



Mid-term reviews of Objectives 1 and 6

The Commission has recently adopted a report summarising the mid-term review results for structural programmes currently being implemented in regions lagging behind in their development (Objective 1) and in regions with a low population density (Objective 6). The report also analyses the role played by evaluation during these reviews and discusses the progress made in reducing inequalities in the assisted regions.

Such mid-term reviews of the programmes funded by the Structural Funds help to improve the quality of the programmes themselves as well as the management of the budget resources allocated to them. The review process concentrates mainly on the level of budget execution, an interim evaluation of programmes, any changes in the socio-economic and policy context in the Member States and an update of the priorities set by the European Union.

All in all, the amount of money reallocated has varied widely from one programme to another, but none of the adjustments have affected strategic priorities. The biggest changes have been made to the programmes for Hainaut (B) and Flevoland (NL): in proportional terms, 19% and 13% respectively. In Greece, Spain and Italy, the sums involved are large (EUR 400 to EUR 700 million) but they account for only 2-5% of total allocations.

Schemes reflecting Community priorities have been incorporated into several programmes during the mid-term review. Territorial employment pacts, for example, have been included in some Spanish, Greek and Italian programmes. Environmental protection has been

made a key selection criterion for projects in Finland and Sweden. Big efforts are also being made to help women gain access to business jobs, in particular in the Italian and Greek industrial programmes.

The report also stresses the importance of interim evaluation, with a view to examining the early results from the assistance provided and giving an indication at the half-way point of what progress has been achieved in terms of the targets originally set. Various examples of good practice have been picked out in advance of the next programming period, in order to improve programmes themselves and adjust the monitoring and evaluation methods used.

Main results of the evaluation

In terms of macroeconomic impact, current forecasts show that assistance from the Structural Funds is having a significant influence on levels of economic activity in the regions concerned. Additional GDP growth in 1999 is estimated at 5.1% in Spain, 4.8% in Greece, 4.4% in Portugal, 3.8% in Ireland, 3.2% in the new German Länder and 2% in the south of Italy.

Substantial progress has also been made in developing basic infrastructure in the Objective 1 regions: there have been improvements to four major trunk roads in Ireland, and the motorway link between Athens and Thessaloniki has been completed. In Portugal, the level of telephone provision in the population is likely to reach the average for the Union as a whole, and the digitisation of the network in the south of Italy will have caught up with the level in the rest of the country. In the area of diversifying energy supply, a new natural-gas distribution grid has been installed in Greece while the network in Portugal

is more than 50% completed. Water-supply systems have also been significantly improved wherever this was needed, especially in Greece where half of the population is now connected.

The report is available at the Inforegio website <<http://inforegio.cec.eu.int/mtr>> or can be requested by fax on: +32-2-296.60.03.

New ceilings on state aids to the regions

The Commission has set the maximum coverage of state aids for regional purposes in 2000-06 at 42.7% of the Union's population. New national ceilings have been communicated to the Member States so that they can forward their lists of designated areas by 31 March 1999 at the latest.

The new figure for the whole of the Union which the Commission has now set is 4% lower than the present ceiling. New national ceilings (see table opposite) have been determined on the basis of regional disparities in terms of income per head and rates of unemployment, seen in both the national and Community contexts. Aid up to these ceilings is deemed to be compatible with the Union's competition rules.

Regions with a per-capita GDP of 75% or less of the Community average will be automatically eligible to receive such aid within the ceiling set. In line with the Commission's proposals for the programming period from 2000 to 2006, these regions will also be eligible under the new Objective 1, which should improve the concentration of state aid on the poorest regions.

Other areas are to be proposed by the Member States on the basis of a coherent methodology, including subjective socio-economic criteria.

National "regional-aid maps" showing designated areas must be forwarded to the Commission by 31 March 1999 so that qualifying aid schemes can apply from 2000.

It is worth noting that state aid for regional purposes is allowed in regions where living standards are abnormally low or where there is serious underemployment (Article 92(3)(a) of the EC Treaty) and in other regions where such aid does not adversely affect trading conditions to an extent contrary to the common interest (Article 92(3)(c) of the Treaty). These exemptions enable Community competition policy to contribute to the goal of economic and social cohesion within the Union.

Country	National ceiling	Country	National ceiling
Belgium	30.9%	Luxembourg	32.0%
Denmark	17.1%	The Netherlands	15.0%
Germany	34.9%	Austria	27.5%
Greece	100.0%	Portugal	100.0%
Spain	79.2%	Finland	42.2%
France	36.7%	Sweden	15.9%
Ireland	100.0%	United Kingdom	28.7%
Italy	43.6%		

Cohesion and Transport

The Commission published a communication on 14 January 1999 on the subject of "Cohesion and Transport" (COM(1998) 806 final). This paper argues a series of specific proposals for improving synergy between the Union's transport and cohesion policies.

Since the completion of the single market, the development of transport infrastructure has been a major priority of the Union's assistance to its least-developed regions. Between 1994 and 1999, the ERDF will have devoted about EUR 15 billion to assisting transport infrastructure projects; furthermore, half of the 1993-99 budget of the Cohesion Fund (i.e. about EUR 8 billion) has been earmarked for projects involving the trans-European transport networks (TENs).

On the brink of the new programming period (2000-06), the Commission's recommendations are aimed especially at improving the impact of investment in transport on the economic and social development of the Union's regions and in the regions of the countries which will be qualifying for assistance from the new pre-accession structural instrument (ISPA).

This document is available at the Inforegio website <<http://inforegio.cec.eu.int/transport>> and on request by fax on: +32-2-296.60.03.



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