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Innovative schemes in 2000-06

On 12 July the Commission adopted draft guidelines for the new generation of innovative measures co-financed by the European Regional Development Fund (ERDF). These schemes are aimed in the first instance at improving the quality of programmes under Objectives 1 and 2 by supporting innovative avenues of development.

Structural Funds: rules on eligible expenditure

On 28 July the Commission adopted a Regulation detailing the expenditure which can be co-financed by the Structural Funds for certain measures included in many structural programmes. The Regulation sets out twelve eligibility rules designed to guarantee uniform and even-handed implementation of Structural Fund assistance. Operations that are not mentioned in this Regulation are covered in the Regulations specific to each Structural Fund and in the relevant national rules on government aid. The text of this Regulation is available in the eleven official languages on the Inforegio website <http://inforegio.cec.eu.int/wbdoc/docoffid/reglem_dep_en.htm> or can be requested by fax to +32 2 296 60 03.

The Guidelines for innovative measures are in line with the Community strategy agreed at the European Council held in Lisbon last March. They are designed to assist the regions of the Union with their adjustment to increased competition and rapid technological change.

Three themes have been proposed:

- Regional economies based on knowledge and technological innovation;
- The information society at the service of regional development (eEurope-regio);
- Regional identity and sustainable development.

The authorities of the regions eligible under Objectives 1 and 2 will be invited to send in programmes with development strategies and pilot projects in one or more of the proposed

thematic areas. The Commission will make a selection each year among these programmes, which will have a maximum two-year duration and receive between EUR 0.3 million and EUR 3 million in assistance, i.e. up to 80% of the total amount in Objective 1 regions and 50% of the total amount in Objective 2 areas.

The Commission will also be funding the creation of interregional networks to encourage the sharing of experience, including exchanges with the more developed regions.

The text of these Guidelines is available on the Inforegio website <<http://inforegio.cec.eu.int/innovating>> or on request by fax to: +32 2 296 60 03.

Better controls on structural spending

On 12 July the Commission presented two new draft Regulations aimed at reinforcing financial controls on the use of Structural Fund resources and setting out the financial corrections that can be applied.

The first draft Regulation defines the tasks that the paying authority for a structural programme has to complete before sending the Commission its certificates of expenditure in order to claim reimbursement. The provisions also specify the tasks of the inspectors in the Member States.

In the second draft Regulation, the Commission provides for machinery for recovering Structural Fund expenditure that has been badly managed or inadequately checked. Any significant irregularity would first incur the suspension of payments and then action to recover the sums paid out. Financial corrections in the event

of failures are detailed in a new set of draft guidelines. Recovery would involve between 5% and 100% of the assistance granted depending on the seriousness of the shortcoming.

These new measures are designed to achieve a substantial reduction in errors and inaccurate declarations compared with the past.

The texts of the two draft Regulations and the Commission's guidelines are available on the Inforegio website ('What's new' section) or on request by fax to: +32 2 296 60 03.

Objective 1 programming: state of progress

During July the Commission took a series of decisions of principle on development strategies and programmes under Objective 1 in 2000-06. It approved the Community support frameworks (CSFs) for Ireland, Northern Ireland, Spain and Greece. It also adopted single programming documents (SPDs) for the island of Réunion and the Highlands and Islands as well as 12 operational programmes implementing the CSF for Portugal that was signed on 30 March.

More detailed information about these documents can be found on the Inforegio website:
http://inforegio.cec.eu.int/wbnews/new_en.htm

Programming for Objective 1	EU contribution *
CSF for Ireland	3 172
CSF for Northern Ireland (degressive transitional assistance and Peace II Initiative)	1 315
CSF for Spain	39 186
CSF for Greece	22 710
SPD for Highlands and Islands (degressive transitional assistance)	308
SPD for Réunion	1 519
12 operational programmes (CSF Portugal)	13 203

* in million euro.

Italy: Objectives 1 and 2

In July the Commission adopted the final version of the development strategy under Objective 1 for the southern regions of Italy, to which the European Union will contribute EUR 21 600 million. The Community support framework for Italy will be implemented through seven regional and seven national programmes to be approved in the next few months.

In addition, the Commission gave its agreement in principle to the list of areas in Italy eligible under Objective 2 in 2000-06.

These areas have a population of more than 7.4 million and are located in 13 regions of central and northern Italy. Degressive transitional assistance is foreseen for areas eligible under Objectives 2 and 5(b) in 1994-99 which are no longer designated under the new Objective 2 in 2000-06.

The complete text of the Objective 1 CSF and the list of Objective 2 areas are available on the Inforegio website ('What's new' section) by fax request to +32 2 296 60 03

In brief

Three new maps for regional aid

In July the Commission adopted lists of regions in the Netherlands, the United Kingdom and Luxembourg where state aid for regional purposes is allowed. Businesses located in the designated areas may apply for government investment aid in 2000-2006. These lists also set the maximum intensity of aid permitted.

New publications

The Directorate-General for Regional Policy has just published two studies which aim to help in understanding life in the regions and to encourage their development. One describes innovative projects undertaken by local companies in the United Kingdom to boost employment. These local initiatives have contributed to reducing unemployment and combatting social exclusion.

The other study deals with the impact of economic and monetary Union in countries eligible under the Cohesion Fund. It focuses on the efforts made by these Member States to adjust to the convergence criteria and on the consequences of the loss of a variable exchange rate and the long-term effect of the decline in transaction costs.

Study 34 "Local enterprising localities: area-based employment initiatives in the United Kingdom" and Study 35 "The impact of economic and monetary Union on cohesion" are available in English on request from the information centre of the Regional Policy DG, fax: +32 2 296 60 03; e-mail: regio-info@cec.eu.int.



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