 %**	**61,92 %**	**25,76 %**	**52,49 %**					
	% (3)/(1)	**10,00 %**	**10,00 %**	**17,44 %**	**16,98 %**	**11,38 %**					

Lietuva	1.Decided	583.939.739,00	176.217.551,00	122.898.628,00	12.116.766,00	895.172.684,00	141.458.097,00	36.635.904,00	31.953.643,00	3.150.359,00	213.198.003,00
	2.Committed	141.458.098,00	89.837.676,00	31.953.643,00	3.150.359,00	266.399.776,00	141.458.098,00	36.635.904,00	31.953.643,00	3.150.359,00	213.198.004,00
	3.Paid	58.393.973,90	17.621.755,10	12.289.862,00	1.938.681,00	90.244.272,00	58.393.973,90	17.621.755,10	12.289.862,00	1.211.676,00	89.517.267,00
	% (2)/(1)	**24,22 %**	**50,98 %**	**26,00 %**	**26,00 %**	**29,76 %**					
	% (3)/(1)	**10,00 %**	**10,00 %**	**10,00 %**	**16,00 %**	**10,08 %**					
Magyarország	1.Decided	1.239.381.188,00	439.117.222,00	312.828.868,00	4.389.882,00	1.995.717.160,00	289.758.551,00	102.662.499,00	73.137.174,00	1.026.323,00	466.584.547,00
	2.Committed	289.758.551,00	102.662.499,00	177.552.348,00	1.026.323,00	570.999.721,00	289.758.551,00	102.662.499,00	73.137.174,00	1.026.323,00	466.584.547,00
	3.Paid	198.807.839,18	43.911.722,20	50.052.618,00	438.988,00	293.211.167,38	124.444.967,90	43.911.722,20	31.282.886,00	438.988,00	200.078.564,10
	% (2)/(1)	**23,38 %**	**23,38 %**	**56,76 %**	**23,38 %**	**28,61 %**					
	% (3)/(1)	**16,04 %**	**10,00 %**	**16,00 %**	**10,00 %**	**14,69 %**					
Malta	1.Decided	46.697.639,00	9.457.500,00	4.200.000,00	2.837.500,00	63.192.639,00	10.933.211,00	2.213.996,00	983.219,00	664.257,00	14.794.683,00
	2.Committed	10.933.211,00	2.213.996,00	2.382.933,00	664.257,00	16.194.397,00	10.933.211,00	2.213.996,00	983.219,00	664.257,00	14.794.683,00
	3.Paid	7.471.622,24	945.750,00	420.000,00	283.750,00	9.121.122,24	4.669.763,90	945.750,00	420.000,00	283.750,00	6.319.263,90
	% (2)/(1)	**23,41 %**	**23,41 %**	**56,74 %**	**23,41 %**	**25,63 %**					
	% (3)/(1)	**16,00 %**	**10,00 %**	**10,00 %**	**10,00 %**	**14,43 %**					
Nederland	1.Decided	81.660.000,00	33.590.000,00	10.398.242,00	6.280.000,00	131.928.242,00	13.070.000,00	5.350.000,00	700.000,00	880.000,00	20.000.000,00
	2.Committed	72.620.000,00	23.300.000,00	8.198.242,00	5.080.000,00	109.198.242,00	13.070.000,00	5.350.000,00	700.000,00	880.000,00	20.000.000,00
	3.Paid	20.933.756,62	9.201.009,87	4.767.535,00	4.820.466,20	39.722.767,69	2.794.873,92	5.755.072,13	2.132.078,00	2.802.255,20	13.484.279,25
	% (2)/(1)	**88,93 %**	**69,37 %**	**78,84 %**	**80,89 %**	**82,77 %**					
	% (3)/(1)	**25,64 %**	**27,39 %**	**45,85 %**	**76,76 %**	**30,11 %**					
Österreich	1.Decided	181.519.085,00	57.440.139,00	43.684.352,00	262.565,00	282.906.141,00	26.299.104,00	8.319.979,00	6.380.917,00		41.000.000,00
	2.Committed	126.996.721,00	48.714.151,00	30.455.684,00	262.565,09	206.429.121,09	26.299.104,00	8.319.979,00	6.502.771,00	-93.858,91	41.027.995,09
	3.Paid	98.027.152,36	31.195.003,76	22.744.822,00	140.711,09	152.107.689,21	25.887.787,56	8.961.055,94	4.192.744,00	81.951,33	39.123.538,83
	% (2)/(1)	**69,96 %**	**84,81 %**	**69,72 %**	**100,00 %**	**72,97 %**					
	% (3)/(1)	**54,00 %**	**54,31 %**	**52,07 %**	**53,59 %**	**53,77 %**					
Polska	1.Decided	4.972.788.583,00	1.908.502.751,00	1.192.689.238,00	201.832.064,00	8.275.812.636,00	1.161.883.759,00	445.918.083,00	278.636.384,00	47.138.485,00	1.933.576.711,00
	2.Committed	1.161.883.759,00	445.918.083,00	676.792.503,00	47.138.485,00	2.331.732.830,00	1.161.883.759,00	445.918.083,00	278.636.384,00	47.138.485,00	1.933.576.711,00
	3.Paid	795.646.173,28	190.850.275,10	190.830.278,00	20.183.206,00	1.197.509.932,38	497.278.858,30	190.850.275,10	119.268.923,00	20.183.206,00	827.581.262,40
	% (2)/(1)	**23,36 %**	**23,36 %**	**56,75 %**	**23,36 %**	**28,18 %**					
	% (3)/(1)	**16,00 %**	**10,00 %**	**16,00 %**	**10,00 %**	**14,47 %**					
Portugal	1.Decided	13.309.174.226,00	4.706.451.852,00	2.288.977.151,00	225.790.728,00	20.530.393.957,00	1.774.242.741,00	654.171.106,00	304.410.089,00	29.176.064,00	2.762.000.000,00

	2.Committed	9.775.178.783,00	3.411.794.157,00	1.652.841.089,00	167.652.064,00	15.007.466.093,00	1.771.607.783,00	653.101.992,00	304.410.132,00	29.176.064,00	2.758.295.971,00
	3.Paid	7.410.749.409,32	2.636.228.126,54	1.036.772.728,00	117.570.701,01	11.201.320.964,87	1.793.908.098,61	694.171.100,46	334.910.494,00	34.128.292,42	2.857.117.985,49
	% (2)/(1)	**73,45 %**	**72,49 %**	**72,21 %**	**74,25 %**	**73,10 %**					
	% (3)/(1)	**55,68 %**	**56,01 %**	**45,29 %**	**52,07 %**	**54,56 %**					
Slovenija	1.Decided	136.523.478,00	75.635.986,00	23.569.093,00	1.781.040,00	237.509.597,00	32.095.874,00	17.512.467,00	5.510.512,00	416.411,00	55.535.264,00
	2.Committed	32.095.874,00	42.781.191,00	5.510.512,00	416.411,00	80.803.988,00	32.095.874,00	17.512.467,00	5.510.512,00	416.411,00	55.535.264,00
	3.Paid	13.652.347,80	7.563.598,60	2.356.909,00	178.104,00	23.750.959,40	13.652.347,80	7.563.598,60	2.356.909,00	178.104,00	23.750.959,40
	% (2)/(1)	**23,51 %**	**56,56 %**	**23,38 %**	**23,38 %**	**34,02 %**					
	% (3)/(1)	**10,00 %**	**10,00 %**	**10,00 %**	**10,00 %**	**10,00 %**					
Slovenska Republica	1.Decided	573.574.135,00	284.480.923,00	181.158.922,00	1.829.065,00	1.041.043.045,00	134.070.529,00	66.496.212,00	42.345.016,00	427.652,00	243.339.409,00
	2.Committed	134.070.529,00	66.496.212,00	42.345.016,00	427.652,00	243.339.409,00	134.070.529,00	66.496.212,00	42.345.016,00	427.652,00	243.339.409,00
	3.Paid	82.699.220,62	28.448.092,30	18.115.892,00	182.906,50	129.446.111,42	57.357.413,50	28.448.092,30	18.115.892,00	182.906,50	104.104.304,30
	% (2)/(1)	**23,37 %**	**23,37 %**	**23,37 %**	**23,38 %**	**23,37 %**					
	% (3)/(1)	**14,42 %**	**10,00 %**	**10,00 %**	**10,00 %**	**12,43 %**					
Suomi/Finland	1.Decided	498.641.000,00	279.835.000,00	202.275.000,00	8.249.000,00	989.000.000,00	70.175.000,00	38.923.000,00	33.480.000,00	1.422.000,00	144.000.000,00
	2.Committed	355.982.000,00	197.042.000,00	167.818.000,00	5.338.000,00	726.180.000,00	70.175.000,00	38.923.000,00	33.480.000,00	1.422.000,00	144.000.000,00
	3.Paid	234.085.732,00	138.847.790,50	78.790.395,00	4.475.833,36	456.199.750,86	69.665.790,50	51.257.515,74	28.369.926,00	1.634.962,23	150.928.194,47
	% (2)/(1)	**71,39 %**	**70,41 %**	**82,97 %**	**64,71 %**	**73,43 %**					
	% (3)/(1)	**46,94 %**	**49,62 %**	**38,95 %**	**54,26 %**	**46,13 %**					
Sverige	1.Decided	489.556.102,00	163.926.122,00	116.044.514,00	10.473.263,00	780.000.001,00	71.629.419,00	23.500.093,00	16.725.450,00	1.219.976,00	113.074.938,00
	2.Committed	414.757.943,00	115.370.689,00	98.573.855,00	8.031.743,00	636.734.230,00	71.629.419,00	23.500.093,00	16.725.450,00	1.219.976,00	113.074.938,00
	3.Paid	276.769.098,25	78.057.090,29	53.021.111,00	3.685.690,19	411.532.989,73	74.948.493,66	16.871.067,47	13.068.142,00	863.790,23	105.751.493,36
	% (2)/(1)	**84,72 %**	**70,38 %**	**84,94 %**	**76,69 %**	**81,63 %**					
	% (3)/(1)	**56,53 %**	**47,62 %**	**45,69 %**	**35,19 %**	**52,76 %**					
United Kingdom	1.Decided	3.980.588.640,00	1.881.215.716,00	357.057.223,00	98.111.460,00	6.316.973.039,00	555.106.319,00	255.964.004,00	48.986.196,00	15.943.481,00	876.000.000,00
	2.Committed	2.935.961.319,00	1.341.213.004,00	260.455.235,00	68.343.481,00	4.605.973.039,00	555.106.319,00	255.964.004,00	48.986.195,77	15.943.481,00	875.999.999,77
	3.Paid	1.457.094.922,37	546.034.346,36	113.719.730,00	31.365.440,23	2.148.214.438,96	438.418.104,08	98.727.896,67	45.649.915,00	9.898.146,60	592.694.062,35
	% (2)/(1)	**73,76 %**	**71,30 %**	**72,94 %**	**69,66 %**	**72,91 %**					
	% (3)/(1)	**36,61 %**	**29,03 %**	**31,85 %**	**31,97 %**	**34,01 %**					

Total	**1. Decided**	**101.232.270.630,00**	**37.090.638.782,00**	**20.547.764.248,00**	**2.924.062.440,00**	**161.794.736.100,00**	**15.865.118.791,00**	**5.761.751.395,00**	**3.320.137.634,00**	**448.209.195,00**	**25.395.217.015,00**
	2.Committed	**74.901.490.503,00**	**24.961.207.027,00**	**13.831.380.328,28**	**1.942.726.434,09**	**115.636.804.292,37**	**15.862.483.834,00**	**5.763.181.641,00**	**3.308.559.310,77**	**451.455.119,09**	**25.385.679.904,86**
	3.Paid	**43.945.361.055,40**	**15.994.637.646,67**	**8.598.699.769,52**	**1.320.264.752,19**	**69.858.963.223,78**	**12.653.792.670,86**	**4.317.555.090,53**	**2.723.769.357,52**	**335.107.425,37**	**20.030.224.544,28**
	% (2)/(1)	**73,99 %**	**67,30 %**	**67,31 %**	**66,44 %**	**71,47 %**					
	% (3)/(1)	**43,41 %**	**43,12 %**	**41,85 %**	**45,15 %**	**43,18 %**					

Source: DG REGIO database Infoview, data as of March 2005

Financial execution 2004: Objective 2

Country		ERDF	ESF	EAGGF	FIFG	Total SF	ERDF	ESF	EAGGF	FIFG	Total SF
Belgique-België	1.Decided	416.314.742,00	48.641.822,00			464.956.564,00	64.779.192,00	7.570.810,00			72.350.002,00
	2.Committed	313.882.589,00	32.097.240,44			345.979.829,44	64.779.192,00	6.527.374,44			71.306.566,44
	3.Paid	151.682.902,31	15.949.054,98			167.631.957,29	62.728.568,32	5.104.729,30			67.833.297,62
	% (2)/(1)	**75,40 %**	**65,99 %**			**74,41 %**					
	% (3)/(1)	**36,43 %**	**32,79 %**			**36,05 %**					
Ceska Republika	1.Decided	71.295.400,00				71.295.400,00	23.296.105,00				23.296.105,00
	2.Committed	47.058.132,00				47.058.132,00	23.296.105,00				23.296.105,00
	3.Paid	7.129.540,00				7.129.540,00	7.129.540,00				7.129.540,00
	% (2)/(1)	**66,00 %**				**66,00 %**					
	% (3)/(1)	**10,00 %**				**10,00 %**					
Cyprus	1.Decided	28.022.807,00				28.022.807,00	9.715.911,00				9.715.911,00
	2.Committed	9.715.911,00				9.715.911,00	9.715.911,00				9.715.911,00
	3.Paid	4.483.649,12				4.483.649,12	2.802.280,70				2.802.280,70
	% (2)/(1)	**34,67 %**				**34,67 %**					
	% (3)/(1)	**16,00 %**				**16,00 %**					
Danmark	1.Decided	140.459.584,00	56.540.416,00			197.000.000,00	19.001.940,00	7.998.060,00			27.000.000,00
	2.Committed	123.809.146,00	48.190.854,00			172.000.000,00	19.001.940,00	7.998.060,00			27.000.000,00
	3.Paid	60.323.790,93	22.633.502,93			82.957.293,86	16.056.824,41	4.818.514,85			20.875.339,26
	% (2)/(1)	**88,15 %**	**85,23 %**			**87,31 %**					
	% (3)/(1)	**42,95 %**	**40,03 %**			**42,11 %**					
Deutschland	1.Decided	3.259.961.230,00	513.748.775,00			3.773.710.005,00	492.994.843,00	81.983.756,00			574.978.599,00
	2.Committed	2.356.366.326,35	372.536.444,00			2.728.902.770,35	492.980.853,35	81.983.756,00			574.964.609,35
	3.Paid	1.251.955.770,63	199.826.775,78			1.451.782.546,41	458.851.644,98	70.412.618,19			529.264.263,17
	% (2)/(1)	**72,28 %**	**72,51 %**			**72,31 %**					
	% (3)/(1)	**38,40 %**	**38,90 %**			**38,47 %**					
España	1.Decided	2.551.478.500,00	315.282.025,00			2.866.760.525,00	369.500.783,00	42.499.217,00			412.000.000,00
	2.Committed	1.809.881.982,00	222.878.543,51			2.032.760.525,51	369.501.783,21	42.259.742,30			411.761.525,51

	3.Paid	1.500.154.628,90	145.033.191,56			1.645.187.820,46	302.179.737,48	37.436.678,98			339.616.416,46
	% (2)/(1)	**70,93 %**	**70,69 %**			**70,91 %**					
	% (3)/(1)	**58,80 %**	**46,00 %**			**57,39 %**					
France	1.Decided	5.698.675.610,00	823.346.213,00			6.522.021.823,00	817.978.359,00	104.628.168,00			922.606.527,00
	2.Committed	4.111.560.198,00	610.246.567,09			4.721.806.765,09	817.978.359,00	91.650.991,09			909.629.350,09
	3.Paid	2.674.016.969,94	357.866.364,48			3.031.883.334,42	1.027.935.391,76	121.454.492,67			1.149.389.884,43
	% (2)/(1)	**72,15 %**	**74,12 %**			**72,40 %**					
	% (3)/(1)	**46,92 %**	**43,46 %**			**46,49 %**					
Italia	1.Decided	2.707.062.766,00				2.707.062.766,00	462.986.674,00				462.986.674,00
	2.Committed	2.306.400.000,00				2.306.400.000,00	468.100.000,00				468.100.000,00
	3.Paid	901.909.285,73				901.909.285,73	354.788.524,50				354.788.524,50
	% (2)/(1)	**85,20 %**				**85,20 %**					
	% (3)/(1)	**33,32 %**				**33,32 %**					
Luxembourg (Grand-Duché)	1.Decided	44.000.000,00				44.000.000,00	8.450.000,00				8.450.000,00
	2.Committed	29.350.000,00				29.350.000,00	8.450.000,00				8.450.000,00
	3.Paid	13.889.231,35				13.889.231,35	10.457.526,99				10.457.526,99
	% (2)/(1)	**66,70 %**				**66,70 %**					
	% (3)/(1)	**31,57 %**				**31,57 %**					
Nederland	1.Decided	859.000.000,00				859.000.000,00	142.070.000,00				142.070.000,00
	2.Committed	733.680.000,00				733.680.000,00	142.070.000,00				142.070.000,00
	3.Paid	260.283.456,53				260.283.456,53	81.451.889,87				81.451.889,87
	% (2)/(1)	**85,41 %**				**85,41 %**					
	% (3)/(1)	**30,30 %**				**30,30 %**					
Österreich	1.Decided	705.603.606,00	27.925.881,00			733.529.487,00	98.312.556,00	4.193.444,00			102.506.000,00
	2.Committed	520.170.771,00	23.588.109,00			543.758.880,00	98.312.556,00	3.722.931,00			102.035.487,00
	3.Paid	317.302.355,01	12.283.640,41			329.585.995,42	106.179.481,73	7.755.452,09			113.934.933,82
	% (2)/(1)	**73,72 %**	**84,47 %**			**74,13 %**					
	% (3)/(1)	**44,97 %**	**43,99 %**			**44,93 %**					
Slovenska Republica	1.Decided	37.168.218,00				37.168.218,00	12.144.889,00				12.144.889,00

	2.Committed	12.144.889,00				12.144.889,00	12.144.889,00				12.144.889,00
	3.Paid	5.946.914,88				5.946.914,88	3.716.821,80				3.716.821,80
	% (2)/(1)	**32,68 %**				**32,68 %**					
	% (3)/(1)	**16,00 %**				**16,00 %**					
Suomi/Finland	1.Decided	412.166.000,00	117.834.000,00			530.000.000,00	58.220.000,00	17.779.000,00			75.999.000,00
	2.Committed	297.452.000,00	81.547.000,00			378.999.000,00	58.220.000,00	17.779.000,00			75.999.000,00
	3.Paid	194.103.690,51	55.284.939,41			249.388.629,92	65.831.465,39	19.315.350,86			85.146.816,25
	% (2)/(1)	**72,17 %**	**69,20 %**			**71,51 %**					
	% (3)/(1)	**47,09 %**	**46,92 %**			**47,05 %**					
Sverige	1.Decided	385.300.193,00	54.699.807,00			440.000.000,00	52.589.072,00	8.410.928,00			61.000.000,00
	2.Committed	336.072.396,00	37.418.194,00			373.490.590,00	52.589.072,00	8.410.928,00			61.000.000,00
	3.Paid	205.727.034,05	29.005.651,09			234.732.685,14	58.633.928,54	6.138.562,37			64.772.490,91
	% (2)/(1)	**87,22 %**	**68,41 %**			**84,88 %**					
	% (3)/(1)	**53,39 %**	**53,03 %**			**53,35 %**					
United Kingdom	1.Decided	4.528.449.990,00	532.366.810,00			5.060.816.800,00	627.774.790,00	74.167.110,00			701.941.900,00
	2.Committed	3.350.724.890,00	379.275.110,00			3.730.000.000,00	628.832.890,00	74.167.110,00			703.000.000,00
	3.Paid	1.915.766.590,36	158.807.002,26			2.074.573.592,62	917.074.854,25	83.981.489,78			1.001.056.344,03
	% (2)/(1)	**73,99 %**	**71,24 %**			**73,70 %**					
	% (3)/(1)	**42,31 %**	**29,83 %**			**40,99 %**					
Total	**1. Decided**	**21.844.958.646,00**	**2.490.385.749,00**			**24.335.344.395,00**	**3.259.815.114,00**	**349.230.493,00**			**3.609.045.607,00**
	2.Committed	**16.358.269.230,35**	**1.807.778.062,04**			**18.166.047.292,39**	**3.265.973.550,56**	**334.499.892,83**			**3.600.473.443,39**
	3.Paid	**9.464.675.810,25**	**996.690.122,90**			**10.461.365.933,15**	**3.475.818.480,72**	**356.417.889,09**			**3.832.236.369,81**
	% (2)/(1)	**74,88 %**	**72,59 %**			**74,65 %**					
	% (3)/(1)	**43,33 %**	**40,02 %**			**42,99 %**					

Source: DG REGIO database Infoview, data as of March 2005

Financial execution 2004: Objective 3

		Period 2000-2006					Financial year: 2004				
Country		**ERDF**	**ESF**	**EAGGF**	**FIFG**	**Total SF**	**ERDF**	**ESF**	**EAGGF**	**FIFG**	**Total SF**
Belgique-België	1.Decided		797.350.059,00			797.350.059,00		115.907.919,00			115.907.919,00
	2.Committed		558.869.200,00			558.869.200,00		116.243.900,00			116.243.900,00
	3.Paid		272.915.934,62			272.915.934,62		126.847.050,93			126.847.050,93
	% (2)/(1)		**70,09 %**			**70,09 %**					
	% (3)/(1)		**34,23 %**			**34,23 %**					
Ceska Republika	1.Decided		58.793.363,00			58.793.363,00		19.211.006,00			19.211.006,00
	2.Committed		19.211.006,00			19.211.006,00		19.211.006,00			19.211.006,00
	3.Paid		5.879.336,30			5.879.336,30		5.879.336,30			5.879.336,30
	% (2)/(1)		**32,68 %**			**32,68 %**					
	% (3)/(1)		**10,00 %**			**10,00 %**					
Cyprus	1.Decided		21.945.197,00			21.945.197,00		7.618.158,00			7.618.158,00
	2.Committed		7.618.158,00			7.618.158,00		7.618.158,00			7.618.158,00
	3.Paid		2.194.519,70			2.194.519,70		2.194.519,70			2.194.519,70
	% (2)/(1)		**34,71 %**			**34,71 %**					
	% (3)/(1)		**10,00 %**			**10,00 %**					
Danmark	1.Decided		394.799.249,00			394.799.249,00		57.569.900,00			57.569.900,00
	2.Committed		276.182.149,00			276.182.149,00		56.971.549,00			56.971.549,00
	3.Paid		162.501.453,41			162.501.453,41		86.873.643,02			86.873.643,02
	% (2)/(1)		**69,96 %**			**69,96 %**					
	% (3)/(1)		**41,16 %**			**41,16 %**					
Deutschland	1.Decided		4.962.511.500,00			4.962.511.500,00		722.542.200,00			722.542.200,00
	2.Committed		3.473.786.000,00			3.473.786.000,00		722.542.200,00			722.542.200,00
	3.Paid		2.309.423.416,35			2.309.423.416,35		433.545.692,68			433.545.692,68
	% (2)/(1)		**70,00 %**			**70,00 %**					
	% (3)/(1)		**46,54 %**			**46,54 %**					
España	1.Decided		2.316.137.845,00			2.316.137.845,00		337.533.300,00			337.533.300,00

	2.Committed		1.620.684.245,00			1.620.684.245,00		335.449.245,00			335.449.245,00
	3.Paid		1.144.069.386,81			1.144.069.386,81		277.428.884,37			277.428.884,37
	% (2)/(1)		**69,97 %**			**69,97 %**					
	% (3)/(1)		**49,40 %**			**49,40 %**					
France	1.Decided		4.918.097.100,00			4.918.097.100,00		716.075.400,00			716.075.400,00
	2.Committed		3.442.695.700,00			3.442.695.700,00		716.075.400,00			716.075.400,00
	3.Paid		1.772.714.023,47			1.772.714.023,47		324.972.726,62			324.972.726,62
	% (2)/(1)		**70,00 %**			**70,00 %**					
	% (3)/(1)		**36,04 %**			**36,04 %**					
Italia	1.Decided		4.055.805.200,00			4.055.805.200,00		590.525.598,00			590.525.598,00
	2.Committed		2.839.086.501,00			2.839.086.501,00		590.525.598,00			590.525.598,00
	3.Paid		1.945.108.154,99			1.945.108.154,99		760.033.636,21			760.033.636,21
	% (2)/(1)		**70,00 %**			**70,00 %**					
	% (3)/(1)		**47,96 %**			**47,96 %**					
Luxembourg (Grand-Duche)	1.Decided		41.164.700,00			41.164.700,00		5.993.600,00			5.993.600,00
	2.Committed		28.256.100,00			28.256.100,00		5.434.200,00			5.434.200,00
	3.Paid		18.097.691,16			18.097.691,16		6.473.336,91			6.473.336,91
	% (2)/(1)		**68,64 %**			**68,64 %**					
	% (3)/(1)		**43,96 %**			**43,96 %**					
Nederland	1.Decided		1.611.265.817,00			1.611.265.817,00		265.925.800,00			265.925.800,00
	2.Committed		1.038.532.730,61			1.038.532.730,61		48.143.117,25			48.143.117,25
	3.Paid		324.559.468,61			324.559.468,61		128.001.222,98			128.001.222,98
	% (2)/(1)		**64,45 %**			**64,45 %**					
	% (3)/(1)		**20,14 %**			**20,14 %**					
Österreich	1.Decided		571.972.400,00			571.972.400,00		83.279.200,00			83.279.200,00
	2.Committed		392.611.200,00			392.611.200,00		75.506.500,00			75.506.500,00
	3.Paid		346.938.939,51			346.938.939,51		86.394.861,24			86.394.861,24
	% (2)/(1)		**68,64 %**			**68,64 %**					
	% (3)/(1)		**60,66 %**			**60,66 %**					
Slovenska	1.Decided		44.939.754,00			44.939.754,00		14.684.275,00			14.684.275,00

Republica											
	2.Committed		14.684.275,00			14.684.275,00		14.684.275,00			14.684.275,00
	3.Paid		4.493.975,40			4.493.975,40		4.493.975,40			4.493.975,40
	% (2)/(1)		**32,68 %**			**32,68 %**					
	% (3)/(1)		**10,00 %**			**10,00 %**					
Suomi/Finland	1.Decided		436.562.400,00			436.562.400,00		63.563.499,00			63.563.499,00
	2.Committed		305.596.199,00			305.596.199,00		63.563.499,00			63.563.499,00
	3.Paid		207.716.809,31			207.716.809,31		55.236.207,16			55.236.207,16
	% (2)/(1)		**70,00 %**			**70,00 %**					
	% (3)/(1)		**47,58 %**			**47,58 %**					
Sverige	1.Decided		779.962.700,00			779.962.700,00		113.562.600,00			113.562.600,00
	2.Committed		545.991.150,00			545.991.150,00		113.557.050,00			113.557.050,00
	3.Paid		325.330.196,89			325.330.196,89		119.650.397,57			119.650.397,57
	% (2)/(1)		**70,00 %**			**70,00 %**					
	% (3)/(1)		**41,71 %**			**41,71 %**					
United Kingdom	1.Decided		4.948.428.900,00			4.948.428.900,00		720.491.700,00			720.491.700,00
	2.Committed		3.463.928.100,00			3.463.928.100,00		720.491.700,00			720.491.700,00
	3.Paid		1.327.287.707,21			1.327.287.707,21		128.107.245,22			128.107.245,22
	% (2)/(1)		**70,00 %**			**70,00 %**					
	% (3)/(1)		**26,82 %**			**26,82 %**					
Total	**1. Decided**		**25.959.736.184,00**			**25.959.736.184,00**		**3.834.484.155,00**			**3.834.484.155,00**
	2.Committed		**18.027.732.713,61**			**18.027.732.713,61**		**3.606.017.397,25**			**3.606.017.397,25**
	3.Paid		**10.169.231.013,74**			**10.169.231.013,74**		**2.546.132.736,31**			**2.546.132.736,31**
	% (2)/(1)		**69,44 %**			**69,44 %**					
	% (3)/(1)		**39,17 %**			**39,17 %**					

Source: DG REGIO database Infoview, data as of March 2005

Financial execution 2004: Fisheries outside Objective 1

		Period 2000-2006					Financial year: 2004				
Country		**ERDF**	**ESF**	**EAGGF**	**FIFG**	**Total SF**	**ERDF**	**ESF**	**EAGGF**	**FIFG**	**Total SF**
Belgique-België	1.Decided				36.050.000,00	36.050.000,00				5.150.000,00	5.150.000,00
	2.Committed				25.550.000,00	25.550.000,00				5.150.000,00	5.150.000,00
	3.Paid				7.040.546,09	7.040.546,09				1.031.733,74	1.031.733,74
	% (2)/(1)				**70,87 %**	**70,87 %**					
	% (3)/(1)				**19,53 %**	**19,53 %**					
Cyprus	1.Decided				3.419.073,00	3.419.073,00				110.408,00	110.408,00
	2.Committed				110.408,00	110.408,00				110.408,00	110.408,00
	3.Paid				110.408,00	110.408,00				110.408,00	110.408,00
	% (2)/(1)				**3,23 %**	**3,23 %**					
	% (3)/(1)				**3,23 %**	**3,23 %**					
Danmark	1.Decided				213.300.000,00	213.300.000,00				30.900.000,00	30.900.000,00
	2.Committed				149.200.000,00	149.200.000,00				30.900.000,00	30.900.000,00
	3.Paid				71.358.291,42	71.358.291,42				13.321.991,37	13.321.991,37
	% (2)/(1)				**69,95 %**	**69,95 %**					
	% (3)/(1)				**33,45 %**	**33,45 %**					
Deutschland	1.Decided				113.550.000,00	113.550.000,00				16.050.000,00	16.050.000,00
	2.Committed				80.350.000,00	80.350.000,00				16.050.000,00	16.050.000,00
	3.Paid				21.417.561,50	21.417.561,50				3.533.870,67	3.533.870,67
	% (2)/(1)				**70,76 %**	**70,76 %**					
	% (3)/(1)				**18,86 %**	**18,86 %**					
España	1.Decided				216.600.000,00	216.600.000,00				31.500.000,00	31.500.000,00
	2.Committed				151.600.000,00	151.600.000,00				31.500.000,00	31.500.000,00
	3.Paid				97.661.904,39	97.661.904,39				33.961.026,47	33.961.026,47
	% (2)/(1)				**69,99 %**	**69,99 %**					
	% (3)/(1)				**45,09 %**	**45,09 %**					
France	1.Decided				243.800.000,00	243.800.000,00				35.400.000,00	35.400.000,00

	2.Committed				170.600.000,00	170.600.000,00				35.400.000,00	35.400.000,00
	3.Paid				106.431.249,00	106.431.249,00				50.272.435,00	50.272.435,00
	% (2)/(1)				**69,98 %**	**69,98 %**					
	% (3)/(1)				**43,66 %**	**43,66 %**					
Italia	2.Committed				72.700.000,00	72.700.000,00				15.100.000,00	15.100.000,00
	3.Paid				39.125.155,28	39.125.155,28				9.358.160,51	9.358.160,51
	% (2)/(1)										
	% (3)/(1)										
Nederland	1.Decided				32.100.000,00	32.100.000,00				5.300.000,00	5.300.000,00
	2.Committed				21.200.000,00	21.200.000,00				5.300.000,00	5.300.000,00
	3.Paid				11.377.373,23	11.377.373,23				970.136,26	970.136,26
	% (2)/(1)				**66,04 %**	**66,04 %**					
	% (3)/(1)				**35,44 %**	**35,44 %**					
Österreich	1.Decided				4.500.000,00	4.500.000,00				700.000,00	700.000,00
	2.Committed				3.100.000,00	3.100.000,00				700.000,00	700.000,00
	3.Paid				2.467.947,33	2.467.947,33				628.265,34	628.265,34
	% (2)/(1)				**68,89 %**	**68,89 %**					
	% (3)/(1)				**54,84 %**	**54,84 %**					
Suomi/Finland	1.Decided				33.500.000,00	33.500.000,00				4.800.000,00	4.800.000,00
	2.Committed				23.400.000,00	23.400.000,00				4.800.000,00	4.800.000,00
	3.Paid				14.797.607,81	14.797.607,81				4.528.047,78	4.528.047,78
	% (2)/(1)				**69,85 %**	**69,85 %**					
	% (3)/(1)				**44,17 %**	**44,17 %**					
Sverige	1.Decided				65.000.000,00	65.000.000,00				9.500.000,00	9.500.000,00
	2.Committed				45.500.000,00	45.500.000,00				9.500.000,00	9.500.000,00
	3.Paid				20.420.145,71	20.420.145,71				6.654.453,72	6.654.453,72
	% (2)/(1)				**70,00 %**	**70,00 %**					
	% (3)/(1)				**31,42 %**	**31,42 %**					
United Kingdom	1.Decided				125.500.000,00	125.500.000,00				17.300.000,00	17.300.000,00
	2.Committed				85.694.459,00	85.694.459,00				13.194.459,00	13.194.459,00

	3.Paid				38.160.963,71	38.160.963,71				20.951.421,72	20.951.421,72
	% (2)/(1)				**68,28 %**	**68,28 %**					
	% (3)/(1)				**30,41 %**	**30,41 %**					
Total	**1. Decided**				**1.087.319.073,00**	**1.087.319.073,00**				**156.710.408,00**	**156.710.408,00**
	2.Committed				**829.004.867,00**	**829.004.867,00**				**167.704.867,00**	**167.704.867,00**
	3.Paid				**430.369.153,47**	**430.369.153,47**				**145.321.950,58**	**145.321.950,58**
	% (2)/(1)				**76,24 %**	**76,24 %**					
	% (3)/(1)				**39,58 %**	**39,58 %**					

Source: DG REGIO database Infoview, data as of March 2005

Financial execution 2004: Community Initiatives

		Period 2000-2006					Financial year: 2004				
Country		**ERDF**	**ESF**	**EAGGF**	**FIFG**	**Total SF**	**ERDF**	**ESF**	**EAGGF**	**FIFG**	**Total SF**
	1.Decided	21.520.462,00	75.408.551,00	16.180.782,00		113.109.795,00	3.345.780,00	11.488.937,00	2.340.112,00		17.174.829,00
	2.Committed	17.550.421,00	61.752.215,00	13.132.306,00		92.434.942,00	3.345.780,00	11.488.938,00	2.600.510,00		17.435.228,00
Belgique-België	3.Paid	7.284.476,55	24.021.098,11	3.707.090,02		35.012.664,68	1.404.479,52	8.121.368,78	5.324,00		9.531.172,30
	% (2)/(1)	**81,55 %**	**81,89 %**	**81,16 %**		**81,72 %**					
	% (3)/(1)	**33,85 %**	**31,85 %**	**22,91 %**		**30,95 %**					
	1.Decided		32.100.929,00			32.100.929,00		7.618.158,00			7.618.158,00
	2.Committed		18.316.701,00			18.316.701,00		7.618.158,00			7.618.158,00
Ceska Republika	3.Paid		5.136.148,64			5.136.148,64		3.210.092,90			3.210.092,90
	% (2)/(1)		**57,06 %**			**57,06 %**					
	% (3)/(1)		**16,00 %**			**16,00 %**					
	1.Decided		1.808.793,00			1.808.793,00		441.632,00			441.632,00
	2.Committed		1.004.713,00			1.004.713,00		441.632,00			441.632,00
Cyprus	3.Paid		289.406,88			289.406,88		180.879,30			180.879,30
	% (2)/(1)		**55,55 %**			**55,55 %**					
	% (3)/(1)		**16,00 %**			**16,00 %**					
	1.Decided	14.999.214,00	30.428.011,00	17.300.208,00		62.727.433,00	2.453.286,00	5.101.430,00	2.842.887,00		10.397.603,00
	2.Committed	12.301.946,00	25.041.842,00	13.840.914,00		51.184.702,00	2.453.286,00	5.101.430,00	2.842.887,00		10.397.603,00
Danmark	3.Paid	6.338.572,88	13.278.122,90	5.126.199,00		24.742.894,78	2.728.054,52	4.793.647,85	1.716.738,00		9.238.440,37
	% (2)/(1)	**82,02 %**	**82,30 %**	**80,00 %**		**81,60 %**					
	% (3)/(1)	**42,26 %**	**43,64 %**	**29,63 %**		**39,45 %**					
	1.Decided	150.947.768,00	523.585.685,00	262.910.244,00		937.443.697,00	25.721.110,00	88.418.955,00	44.262.979,00		158.403.044,00
	2.Committed	124.455.075,00	431.263.709,00	210.447.751,25		766.166.535,25	25.721.110,00	88.418.955,00	39.732.371,25		153.872.436,25
Deutschland	3.Paid	58.277.410,16	222.638.007,13	74.369.128,00		355.284.545,29	25.725.010,46	79.082.227,18	37.717.056,00		142.524.293,64
	% (2)/(1)	**82,45 %**	**82,37 %**	**80,05 %**		**81,73 %**					
	% (3)/(1)	**38,61 %**	**42,52 %**	**28,29 %**		**37,90 %**					
Eesti	1.Decided		4.068.097,00			4.068.097,00		993.672,00			993.672,00

	2.Committed		2.345.065,00			2.345.065,00		993.672,00			993.672,00
	3.Paid		650.895,52			650.895,52		406.809,70			406.809,70
	% (2)/(1)		**57,65 %**			**57,65 %**					
	% (3)/(1)		**16,00 %**			**16,00 %**					
Ellada	1.Decided	25.885.461,00	105.938.327,00	186.129.877,00		317.953.665,00	4.355.066,00	17.922.618,00	30.761.411,00		53.039.095,00
	2.Committed	21.280.931,00	87.302.663,00	149.616.065,00		258.199.659,00	4.355.066,00	17.660.025,00	30.761.411,00		52.776.502,00
	3.Paid	7.216.880,08	34.735.136,36	57.365.268,00		99.317.284,44	2.279.702,45	23.509.804,04	19.820.445,00		45.609.951,49
	% (2)/(1)	**82,21 %**	**82,41 %**	**80,38 %**		**81,21 %**					
	% (3)/(1)	**27,88 %**	**32,79 %**	**30,82 %**		**31,24 %**					
España	1.Decided	114.302.076,00	524.501.577,00	505.674.879,00		1.144.478.532,00	19.443.154,00	88.552.225,00	83.653.216,00		191.648.595,00
	2.Committed	94.198.934,00	432.060.169,00	406.413.316,00		932.672.419,00	19.443.154,00	88.552.225,00	83.360.336,00		191.355.715,00
	3.Paid	46.210.222,00	190.774.570,55	142.142.793,00		379.127.585,55	11.880.210,58	68.064.671,82	34.264.470,00		114.209.352,40
	% (2)/(1)	**82,41 %**	**82,38 %**	**80,37 %**		**81,49 %**					
	% (3)/(1)	**40,43 %**	**36,37 %**	**28,11 %**		**33,13 %**					
EU internal needs.	1.Decided	18.031.417,00				18.031.417,00	4.204.488,00				4.204.488,00
	2.Committed	14.300.461,00				14.300.461,00	4.204.488,00				4.204.488,00
	3.Paid	2.793.369,31				2.793.369,31	678.500,09				678.500,09
	% (2)/(1)	**79,31 %**				**79,31 %**					
	% (3)/(1)	**15,49 %**				**15,49 %**					
EU Interregional cooperation.	1.Decided	3.517.088.332,00				3.517.088.332,00	637.673.884,00				637.673.884,00
	2.Committed	2.830.904.499,80				2.830.904.499,80	629.945.203,42				629.945.203,42
	3.Paid	1.000.158.216,16				1.000.158.216,16	323.562.472,09				323.562.472,09
	% (2)/(1)	**80,49 %**				**80,49 %**					
	% (3)/(1)	**28,44 %**				**28,44 %**					
France	1.Decided	103.541.843,00	325.650.959,00	272.834.444,00		702.027.246,00	17.620.263,00	54.959.281,00	44.976.349,00		117.555.893,00
	2.Committed	85.423.722,00	268.240.492,00	219.222.290,00		572.886.504,00	17.620.263,00	54.959.281,00	44.300.000,00		116.879.544,00
	3.Paid	34.420.404,28	111.551.523,80	87.063.318,00		233.035.246,08	10.854.147,09	34.897.547,86	32.684.554,00		78.436.248,95
	% (2)/(1)	**82,50 %**	**82,37 %**	**80,35 %**		**81,60 %**					
	% (3)/(1)	**33,24 %**	**34,25 %**	**31,91 %**		**33,19 %**					
Ireland	1.Decided	5.380.115,00	34.498.648,00	47.900.000,00		87.778.763,00	811.445,00	5.797.521,00	8.000.000,00		14.608.966,00

	2.Committed	4.337.605,00	28.408.998,00	30.220.840,00		62.967.443,00	811.445,00	5.797.521,00	8.120.840,00		14.729.806,00
	3.Paid	2.236.047,63	11.131.602,52	16.756.802,00		30.124.452,15	1.244.756,99	5.920.523,02	11.280.012,00		18.445.292,01
	% (2)/(1)	**80,62 %**	**82,35 %**	**63,09 %**		**71,73 %**					
	% (3)/(1)	**41,56 %**	**32,27 %**	**34,98 %**		**34,32 %**					
Italia	1.Decided	116.535.331,00	401.364.808,00	287.996.869,00		805.897.008,00	19.847.904,00	67.780.973,00	47.816.713,00		135.445.590,00
	2.Committed	96.014.543,00	330.603.196,00	231.234.791,00		657.852.530,00	19.847.904,00	67.780.973,00	47.816.713,00		135.445.590,00
	3.Paid	50.311.545,98	145.093.373,08	62.323.704,00		257.728.623,06	15.301.962,71	58.525.232,66	13.291.715,00		87.118.910,37
	% (2)/(1)	**82,39 %**	**82,37 %**	**80,29 %**		**81,63 %**					
	% (3)/(1)	**43,17 %**	**36,15 %**	**21,64 %**		**31,98 %**					
Latvija	1.Decided		8.025.784,00			8.025.784,00		1.876.937,00			1.876.937,00
	2.Committed		4.579.727,00			4.579.727,00		1.876.937,00			1.876.937,00
	3.Paid		1.284.125,44			1.284.125,44		802.578,40			802.578,40
	% (2)/(1)		**57,06 %**			**57,06 %**					
	% (3)/(1)		**16,00 %**			**16,00 %**					
Lietuva	1.Decided		11.866.395,00			11.866.395,00		2.870.610,00			2.870.610,00
	2.Committed		6.812.178,00			6.812.178,00		2.870.610,00			2.870.610,00
	3.Paid		1.898.623,20			1.898.623,20		1.186.639,50			1.186.639,50
	% (2)/(1)		**57,41 %**			**57,41 %**					
	% (3)/(1)		**16,00 %**			**16,00 %**					
Luxembourg (Grand-Duche)	1.Decided		4.478.001,00	2.137.084,00		6.615.085,00		728.100,00	405.298,00		1.133.398,00
	2.Committed		3.659.672,00	1.717.407,00		5.377.079,00		728.000,00	405.298,00		1.133.298,00
	3.Paid		2.242.952,84	620.508,00		2.863.460,84		989.327,35	233.622,00		1.222.949,35
	% (2)/(1)		**81,73 %**	**80,36 %**		**81,29 %**					
	% (3)/(1)		**50,09 %**	**29,04 %**		**43,29 %**					
Magyarország	1.Decided		30.292.135,00			30.292.135,00		7.176.525,00			7.176.525,00
	2.Committed		17.311.987,00			17.311.987,00		7.176.525,00			7.176.525,00
	3.Paid		4.846.741,60			4.846.741,60		3.029.213,50			3.029.213,50
	% (2)/(1)		**57,15 %**			**57,15 %**					
	% (3)/(1)		**16,00 %**			**16,00 %**					
Malta	1.Decided		1.241.163,00			1.241.163,00		331.224,00			331.224,00

	2.Committed		781.689,00			781.689,00		331.224,00			331.224,00
	3.Paid		198.586,08			198.586,08		124.116,30			124.116,30
	% (2)/(1)		**62,98 %**			**62,98 %**					
	% (3)/(1)		**16,00 %**			**16,00 %**					
Nederland	1.Decided	30.250.460,00	209.151.720,00	83.864.854,00		323.267.034,00	5.164.351,00	35.845.741,00	14.009.135,00		55.019.227,00
	2.Committed	24.911.440,00	171.778.964,64	67.288.063,00		263.978.467,64	5.164.351,00	32.917.270,64	13.510.038,00		51.591.659,64
	3.Paid	13.021.781,14	51.350.280,11	30.101.487,00		94.473.548,25	3.996.181,07	13.681.647,64	16.705.948,76		34.383.777,47
	% (2)/(1)	**82,35 %**	**82,13 %**	**80,23 %**		**81,66 %**					
	% (3)/(1)	**43,05 %**	**24,55 %**	**35,89 %**		**29,22 %**					
Non-EU interregional cooperation	1.Decided	2.242.855.193,00				2.242.855.193,00	430.298.191,00				430.298.191,00
	2.Committed	1.774.614.176,50				1.774.614.176,50	429.673.170,50				429.673.170,50
	3.Paid	705.308.048,60				705.308.048,60	216.908.081,50				216.908.081,50
	% (2)/(1)	**79,12 %**				**79,12 %**					
	% (3)/(1)	**31,45 %**				**31,45 %**					
Österreich	1.Decided	8.526.975,00	103.801.243,00	76.833.274,00		189.161.492,00	1.418.139,00	17.524.320,00	12.790.468,00		31.732.927,00
	2.Committed	6.959.600,00	85.518.481,00	61.725.823,00		154.203.904,00	1.418.139,00	17.524.320,00	12.790.468,00		31.732.927,00
	3.Paid	2.412.195,90	49.836.013,18	26.378.879,00		78.627.088,08	767.501,69	21.939.469,00	7.447.036,00		30.154.006,69
	% (2)/(1)	**81,62 %**	**82,39 %**	**80,34 %**		**81,52 %**					
	% (3)/(1)	**28,29 %**	**48,01 %**	**34,33 %**		**41,57 %**					
Polska	1.Decided		133.938.206,00			133.938.206,00		31.797.527,00			31.797.527,00
	2.Committed		76.618.791,00			76.618.791,00		31.797.527,00			31.797.527,00
	3.Paid		21.430.112,96			21.430.112,96		13.393.820,60			13.393.820,60
	% (2)/(1)		**57,20 %**			**57,20 %**					
	% (3)/(1)		**16,00 %**			**16,00 %**					
Portugal	1.Decided	19.490.229,00	115.809.622,00	164.453.735,00		299.753.586,00	3.241.461,00	19.512.089,00	27.107.676,00		49.861.226,00
	2.Committed	16.036.230,00	95.418.292,00	132.139.508,00		243.594.030,00	3.241.461,00	19.512.089,00	27.107.676,00		49.861.226,00
	3.Paid	7.327.710,33	55.163.540,70	76.012.859,00		138.504.110,03	2.448.777,20	22.968.979,73	27.274.293,00		52.692.049,93
	% (2)/(1)	**82,28 %**	**82,39 %**	**80,35 %**		**81,26 %**					
	% (3)/(1)	**37,60 %**	**47,63 %**	**46,22 %**		**46,21 %**					
Slovenija	1.Decided		6.442.268,00			6.442.268,00		1.545.713,00			1.545.713,00

	2.Committed		3.685.422,00			3.685.422,00		1.545.713,00			1.545.713,00
	3.Paid		1.030.762,88			1.030.762,88		644.226,80			644.226,80
	% (2)/(1)		**57,21 %**			**57,21 %**					
	% (3)/(1)		**16,00 %**			**16,00 %**					
	1.Decided		22.266.351,00			22.266.351,00		5.299.588,00			5.299.588,00
	2.Committed		12.732.260,00			12.732.260,00		5.299.588,00			5.299.588,00
Slovenska Republica	3.Paid		3.562.616,16			3.562.616,16		2.226.635,10			2.226.635,10
	% (2)/(1)		**57,18 %**			**57,18 %**					
	% (3)/(1)		**16,00 %**			**16,00 %**					
	1.Decided	5.380.115,00	73.576.763,00	56.378.322,00		135.335.200,00	811.445,00	12.423.395,00	9.339.760,00		22.574.600,00
	2.Committed	4.337.605,00	60.578.297,00	45.359.212,00		110.275.114,00	811.445,00	12.423.395,00	9.339.760,00		22.574.600,00
Suomi/Finland	3.Paid	1.967.714,17	24.365.892,25	21.781.688,00		48.115.294,42	655.626,55	9.092.888,56	8.410.217,00		18.158.732,11
	% (2)/(1)	**80,62 %**	**82,33 %**	**80,46 %**		**81,48 %**					
	% (3)/(1)	**36,57 %**	**33,12 %**	**38,63 %**		**35,55 %**					
	1.Decided	5.380.115,00	87.722.227,00	41.215.200,00		134.317.542,00	811.445,00	14.809.461,00	6.802.171,00		22.423.077,00
	2.Committed	4.337.605,00	72.262.515,00	33.135.706,00		109.735.826,00	811.445,00	14.809.461,00	6.700.000,00		22.320.906,00
Sverige	3.Paid	1.922.707,79	28.882.716,20	15.845.754,00		46.651.177,99	925.301,64	13.053.376,63	7.233.192,00		21.211.870,27
	% (2)/(1)	**80,62 %**	**82,38 %**	**80,40 %**		**81,70 %**					
	% (3)/(1)	**35,74 %**	**32,93 %**	**38,45 %**		**34,73 %**					
	1.Decided	126.178.934,00	406.656.637,00	114.191.454,00		647.027.025,00	21.368.420,00	68.642.091,00	18.913.065,00		108.923.576,00
	2.Committed	103.981.949,00	334.958.299,00	86.959.319,00		525.899.567,00	21.368.420,00	68.642.091,00	18.836.926,00		108.847.437,00
United Kingdom	3.Paid	40.495.178,59	129.805.617,28	36.770.839,00		207.071.634,87	10.572.854,30	30.041.000,71	20.145.300,00		60.759.155,01
	% (2)/(1)	**82,41 %**	**82,37 %**	**76,15 %**		**81,28 %**					
	% (3)/(1)	**32,09 %**	**31,92 %**	**32,20 %**		**32,00 %**					
Total	**1. Decided**	**6.526.294.040,00**	**3.274.622.900,00**	**2.136.001.226,00**		**11.936.918.166,00**	**1.198.589.832,00**	**569.458.723,00**	**354.021.240,00**		**2.122.069.795,00**
	2.Committed	**5.235.946.743,30**	**2.633.036.337,64**	**1.702.453.311,25**		**9.571.436.392,19**	**1.190.236.130,92**	**566.267.560,64**	**348.225.234,25**		**2.104.728.925,81**
	3.Paid	**1.987.702.481,55**	**1.135.198.466,37**	**656.366.316,02**		**3.779.267.263,94**	**631.933.620,45**	**419.886.724,93**	**238.229.922,76**		**1.290.050.268,14**
	% (2)/(1)	**80,23 %**	**80,41 %**	**79,70 %**		**80,18 %**					
	% (3)/(1)	**30,46 %**	**34,67 %**	**30,73 %**		**31,66 %**					

Source: DG REGIO database Infoview, data as of July 2005

Part 5: Allocation of the performance reserve

Performance Reserve Range of Percentage Allocations, Objective 1					
	Commitment 2000-2006, €M [1]	**Performance Reserve, €M [2]**	**%[3]**	**Allocation Range (%)**	**Comment**
Between Programmes					
Finland	948	41	4,32	4,32	Between the 2 programmes
France[4]	3.948	171	4,33	3,2 - 5,1	Between 6 of 8 programmes; 2 TA programmes excluded
Greece	21.389	945	4,42	4 – 9,33	Between 14 of 25 programmes; 11 programmes excluded, including 1 TA programme
Ireland	3.061	134	4,38	100	To 1 programme out of 6; 5 programmes excluded
Italy	21.638	996	4,60	2,3 - 7,2	Between 13 programmes; between priorities for 1 programme phasing out
Portugal	19.177	855	4,46	3,66 – 5,01	Between 16 out of 19 programmes; 3 programmes excluded, including 1 TA programme
Spain	39.548	1.717	4,34	4,41	Between 20 of 23 programmes; 3 programmes excluded, including 1 TA programme
Sweden	748	32	4,28	4,25 - 4,30	Between the 2 programmes
UK England	3.003	130	4,34	4,18 - 5,15	Between all 3 programmes
Between Priorities					
Austria	271	12	4,43	Between all priorities of the only programme (lowest 8%, highest 36% of total amount)	
Belgium	645	28	4,34	Between all priorities of the only programme (lowest 7%, highest 35% of total amount)	
Germany	20.602	899	4,36	Between priorities of 9 programmes: 2 programmes - 100% to one priority, 2 programmes - to all priorities, the remaining 5 programmes to the best performing priorities (lowest 2.3%, highest 93% of total amount).	

Netherlands	126	6	4,76	Between 3 of 4 priorities of the only programme (lowest 18%, highest 46% of total amount)
UK N.Ireland	890	39	4,34	Between 3 of 5 priorities of the only programme (lowest 13%, highest 65% of total amount)
UK Scotland	306	13	4,37	Between 3 of 4 priorities of the only programme (lowest 17%, highest 64% of total amount)
UK Wales	1.853	81	4,34	Between 5 of 6 priorities of the only programme (lowest 7%, highest 34% of total amount)
[1] - 1999 prices; [2] - Current prices				
[3] - The percentage is greater than 4% because the commitment figure is in 1999 prices and the performance reserve is in current prices and it differs between countries because DG BUDG made its calculation in millions and rounded figures up or down.				
[4] In France, there were two proposals for the allocation of the performance reserve under Objective 1 – one for the 4 programmes in Objective 1 and one for the 2 programmes in Objective 1 phasing out.				

Performance Reserve **Range of Percentage Allocations, Objective 2**					
	Commitment 2000-2006, €M [1]	**Performance Reserve €M [2]**	**% [3]**	**Allocation Range (%)**	**Comment**
Between Programmes					
Belgium Flanders	186	8	4,17	4,09 - 4,20	Between all 4 programmes
Belgium Wallonia	217	9	4,28	2,19 - 5,05	Between all priorities of the 2 programmes
Finland	507	23	4,54	4,41 - 4,58	Between all 3 programmes
France	6.262	273	4,36	2 – 6,5	Between 22 of 23 programmes; TA excluded
Italy	2.608	113	4,33	4,32 - 4,35	Between all 14 programmes
Netherlands	823	36	4,37	4,2 - 4,58	Between all 4 programmes
Spain	2.748	119	4,33	4,31 – 4,34	Between all 7 programmes

Sweden	423	17	4,02	3,99 - 4,05	Between all 4 programmes
UK England	3.774	170,9	4,52	4,02 - 5,96	Between all 9 programmes
UK Scotland	807	35	4,38	4,35 - 4,39	Between all 3 programmes
Between Priorities					
Austria	703	31	4,41	Between priorities of 8 programmes: 2 programmes-100% to 1 priority, 5 programmes - to all priorities (lowest 5%, highest 76% of total amount)	
Belgium Brussels	44	2	4,44	Between all priorities of the only programme (lowest 25%, highest 75% of total amount)	
Denmark	189	8	4,23	Between 3 of 4 priorities of the only programme (lowest 20%, highest 75% of total amount)	
Germany	3.626	159	4,38	Between priorities of 11 programmes: 3 programmes - 100% to one priority, 4 programmes - to all priorities, the remaining 4 programmes - to the best performing priorities (lowest 6%, highest 88% of total amount)	
Luxembourg	41	3	7,32	To 1 of 4 priorities of the only programme	
UK Gibraltar	8,3	0,36	4,34	Between priorities of the only programme	
UK Wales	121	5	4,39	Between priorities 2 of 3 of the only programme (allocation 28% and 72%)	
[1] - 1999 prices; [2] - Current prices					
[3] - The percentage is greater than 4% because the commitment figure is in 1999 prices and the performance reserve is in current prices and it differs between countries because DG BUDG made its calculation in millions and rounded figures up or down.					

Part 6: Use of Structural Funds in the 2000-06 period by Objective and field of intervention

		Prog. complement	Total (%)	Cert. Expenditure	Total (%)
Total	**530**	**215.230.777.038**	**100,00 %**	**88.665.291.416**	**100,00 %**

Objective 1	**134**	**152.588.310.837**	**70,90 %**	**64.333.653.486**	**72,56 %**
1. Productive Environment		**53.341.551.414**	**34,96 %**	**21.134.987.031**	**32,85 %**
10. Productive Environment		**34.568.782**	**0,06 %**	**11.233.209**	**0,05 %**
1. Productive Environment		34.568.782	100,00 %	11.233.209	100,00 %
11. Agriculture		**7.758.930.791**	**14,55 %**	**2.621.309.910**	**12,40 %**
11. Agriculture		614.746.430	7,92 %	229.538.112	8,76 %
111. Investments in agricultural holdings		3.547.346.855	45,72 %	1.137.002.210	43,38 %
112. Setting up young farmers		948.438.734	12,22 %	428.934.576	16,36 %
114. Improving processing and marketing of agricultural products		2.464.189.677	31,76 %	779.468.966	29,74 %
113. Agriculture-specific vocational training		141.209.095	1,82 %	46.366.046	1,77 %
1182. Meeting standards: use of farm advisory services		43.000.000	0,55 %		
12. Forestry		**1.788.380.035**	**3,35 %**	**835.417.836**	**3,95 %**
12. Forestry		504.660.691	28,22 %	267.761.701	32,05 %
122. Improving harvesting, processing and marketing of forestry products		62.322.212	3,48 %	21.997.956	2,63 %
123. Promoting new outlets for the use and marketing of forestry products		35.263.845	1,97 %	12.652.980	1,51 %
124. Establishment of associations of forest holders		15.889.880	0,89 %	6.399.864	0,77 %
125. Restoring forestry production potential damaged by natural disasters and fire and introducing appropriate prevention instruments		446.409.676	24,96 %	190.842.585	22,84 %
121. Investments in forest holdings		458.327.027	25,63 %	210.002.069	25,14 %
128. Forestry-specific vocational training		28.863.120	1,61 %	10.829.762	1,30 %
126. Planting of non-farm land		137.796.977	7,71 %	66.486.466	7,96 %
127. Improving and maintaining the ecological stability of protected woodlands		98.846.606	5,53 %	48.444.453	5,80 %
13. Promoting the adaptation and the development of rural areas		**9.912.157.487**	**18,58 %**	**4.200.096.696**	**19,87 %**
13. Promoting the adaptation and the development of rural areas		890.725.884	8,99 %	436.012.807	10,38 %
1301. Land improvement		187.800.204	1,89 %	50.431.956	1,20 %
1302. Reparcelling		494.920.570	4,99 %	272.112.928	6,48 %
1303. Setting up of farm relief and farm management services		174.413.517	1,76 %	81.743.309	1,95 %
1304. Marketing of quality agricultural products		203.570.425	2,05 %	68.149.933	1,62 %

1305. Basic services for the rural economy and population	318.882.457	3,22 %	93.873.262	2,24 %
1306. Renovation and development of villages and protection and conservation of the rural heritage	1.849.605.821	18,66 %	1.089.923.553	25,95 %
1307. Diversification of agricultural activities and activities close to agriculture, to provide multiple activities or alternative incomes	581.308.391	5,86 %	126.071.787	3,00 %
1308. Agricultural water resources management	1.912.692.369	19,30 %	582.549.742	13,87 %
1309. Development and improvement of infrastructure connected with the development of agriculture	1.597.780.190	16,12 %	714.174.031	17,00 %
1310. Encouragement for tourist activities	361.934.241	3,65 %	145.239.226	3,46 %
1311. Encouragement for craft activities	413.917.877	4,18 %	175.730.876	4,18 %
1312. Preservation of the environment in connection with land, forestry and landscape conservation and improved animal welfare	762.034.491	7,69 %	296.730.632	7,06 %
1313. Restoring agricultural production potential damaged by natural disasters and introducing appropriate prevention instruments	124.152.343	1,25 %	62.463.620	1,49 %
1314. Financial engineering	24.051.820	0,24 %	4.889.034	0,12 %
1399. LEADER+	14.366.887	0,14 %		
14. Fisheries	**2.931.933.080**	**5,50 %**	**43.109.191**	**0,20 %**
14. Fisheries	60.095.033	2,05 %	1.699.025	3,94 %
141. Adjustment of the fishing effort	391.533.905	13,35 %		
142. Renewal and modernisation of the fishing fleet	593.491.280	20,24 %		
143. Processing, marketing and promoting of fisheries products	592.693.488	20,22 %		
144. Aquaculture	318.004.399	10,85 %	426.066	0,99 %
145. Equipment of fishing ports and protection of coastal marine zones	367.947.655	12,55 %	21.809.594	50,59 %
146. Socio-economic measures (including aid to the temporary stopping and compensation for technical restrictions)	367.398.145	12,53 %		
147. Actions by professionals (including vocational training, small coastal fishing)	130.648.766	4,46 %		
148. Measures financed by other Structural Funds (ERDF, ESF)	110.120.410	3,76 %	19.174.507	44,48 %
15. Assisting large business organisations	**4.139.964.390**	**7,76 %**	**1.987.069.979**	**9,40 %**
15. Assisting large business organisations	448.518.803	10,83 %	267.774.827	13,48 %
151. Investment in physical capital (plant and equipment, co-financing of State aid)	2.633.338.454	63,61 %	1.268.193.083	63,82 %
152. Environment-friendly technologies, clean and economical energy technologies	383.639.327	9,27 %	105.494.998	5,31 %
153. Business advisory services (including internationalisation, exporting and environmental management, purchase of technology)	476.438.119	11,51 %	229.744.436	11,56 %
154. Services to stakeholders (health and safety, providing care for dependants)	51.539.411	1,24 %	21.403.759	1,08 %
155. Financial engineering	146.490.276	3,54 %	94.458.877	4,75 %
16. Assisting SMEs and the craft sector	**14.562.227.841**	**27,30 %**	**6.838.166.242**	**32,35 %**
16. Assisting SMEs and the craft sector	826.309.325	5,67 %	421.938.756	6,17 %
161. Investment in physical capital (plant and equipment, co-financing of State aid)	7.801.149.481	53,57 %	3.985.388.274	58,28 %
162. Environment-friendly technologies, clean and economical energy technologies	583.020.760	4,00 %	187.764.603	2,75 %
163. Business advisory services (information, business planning, consultancy services, marketing, management, design, internationalisation, exporting, environmental management,	1.663.281.368	11,42 %	683.701.231	10,00 %

purchase of technology)				
164. Shared business services (business estates, incubator units, stimulation, promotional services, networking, conferences, trade fairs)	1.913.029.429	13,14 %	801.531.163	11,72 %
165. Financial engineering	992.350.623	6,81 %	531.205.329	7,77 %
166. Services in support of the social economy (providing care for dependants, health and safety, cultural activities)	352.304.800	2,42 %	84.692.576	1,24 %
167. Vocational training	430.782.055	2,96 %	141.944.310	2,08 %
17. Tourism	**4.695.868.965**	**8,80 %**	**1.536.157.918**	**7,27 %**
17. Tourism	550.630.201	11,73 %	302.812.904	19,71 %
171. Physical investment (information centres, tourist accommodation, catering, facilities)	2.853.278.387	60,76 %	810.810.540	52,78 %
172. Non-physical investments (development and provision of tourist services, sporting, cultural and leisure activities, heritage)	579.237.348	12,34 %	169.221.667	11,02 %
173. Shared services for the tourism industry (including promotional activities, networking, conferences and trade fairs)	546.923.625	11,65 %	206.519.360	13,44 %
174. Vocational training	165.799.404	3,53 %	46.793.447	3,05 %
18. Research, technological development and innovation (RTDI)	**7.517.520.044**	**14,09 %**	**3.062.426.050**	**14,49 %**
18. Research, technological development and innovation (RTDI)	569.762.757	7,58 %	253.159.604	8,27 %
181. Research projects based in universities and research institutes	2.032.886.853	27,04 %	891.017.210	29,10 %
182. Innovation and technology transfers, establishment of networks and partnerships between businesses and/or research institutes	2.668.959.242	35,50 %	981.677.508	32,06 %
183. RTDI Infrastructure	1.927.897.651	25,65 %	757.789.341	24,74 %
184. Training for researchers	318.013.540	4,23 %	178.782.387	5,84 %
2. Human Resources	**35.509.542.300**	**23,27 %**	**15.609.500.416**	**24,26 %**
20. Human Resources	**98.317.767**	**0,28 %**	**34.719.425**	**0,22 %**
2. Human Resources	98.317.767	100,00 %	34.719.425	100,00 %
21. Labour market policy	**10.756.859.744**	**30,29 %**	**4.885.701.206**	**31,30 %**
21. Labour market policy	10.756.859.744	100,00 %	4.885.701.206	100,00 %
22. Social inclusion	**4.943.198.433**	**13,92 %**	**2.205.174.169**	**14,13 %**
22. Social inclusion	4.943.198.433	100,00 %	2.205.174.169	100,00 %
23. Developing educational and vocational training (persons, firms)	**10.757.597.860**	**30,29 %**	**5.045.864.580**	**32,33 %**
23. Developing educational and vocational training (persons, firms)	10.757.597.860	100,00 %	5.045.864.580	100,00 %
24. Workforce flexibility, entrepreneurial activity, innovation, information and communication technologies (persons, firms)	**7.040.470.192**	**19,83 %**	**2.607.250.389**	**16,70 %**
24. Workforce flexibility, entrepreneurial activity, innovation, information and communication technologies (persons, firms)	7.040.470.192	100,00 %	2.607.250.389	100,00 %
25. Positive labour market actions for women	**1.913.098.304**	**5,39 %**	**830.790.647**	**5,32 %**
25. Positive labour market actions for women	1.913.098.304	100,00 %	830.790.647	100,00 %
3. Basic Infrastructure	**60.334.664.755**	**39,54 %**	**26.769.181.955**	**41,61 %**
30. Basic Infrastructure	**1.497.238**	**0,00 %**	**0**	**0,00 %**
3. Basic Infrastructure	1.497.238	100,00 %	0	0,00 %

31. Transport infrastructure	**29.043.664.832**	**48,14 %**	**15.023.589.768**	**56,12 %**
31. Transport infrastructure	504.540.942	1,74 %	291.724.581	1,94 %
311. Rail	6.921.625.535	23,83 %	2.860.671.430	19,04 %
3121. National roads	1.817.971.676	6,26 %	1.123.781.437	7,48 %
3122. Regional/local roads	2.716.054.816	9,35 %	1.701.982.508	11,33 %
3123. Cycle tracks	34.969.801	0,12 %	14.810.467	0,10 %
312. Roads	8.295.687.739	28,56 %	5.118.365.835	34,07 %
313. Motorways	3.962.755.758	13,64 %	1.816.751.933	12,09 %
314. Airports	508.232.290	1,75 %	195.705.326	1,30 %
315. Ports	1.591.934.132	5,48 %	680.777.046	4,53 %
316. Waterways	45.869.460	0,16 %	25.917.476	0,17 %
317. Urban Transport	1.650.661.841	5,68 %	852.253.410	5,67 %
318. Multimodal Transport	896.263.892	3,09 %	334.388.873	2,23 %
319. Intelligent Transport Systems	97.096.950	0,33 %	6.459.444	0,04 %
32. Telecommunications infrastructure and information society	**5.531.028.315**	**9,17 %**	**1.527.194.286**	**5,71 %**
32. Telecommunications infrastructure and information society	352.575.012	6,37 %	125.523.832	8,22 %
321. Basic infrastructure	1.008.394.546	18,23 %	324.262.100	21,23 %
322. Information and Communication Technology (including security and safe transmission measures)	1.458.345.989	26,37 %	393.205.173	25,75 %
323. Services and applications for the citizen (health, administration, education)	1.742.934.678	31,51 %	500.407.811	32,77 %
324. Services and applications for SMEs (electronic commerce and transactions, education and training, networking)	968.778.091	17,52 %	183.795.370	12,03 %
33. Energy infrastructure (production, delivery)	**1.508.418.699**	**2,50 %**	**471.733.067**	**1,76 %**
33. Energy infrastructure (production, delivery)	399.248.504	26,47 %	242.055.158	51,31 %
331. Electricity, gas, petrol, solid fuel	495.979.996	32,88 %	100.201.013	21,24 %
332. Renewable sources of energy (solar power, wind power, hydro-electricity, biomass)	345.757.175	22,92 %	95.826.185	20,31 %
333. Energy efficiency, co-generation, energy control	267.433.025	17,73 %	33.650.710	7,13 %
34. Environmental infrastructure (including water)	**9.873.482.686**	**16,36 %**	**3.719.118.556**	**13,89 %**
34. Environmental infrastructure (including water)	2.321.905.177	23,52 %	689.604.108	18,54 %
341. Air	179.602.258	1,82 %	55.121.946	1,48 %
342. Noise	39.290.697	0,40 %	7.796.461	0,21 %
343. Urban and industrial waste (including hospital and dangerous waste)	1.219.750.836	12,35 %	309.071.006	8,31 %
344. Drinking water (collection, storage, treatment and distribution)	2.730.208.586	27,65 %	1.059.692.963	28,49 %
345. Sewerage and purification	3.382.725.132	34,26 %	1.597.832.072	42,96 %
3. Basic Infrastructure	**60.334.664.755**	**39,54 %**	**26.769.181.955**	**41,61 %**

35. Planning and rehabilitation	**8.643.153.257**	**14,33 %**	**3.088.405.714**	**11,54 %**
35. Planning and rehabilitation	221.044.196	2,56 %	105.671.174	3,42 %
351. Upgrading and rehabilitation of industrial and military sites	1.275.152.299	14,75 %	370.483.998	12,00 %
352. Rehabilitation of urban areas	3.180.045.822	36,79 %	1.143.280.726	37,02 %
353. Protection, improvement and regeneration of the natural environment	2.319.017.837	26,83 %	850.347.658	27,53 %
354. Maintenance and restoration of the cultural heritage	1.647.893.104	19,07 %	618.622.157	20,03 %
3. Basic Infrastructure	**60.334.664.755**	**39,54 %**	**26.769.181.955**	**41,61 %**
36. Social infrastructure and public health	**5.733.419.726**	**9,50 %**	**2.939.140.565**	**10,98 %**
36. Social infrastructure and public health	5.733.419.726	100,00 %	2.939.140.565	100,00 %
4. Miscellaneous	**3.402.552.368**	**2,23 %**	**819.984.083**	**1,27 %**
40. Miscellaneous	**293.590.340**	**8,63 %**	**67.400.260**	**8,22 %**
4. Miscellaneous	293.590.340	100,00 %	67.400.260	100,00 %
4. Miscellaneous	**3.402.552.368**	**2,23 %**	**819.984.083**	**1,27 %**
41. Technical assistance and innovative actions (ERDF, ESF, EAGGF, FIFG)	**2.986.710.826**	**87,78 %**	**725.389.278**	**88,46 %**
41. Technical assistance and innovative actions (ERDF, ESF, EAGGF, FIFG)	485.497.275	16,26 %	161.175.150	22,22 %
411. Preparation, implementation, monitoring, publicity	1.173.197.152	39,28 %	302.540.936	41,71 %
412. Evaluation	206.664.373	6,92 %	55.319.056	7,63 %
413. Studies	743.463.114	24,89 %	135.102.159	18,62 %
414. Innovative actions	184.582.237	6,18 %	22.293.514	3,07 %
415. Information to the public	193.306.676	6,47 %	48.958.463	6,75 %
4. Miscellaneous	**3.402.552.368**	**2,23 %**	**819.984.083**	**1,27 %**
49. Miscellaneous	**122.251.202**	**3,59 %**	**27.194.545**	**3,32 %**
499. Data not available	122.251.202	100,00 %	27.194.545	100,00 %

		Prog. complement	**Total (%)**	**Cert. Expenditure**	**Total (%)**
Objective 2	**99**	**24.050.255.543**	**11,17 %**	**10.418.402.916**	**11,75 %**
1. Productive Environment		**13.426.923.136**	**55,83 %**	**6.088.457.206**	**58,44 %**
10. Productive Environment		**8.173.426**	**0,06 %**	**6.770.346**	**0,11 %**
1. Productive Environment		8.173.426	100,00 %	6.770.346	100,00 %
11. Agriculture		**29.043.666**	**0,22 %**	**10.806.491**	**0,18 %**
11. Agriculture		4.644.687	15,99 %	2.003.070	18,54 %
112. Setting up young farmers		8.503.531	29,28 %	2.596.479	24,03 %
113. Agriculture-specific vocational training		15.895.448	54,73 %	6.206.942	57,44 %

12. Forestry	**11.392.316**	**0,08 %**	**3.706.685**	**0,06 %**
123. Promoting new outlets for the use and marketing of forestry products	301.442	2,65 %	121.695	3,28 %
128. Forestry-specific vocational training	6.518.467	57,22 %	2.509.199	67,69 %
127. Improving and maintaining the ecological stability of protected woodlands	4.572.407	40,14 %	1.075.791	29,02 %
13. Promoting the adaptation and the development of rural areas	**556.478.961**	**4,14 %**	**251.821.611**	**4,14 %**
13. Promoting the adaptation and the development of rural areas	76.770.491	13,80 %	34.590.736	13,74 %
1301. Land improvement	2.617.695	0,47 %	1.911.920	0,76 %
1302. Reparcelling	9.388.077	1,69 %	1.783.452	0,71 %
1304. Marketing of quality agricultural products	850.000	0,15 %	829.684	0,33 %
1305. Basic services for the rural economy and population	57.319.759	10,30 %	25.191.130	10,00 %
1306. Renovation and development of villages and protection and conservation of the rural heritage	182.216.168	32,74 %	81.760.890	32,47 %
1307. Diversification of agricultural activities and activities close to agriculture, to provide multiple activities or alternative incomes	12.736.370	2,29 %	5.727.069	2,27 %
1308. Agricultural water resources management	9.903.295	1,78 %	5.171.044	2,05 %
1309. Development and improvement of infrastructure connected with the development of agriculture	35.702.622	6,42 %	12.677.697	5,03 %
1310. Encouragement for tourist activities	44.652.206	8,02 %	23.509.685	9,34 %
1311. Encouragement for craft activities	10.050.219	1,81 %	3.951.219	1,57 %
1312. Preservation of the environment in connection with land, forestry and landscape conservation and improved animal welfare	110.466.170	19,85 %	52.756.275	20,95 %
1314. Financial engineering	3.805.889	0,68 %	1.960.809	0,78 %
14. Fisheries	**21.443.978**	**0,16 %**	**6.101.129**	**0,10 %**
14. Fisheries	4.573.486	21,33 %	2.245.425	36,80 %
143. Processing, marketing and promoting of fisheries products	1.793.700	8,36 %	0	0,00 %
144. Aquaculture	1.793.700	8,36 %	0	0,00 %
145. Equipment of fishing ports and protection of coastal marine zones	7.007.975	32,68 %	807.561	13,24 %
148. Measures financed by other Structural Funds (ERDF, ESF)	6.275.118	29,26 %	3.048.144	49,96 %
15. Assisting large business organisations	**565.934.882**	**4,21 %**	**278.227.847**	**4,57 %**
15. Assisting large business organisations	40.649.135	7,18 %	17.307.053	6,22 %
151. Investment in physical capital (plant and equipment, co-financing of State aid)	417.862.069	73,84 %	213.264.088	76,65 %
152. Environment-friendly technologies, clean and economical energy technologies	30.362.900	5,37 %	10.797.882	3,88 %
153. Business advisory services (including internationalisation, exporting and environmental management, purchase of technology)	33.816.367	5,98 %	15.525.454	5,58 %
154. Services to stakeholders (health and safety, providing care for dependants)	563.038	0,10 %	44.207	0,02 %
155. Financial engineering	42.681.373	7,54 %	21.289.164	7,65 %
16. Assisting SMEs and the craft sector	**7.722.142.874**	**57,51 %**	**3.486.933.959**	**57,27 %**
16. Assisting SMEs and the craft sector	1.097.508.758	14,21 %	563.873.661	16,17 %

161. Investment in physical capital (plant and equipment, co-financing of State aid)	2.060.295.312	26,68 %	906.735.212	26,00 %
162. Environment-friendly technologies, clean and economical energy technologies	304.005.859	3,94 %	124.846.540	3,58 %
163. Business advisory services (information, business planning, consultancy services, marketing, management, design, internationalisation, exporting, environmental management, purchase of technology)	1.460.743.170	18,92 %	577.319.658	16,56 %
164. Shared business services (business estates, incubator units, stimulation, promotional services, networking, conferences, trade fairs)	1.649.675.612	21,36 %	729.527.697	20,92 %
165. Financial engineering	531.378.123	6,88 %	341.183.941	9,78 %
166. Services in support of the social economy (providing care for dependants, health and safety, cultural activities)	373.451.262	4,84 %	152.306.879	4,37 %
167. Vocational training	245.084.778	3,17 %	91.140.372	2,61 %
17. Tourism	**2.122.495.043**	**15,81 %**	**959.324.148**	**15,76 %**
17. Tourism	275.775.744	12,99 %	140.196.257	14,61 %
171. Physical investment (information centres, tourist accommodation, catering, facilities)	1.282.359.074	60,42 %	551.489.208	57,49 %
172. Non-physical investments (development and provision of tourist services, sporting, cultural and leisure activities, heritage)	337.159.326	15,89 %	158.949.516	16,57 %
173. Shared services for the tourism industry (including promotional activities, networking, conferences and trade fairs)	192.202.590	9,06 %	89.963.823	9,38 %
174. Vocational training	34.998.310	1,65 %	18.725.344	1,95 %
18. Research, technological development and innovation (RTDI)	**2.389.817.990**	**17,80 %**	**1.084.764.989**	**17,82 %**
18. Research, technological development and innovation (RTDI)	235.375.095	9,85 %	119.387.159	11,01 %
181. Research projects based in universities and research institutes	623.535.831	26,09 %	342.012.581	31,53 %
182. Innovation and technology transfers, establishment of networks and partnerships between businesses and/or research institutes	857.955.134	35,90 %	340.853.001	31,42 %
183. RTDI Infrastructure	654.849.996	27,40 %	275.789.073	25,42 %
184. Training for researchers	18.101.935	0,76 %	6.723.176	0,62 %
2. Human Resources	**2.539.780.390**	**10,56 %**	**1.015.565.285**	**9,75 %**
20. Human Resources	**131.277.817**	**5,17 %**	**57.058.094**	**5,62 %**
2. Human Resources	131.277.817	100,00 %	57.058.094	100,00 %
21. Labour market policy	**439.111.388**	**17,29 %**	**174.822.221**	**17,21 %**
21. Labour market policy	439.111.388	100,00 %	174.822.221	100,00 %
22. Social inclusion	**477.059.113**	**18,78 %**	**169.660.522**	**16,71 %**
22. Social inclusion	477.059.113	100,00 %	169.660.522	100,00 %
23. Developing educational and vocational training (persons, firms)	**506.148.512**	**19,93 %**	**233.246.538**	**22,97 %**
23. Developing educational and vocational training (persons, firms)	506.148.512	100,00 %	233.246.538	100,00 %
24. Workforce flexibility, entrepreneurial activity, innovation, information and communication technologies (persons, firms)	**850.574.131**	**33,49 %**	**325.501.315**	**32,05 %**
24. Workforce flexibility, entrepreneurial activity, innovation, information and communication technologies (persons, firms)	850.574.131	100,00 %	325.501.315	100,00 %
25. Positive labour market actions for women	**135.609.429**	**5,34 %**	**55.276.594**	**5,44 %**
25. Positive labour market actions for women	135.609.429	100,00 %	55.276.594	100,00 %

3. Basic Infrastructure	**6.852.963.431**	**28,49 %**	**2.980.589.154**	**28,61 %**
30. Basic Infrastructure	**211.125.507**	**3,08 %**	**103.415.470**	**3,47 %**
3. Basic Infrastructure	211.125.507	100,00 %	103.415.470	100,00 %
31. Transport infrastructure	**1.398.461.722**	**20,41 %**	**630.259.227**	**21,15 %**
31. Transport infrastructure	210.285.478	15,04 %	70.616.636	11,20 %
311. Rail	181.630.863	12,99 %	87.893.102	13,95 %
3121. National roads	86.822.904	6,21 %	55.737.616	8,84 %
3122. Regional/local roads	108.755.829	7,78 %	75.364.639	11,96 %
3123. Cycle tracks	18.087.737	1,29 %	5.689.462	0,90 %
312. Roads	149.846.913	10,72 %	80.077.754	12,71 %
313. Motorways	11.130.125	0,80 %	3.173.104	0,50 %
314. Airports	13.811.607	0,99 %	8.422.056	1,34 %
315. Ports	268.117.880	19,17 %	101.877.920	16,16 %
316. Waterways	18.685.487	1,34 %	8.161.490	1,29 %
317. Urban Transport	75.909.889	5,43 %	30.486.498	4,84 %
318. Multimodal Transport	249.278.307	17,83 %	101.007.664	16,03 %
319. Intelligent Transport Systems	6.098.703	0,44 %	1.751.285	0,28 %
32. Telecommunications infrastructure and information society	**774.750.181**	**11,31 %**	**275.526.033**	**9,24 %**
32. Telecommunications infrastructure and information society	162.242.216	20,94 %	65.646.891	23,83 %
321. Basic infrastructure	126.107.323	16,28 %	48.322.163	17,54 %
322. Information and Communication Technology (including security and safe transmission measures)	126.268.211	16,30 %	42.591.332	15,46 %
323. Services and applications for the citizen (health, administration, education)	147.544.913	19,04 %	50.254.552	18,24 %
324. Services and applications for SMEs (electronic commerce and transactions, education and training, networking)	212.587.519	27,44 %	68.711.096	24,94 %
33. Energy infrastructure (production, delivery)	**218.503.935**	**3,19 %**	**83.695.534**	**2,81 %**
33. Energy infrastructure (production, delivery)	38.120.584	17,45 %	15.328.655	18,31 %
331. Electricity, gas, petrol, solid fuel	30.159.247	13,80 %	18.050.852	21,57 %
332. Renewable sources of energy (solar power, wind power, hydro-electricity, biomass)	86.897.602	39,77 %	27.433.071	32,78 %
333. Energy efficiency, cogeneration, energy control	63.326.503	28,98 %	22.882.955	27,34 %
34. Environmental infrastructure (including water)	**964.904.458**	**14,08 %**	**470.365.072**	**15,78 %**
34. Environmental infrastructure (including water)	303.589.387	31,46 %	144.261.851	30,67 %
341. Air	41.738.948	4,33 %	19.847.153	4,22 %
342. Noise	6.885.379	0,71 %	2.619.834	0,56 %
343. Urban and industrial waste (including hospital and dangerous waste)	158.601.043	16,44 %	58.454.926	12,43 %

344. Drinking water (collection, storage, treatment and distribution)	206.122.954	21,36 %	101.843.891	21,65 %
345. Sewerage and purification	247.966.747	25,70 %	143.337.416	30,47 %
35. Planning and rehabilitation	**3.028.970.134**	**44,20 %**	**1.290.424.744**	**43,29 %**
35. Planning and rehabilitation	338.192.201	11,17 %	166.926.480	12,94 %
351. Upgrading and Rehabilitation of industrial and military sites	935.468.372	30,88 %	357.680.684	27,72 %
352. Rehabilitation of urban areas	1.122.858.743	37,07 %	470.447.573	36,46 %
353. Protection, improvement and regeneration of the natural environment	355.102.976	11,72 %	157.711.385	12,22 %
354. Maintenance and restoration of the cultural heritage	277.347.841	9,16 %	137.658.622	10,67 %
36. Social infrastructure and public health	**256.247.494**	**3,74 %**	**126.903.076**	**4,26 %**
36. Social infrastructure and public health	256.247.494	100,00 %	126.903.076	100,00 %
4. Miscellaneous	**1.230.588.586**	**5,12 %**	**333.791.271**	**3,20 %**
40. Miscellaneous	**38.269.739**	**3,11 %**	**16.693.589**	**5,00 %**
4. Miscellaneous	38.269.739	100,00 %	16.693.589	100,00 %
41. Technical assistance and innovative actions (ERDF, ESF, EAGGF, FIFG)	**524.986.893**	**42,66 %**	**174.997.356**	**52,43 %**
41. Technical assistance and innovative actions (ERDF, ESF, EAGGF, FIFG)	182.075.360	34,68 %	57.935.001	33,11 %
411. Preparation, implementation, monitoring, publicity	198.370.726	37,79 %	63.507.915	36,29 %
412. Evaluation	34.924.852	6,65 %	9.221.507	5,27 %
413. Studies	69.253.022	13,19 %	29.485.114	16,85 %
414. Innovative actions	16.755.225	3,19 %	7.568.099	4,32 %
415. Information to the public	23.607.707	4,50 %	7.279.721	4,16 %
49. Miscellaneous	**667.331.954**	**54,23 %**	**142.100.326**	**42,57 %**
499. Data not available	667.331.954	100,00 %	142.100.326	100,00 %

		Prog. complement	Total (%)	Cert. Expenditure	Total (%)
Objective 3	**45**	**25.820.189.902**	**12,00 %**	**10.888.162.889**	**12,28 %**
1. Productive Environment		**142.939.959**	**0,55 %**	**55.876.389**	**0,51 %**
11. Agriculture		**27.082.039**	**18,95 %**	**13.141.638**	**23,52 %**
113. Agriculture-specific vocational training		27.082.039	100,00 %	13.141.638	100,00 %
12. Forestry		**27.834.379**	**19,47 %**	**13.181.606**	**23,59 %**
128. Forestry-specific vocational training		27.834.379	100,00 %	13.181.606	100,00 %
13. Promoting the adaptation and the development of rural areas		**752.340**	**0,53 %**	**39.969**	**0,07 %**
1303. Setting up of farm relief and farm management services		752.340	100,00 %	39.969	100,00 %
14. Fisheries		**752.340**	**0,53 %**	**39.969**	**0,07 %**

148. Measures financed by other Structural Funds (ERDF, ESF)	752.340	100,00 %	39.969	100,00 %
15. Assisting large business organisations	**5.961.988**	**4,17 %**	**652.284**	**1,17 %**
153. Business advisory services (including internationalisation, exporting and environmental management, purchase of technology)	5.961.988	100,00 %	652.284	100,00 %
16. Assisting SMEs and the craft sector	**36.053.388**	**25,22 %**	**13.953.797**	**24,97 %**
163. Business advisory services (information, business planning, consultancy services, marketing, management, design, internationalisation, exporting, environmental management, purchase of technology)	5.961.988	16,54 %	652.284	4,67 %
164. Shared business services (business estates, incubator units, stimulation, promotional services, networking, conferences, trade fairs)	752.340	2,09 %	39.969	0,29 %
165. Financial engineering	752.340	2,09 %	39.969	0,29 %
166. Services in support of the social economy (providing care for dependants, health and safety, cultural activities)	752.340	2,09 %	39.969	0,29 %
167. Vocational training	27.834.379	77,20 %	13.181.606	94,47 %
17. Tourism	**28.586.719**	**20,00 %**	**13.221.575**	**23,66 %**
173. Shared services for the tourism industry (including promotional activities, networking, conferences and trade fairs)	752.340	2,63 %	39.969	0,30 %
174. Vocational training	27.834.379	97,37 %	13.181.606	99,70 %
18. Research, technological development and innovation (RTDI)	**15.916.766**	**11,14 %**	**1.645.552**	**2,94 %**
181. Research projects based in universities and research institutes	9.743.497	61,22 %	1.605.583	97,57 %
182. Innovation and technology transfers, establishment of networks and partnerships between businesses and/or research institutes	3.252.557	20,43 %		
184. Training for researchers	2.920.712	18,35 %	39.969	2,43 %
2. Human Resources	**25.047.527.884**	**97,01 %**	**10.620.922.873**	**97,55 %**
20. Human Resources	**52.513.500**	**0,21 %**	**6.721.170**	**0,06 %**
2. Human Resources	52.513.500	100,00 %	6.721.170	100,00 %
21. Labour market policy	**7.510.209.326**	**29,98 %**	**3.651.914.361**	**34,38 %**
21. Labour market policy	7.510.209.326	100,00 %	3.651.914.361	100,00 %
22. Social inclusion	**5.499.916.361**	**21,96 %**	**2.077.893.192**	**19,56 %**
22. Social inclusion	5.499.916.361	100,00 %	2.077.893.192	100,00 %
23. Developing educational and vocational training (persons, firms)	**5.029.804.150**	**20,08 %**	**2.173.797.673**	**20,47 %**
23. Developing educational and vocational training (persons, firms)	5.029.804.150	100,00 %	2.173.797.673	100,00 %
24. Workforce flexibility, entrepreneurial activity, innovation, information and communication technologies (persons, firms)	**5.243.812.542**	**20,94 %**	**1.970.049.688**	**18,55 %**
24. Workforce flexibility, entrepreneurial activity, innovation, information and communication technologies (persons, firms)	5.243.812.542	100,00 %	1.970.049.688	100,00 %
25. Positive labour market actions for women	**1.711.272.004**	**6,83 %**	**740.546.789**	**6,97 %**
25. Positive labour market actions for women	1.711.272.004	100,00 %	740.546.789	100,00 %
3. Basic Infrastructure	**91.243.217**	**0,35 %**	**40.942.784**	**0,38 %**
32. Telecommunications infrastructure and information society	**83.503.137**	**91,52 %**	**39.544.819**	**96,59 %**
322. Information and Communication Technology (including security and safe transmission measures)	27.834.379	33,33 %	13.181.606	33,33 %

323. Services and applications for the citizen (health, administration, education)	27.834.379	33,33 %	13.181.606	33,33 %
324. Services and applications for SMEs (electronic commerce and transactions, education and training, networking)	27.834.379	33,33 %	13.181.606	33,33 %
36. Social infrastructure and public health	**7.740.080**	**8,48 %**	**1.397.965**	**3,41 %**
36. Social infrastructure and public health	7.740.080	100,00 %	1.397.965	100,00 %
4. Miscellaneous	**538.478.843**	**2,09 %**	**170.420.842**	**1,57 %**
41. Technical assistance and innovative actions (ERDF, ESF, EAGGF, FIFG)	**538.478.843**	**100,00 %**	**170.420.842**	**100,00 %**
41. Technical assistance and innovative actions (ERDF, ESF, EAGGF, FIFG)	458.691.233	85,18 %	141.342.016	82,94 %
411. Preparation, implementation, monitoring, publicity	40.387.288	7,50 %	17.768.158	10,43 %
412. Evaluation	5.607.665	1,04 %	1.274.050	0,75 %
413. Studies	5.455.669	1,01 %	1.279.662	0,75 %
414. Innovative actions	12.624.646	2,34 %	2.394.083	1,40 %
415. Information to the public	15.712.342	2,92 %	6.362.874	3,73 %

		Prog. complement	Total (%)	Cert. Expenditure	Total (%)
Fisheries outside Objective 1	**12**	**1.186.919.073**	**0,55 %**		
1. Productive Environment		**1.102.239.969**	**92,87 %**		
14. Fisheries		**1 102.239.969**	**100,00 %**		
141. Adjustment of the fishing effort		220.462.320	20,00 %		
142. Renewal and modernisation of the fishing fleet		211.305.934	19,17 %		
143. Processing, marketing and promoting of fisheries products		283.868.197	25,75 %		
144. Aquaculture		76.064.103	6,90 %		
145. Equipment of the fishing ports and protection of the coastal marine zones		144.330.862	13,09 %		
146. Socio-economic measures (including aids to the temporary stopping and compensation for technical restrictions)		42.519.947	3,86 %		
147. Actions by professionals (including vocational training, small coastal fishing)		123.688.606	11,22 %		
4. Miscellaneous		**84.679.104**	**7,13 %**		
41. Technical assistance and innovative actions (ERDF, ESF, EAGGF, FIFG)		**84.679.104**	**100,00 %**		
41. Technical assistance and innovative actions (ERDF, ESF, EAGGF, FIFG)		16.595.073	19,60 %		
411. Preparation, implementation, monitoring, publicity		8.481.227	10,02 %		
413. Studies		2.834.710	3,35 %		
414. Innovative actions		56.413.755	66,62 %		
415. Information to the public		354.339	0,42 %		

Prog. complement	Total (%)	Cert. Expenditure	Total (%)

Community Initiatives	**240**	**11.585.101.683**	**5,38 %**	**3.025.072.125**	**3,41 %**
1. Productive Environment		**4.136.356.989**	**35,70 %**	**1.006.778.213**	**33,28 %**
10. Productive Environment		**915.220**	**0,02 %**	**162.552**	**0,02 %**
1. Productive Environment		915.220	100,00 %	162.552	100,00 %
11. Agriculture		**52.734.358**	**1,27 %**	**10.811.508**	**1,07 %**
11. Agriculture		1.020.488	1,94 %	229.294	2,12 %
111. Investments in agricultural holdings		18.032.151	34,19 %	2.661.828	24,62 %
114. Improving processing and marketing of agricultural products		29.269.458	55,50 %	7.093.312	65,61 %
113. Agriculture-specific vocational training		4.412.261	8,37 %	827.074	7,65 %
12. Forestry		**39.486.635**	**0,95 %**	**10.492.196**	**1,04 %**
12. Forestry		3.000.243	7,60 %	743.827	7,09 %
122. Improving harvesting, processing and marketing of forestry products		6.912.101	17,50 %	2.475.560	23,59 %
123. Promoting new outlets for the use and marketing of forestry products		837.198	2,12 %	242.912	2,32 %
124. Establishment of associations of forest holders		23.072	0,06 %	6.559	0,06 %
125. Restoring forestry production potential damaged by natural disasters and fire and introducing appropriate prevention instruments		12.180.248	30,85 %	3.344.723	31,88 %
121. Investments in forest holdings		1.966.589	4,98 %	442.344	4,22 %
128. Forestry-specific vocational training		3.145.518	7,97 %	625.177	5,96 %
126. Planting of non-farm land		2.310.941	5,85 %	474.410	4,52 %
127. Improving and maintaining the ecological stability of protected woodlands		9.110.724	23,07 %	2.136.684	20,36 %
13. Promoting the adaptation and the development of rural areas		**2.469.723.590**	**59,71 %**	**618.285.982**	**61,41 %**
13. Promoting the adaptation and the development of rural areas		51.225.891	2,07 %	11.666.387	1,89 %
1301. Land improvement		8.836.039	0,36 %	2.725.957	0,44 %
1302. Reparcelling		223.820	0,01 %	58.418	0,01 %
1303. Setting up of farm relief and farm management services		1.092.784	0,04 %	253.221	0,04 %
1304. Marketing of quality agricultural products		20.518.818	0,83 %	4.820.996	0,78 %
1305. Basic services for the rural economy and population		82.678.000	3,35 %	23.528.753	3,81 %
1306. Renovation and development of villages and protection and conservation of the rural heritage		126.813.042	5,13 %	34.361.075	5,56 %
1307. Diversification of agricultural activities and activities close to agriculture, to provide multiple activities or alternative incomes		26.516.568	1,07 %	5.608.692	0,91 %
1308. Agricultural water resources management		13.554.047	0,55 %	3.584.406	0,58 %
1309. Development and improvement of infrastructure connected with the development of agriculture		2.202.022	0,09 %	557.842	0,09 %
1310. Encouragement for tourist activities		86.775.789	3,51 %	20.646.148	3,34 %
1311. Encouragement for craft activities		24.766.111	1,00 %	3.978.468	0,64 %
1312. Preservation of the environment in connection with land, forestry and landscape conservation and improved animal welfare		104.928.349	4,25 %	21.431.059	3,47 %

1313. Restoring agricultural production potential damaged by natural disasters and introducing appropriate prevention instruments	20.686.544	0,84 %	4.085.053	0,66 %
1314. Financial engineering	332.562	0,01 %	19.374	0,00 %
1399. LEADER+	1.421.098.231	57,54 %	348.669.448	56,39 %
1318. Leader + National networks	6.160.045	0,25 %	1.382.136	0,22 %
1317. Leader + Transnational cooperation	25.457.484	1,03 %	433.903	0,07 %
1316. Leader + Inter-territorial cooperation	27.481.788	1,11 %	1.846.821	0,30 %
1315. Leader + LAG overhead and animation costs	418.375.656	16,94 %	128.627.825	20,80 %
14. Fisheries	**23.616.843**	**0,57 %**	**4.399.125**	**0,44 %**
14. Fisheries	749.685	3,17 %	99.157	2,25 %
141. Adjustment of the fishing effort	976.461	4,13 %	250.197	5,69 %
142. Renewal and modernisation of the fishing fleet	1.205.928	5,11 %	243.664	5,54 %
143. Processing, marketing and promoting of fisheries products	10.154.943	43,00 %	1.644.589	37,38 %
144. Aquaculture	2.681.673	11,35 %	434.841	9,88 %
145. Equipment of the fishing ports and protection of the coastal marine zones	1.205.928	5,11 %	243.664	5,54 %
146. Socio-economic measures (including aids to the temporary stopping and compensation for technical restrictions)	1.205.928	5,11 %	243.664	5,54 %
147. Actions by professionals (including vocational training, small coastal fishing)	953.388	4,04 %	243.639	5,54 %
148. Measures financed by other Structural Funds (ERDF, ESF)	4.482.907	18,98 %	995.710	22,63 %
15. Assisting large business organisations	**30.598.850**	**0,74 %**	**7.242.653**	**0,72 %**
15. Assisting large business organisations	4.700.367	15,36 %	883.114	12,19 %
151. Investment in physical capital (plant and equipment, co-financing of State aid)	3.710.241	12,13 %	813.509	11,23 %
152. Environment-friendly technologies, clean and economical energy technologies	10.411.363	34,03 %	2.613.460	36,08 %
153. Business advisory services (including internationalisation, exporting and environmental management, purchase of technology)	8.757.595	28,62 %	2.165.590	29,90 %
154. Services to stakeholders (health and safety, providing care for dependants)	2.927.804	9,57 %	716.700	9,90 %
155. Financial engineering	91.480	0,30 %	50.280	0,69 %
16. Assisting SMEs and the craft sector	**719.557.001**	**17,40 %**	**168.987.048**	**16,78 %**
16. Assisting SMEs and the craft sector	89.797.165	12,48 %	25.587.760	15,14 %
161. Investment in physical capital (plant and equipment, co-financing of State aid)	62.271.405	8,65 %	13.112.937	7,76 %
162. Environment-friendly technologies, clean and economical energy technologies	76.843.185	10,68 %	23.512.438	13,91 %
163. Business advisory services (information, business planning, consultancy services, marketing, management, design, internationalisation, exporting, environmental management, purchase of technology)	199.399.674	27,71 %	43.430.830	25,70 %
164. Shared business services (business estates, incubator units, stimulation, promotional services, networking, conferences, trade fairs)	140.763.581	19,56 %	30.911.500	18,29 %
165. Financial engineering	19.886.202	2,76 %	4.715.741	2,79 %
166. Services in support of the social economy (providing care for dependants, health and safety, cultural activities)	64.393.333	8,95 %	13.899.669	8,23 %

167. Vocational training	66.202.456	9,20 %	13.816.173	8,18 %
17. Tourism	**520.950.368**	**12,59 %**	**125.908.628**	**12,51 %**
17. Tourism	116.208.392	22,31 %	33.309.059	26,45 %
171. Physical investment (information centres, tourist accommodation, catering, facilities)	94.445.558	18,13 %	26.959.449	21,41 %
172. Non-physical investments (development and provision of tourist services, sporting, cultural and leisure activities, heritage)	161.059.927	30,92 %	32.234.811	25,60 %
173. Shared services for the tourism industry (including promotional activities, networking, conferences and trade fairs)	102.230.442	19,62 %	22.532.210	17,90 %
174. Vocational training	47.006.049	9,02 %	10.873.099	8,64 %
18. Research, technological development and innovation (RTDI)	**278.774.123**	**6,74 %**	**60.488.521**	**6,01 %**
18. Research, technological development and innovation (RTDI)	56.092.525	20,12 %	13.145.183	21,73 %
181. Research projects based in universities and research institutes	69.677.902	24,99 %	13.512.563	22,34 %
182. Innovation and technology transfers, establishment of networks and partnerships between businesses and/or research institutes	112.018.123	40,18 %	23.599.458	39,01 %
183. RTDI Infrastructure	31.553.536	11,32 %	8.607.324	14,23 %
184. Training for researchers	9.432.038	3,38 %	1.623.994	2,68 %
2. Human Resources	**3.455.977.516**	**29,83 %**	**986.834.027**	**32,62 %**
20. Human Resources	**230.959.912**	**6,68 %**	**61.288.459**	**6,21 %**
2. Human Resources	230.959.912	100,00 %	61.288.459	100,00 %
21. Labour market policy	**625.012.606**	**18,08 %**	**190.010.094**	**19,25 %**
21. Labour market policy	625.012.606	100,00 %	190.010.094	100,00 %
22. Social inclusion	**786.680.506**	**22,76 %**	**236.407.821**	**23,96 %**
22. Social inclusion	786.680.506	100,00 %	236.407.821	100,00 %
23. Developing educational and vocational training (persons, firms)	**486.289.170**	**14,07 %**	**119.067.208**	**12,07 %**
23. Developing educational and vocational training (persons, firms)	486.289.170	100,00 %	119.067.208	100,00 %
24. Workforce flexibility, entrepreneurial activity, innovation, information and communication technologies (persons, firms)	**902.300.172**	**26,11 %**	**264.946.927**	**26,85 %**
24. Workforce flexibility, entrepreneurial activity, innovation, information and communication technologies (persons, firms)	902.300.172	100,00 %	264.946.927	100,00 %
25. Positive labour market actions for women	**424.735.148**	**12,29 %**	**115.113.518**	**11,66 %**
25. Positive labour market actions for women	424.735.148	100,00 %	115.113.518	100,00 %
3. Basic Infrastructure	**2.494.456.857**	**21,53 %**	**711.029.785**	**23,50 %**
30. Basic Infrastructure	**915.495**	**0,04 %**	**162.600**	**0,02 %**
3. Basic Infrastructure	915.495	100,00 %	162.600	100,00 %
31. Transport infrastructure	**786.966.663**	**31,55 %**	**247.283.178**	**34,78 %**
31. Transport infrastructure	82.429.737	10,47 %	20.909.849	8,46 %
311. Rail	42.126.998	5,35 %	12.722.819	5,15 %
3121. National roads	57.015.296	7,24 %	11.726.021	4,74 %

3122. Regional/local roads	25.346.982	3,22 %	3.348.755	1,35 %
3123. Cycle tracks	19.234.039	2,44 %	4.383.070	1,77 %
312. Roads	192.915.118	24,51 %	66.481.846	26,88 %
313. Motorways	84.929.129	10,79 %	56.631.956	22,90 %
314. Airports	19.789.801	2,51 %	4.417.353	1,79 %
315. Ports	65.030.272	8,26 %	13.749.827	5,56 %
316. Waterways	46.062.670	5,85 %	13.058.729	5,28 %
317. Urban Transport	49.569.576	6,30 %	15.003.036	6,07 %
318. Multimodal Transport	56.635.688	7,20 %	15.246.606	6,17 %
319. Intelligent Transport Systems	45.881.358	5,83 %	9.603.312	3,88 %
32. Telecommunications infrastructure and information society	**536.398.229**	**21,50 %**	**144.770.548**	**20,36 %**
32. Telecommunications infrastructure and information society	76.475.594	14,26 %	16.218.845	11,20 %
321. Basic infrastructure	83.561.778	15,58 %	26.016.367	17,97 %
322. Information and Communication Technology (including security and safe transmission measures)	132.204.212	24,65 %	36.761.546	25,39 %
323. Services and applications for the citizen (health, administration, education)	144.765.501	26,99 %	40.249.408	27,80 %
324. Services and applications for SMEs (electronic commerce and transactions, education and training, networking)	99.391.145	18,53 %	25.524.382	17,63 %
33. Energy infrastructure (production, delivery)	**79.699.976**	**3,20 %**	**19.169.247**	**2,70 %**
33. Energy infrastructure (production, delivery)	2.832.325	3,55 %	648.761	3,38 %
331. Electricity, gas, petrol, solid fuel	8.708.714	10,93 %	2.527.071	13,18 %
332. Renewable sources of energy (solar power, wind power, hydro-electricity, biomass)	55.586.025	69,74 %	13.736.382	71,66 %
333. Energy efficiency, cogeneration, energy control	12.572.913	15,78 %	2.257.034	11,77 %
34. Environmental infrastructure (including water)	**246.604.607**	**9,89 %**	**58.530.408**	**8,23 %**
34. Environmental infrastructure (including water)	23.022.949	9,34 %	3.081.266	5,26 %
341. Air	11.311.537	4,59 %	2.019.665	3,45 %
342. Noise	8.195.070	3,32 %	1.626.822	2,78 %
343. Urban and industrial waste (including hospital and dangerous waste)	74.073.938	30,04 %	16.330.179	27,90 %
344. Drinking water (collection, storage, treatment and distribution)	74.857.698	30,36 %	24.660.614	42,13 %
345. Sewerage and purification	55.143.416	22,36 %	10.811.862	18,47 %
35. Planning and rehabilitation	**689.501.787**	**27,64 %**	**197.085.131**	**27,72 %**
35. Planning and rehabilitation	133.857.925	19,41 %	36.682.358	18,61 %
351. Upgrading and Rehabilitation of industrial and military sites	46.579.600	6,76 %	11.473.700	5,82 %
352. Rehabilitation of urban areas	274.284.779	39,78 %	102.434.436	51,97 %
353. Protection, improvement and regeneration of the natural environment	135.029.923	19,58 %	28.457.778	14,44 %

354. Maintenance and restoration of the cultural heritage	99.749.560	14,47 %	18.036.858	9,15 %
36. Social infrastructure and public health	**154.370.100**	**6,19 %**	**44.028.673**	**6,19 %**
36. Social infrastructure and public health	154.370.100	100,00 %	44.028.673	100,00 %
4. Miscellaneous	**1.498.310.321**	**12,93 %**	**320.430.101**	**10,59 %**
40. Miscellaneous	**1.119.982**	**0,07 %**	**468.348**	**0,15 %**
4. Miscellaneous	1.119.982	100,00 %	468.348	100,00 %
41. Technical assistance and innovative actions (ERDF, ESF, EAGGF, FIFG)	**1.434.856.462**	**95,76 %**	**301.161.321**	**93,99 %**
41. Technical assistance and innovative actions (ERDF, ESF, EAGGF, FIFG)	197.072.415	13,73 %	47.801.720	15,87 %
411. Preparation, implementation, monitoring, publicity	218.828.882	15,25 %	57.899.245	19,23 %
412. Evaluation	46.601.754	3,25 %	9.130.842	3,03 %
413. Studies	362.797.576	25,28 %	93.420.340	31,02 %
414. Innovative actions	474.285.828	33,05 %	60.256.863	20,01 %
415. Information to the public	135.270.007	9,43 %	32.652.311	10,84 %
49. Miscellaneous	**62.333.877**	**4,16 %**	**18.800.432**	**5,87 %**
499. Data not available	62.333.877	100,00 %	18.800.432	100,00 %

Source: DG REGIO database Infoview, situation as at mid-July 2005