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New Objective 1 programmes for Ireland and Germany

The European Commission recently approved the programme for the German Land of Saxony-Anhalt and three programmes for Ireland. These programmes will implement the development strategies ("Community support frameworks") agreed last June and July respectively with the authorities of these two countries.

Ireland

The big new feature of assistance from the Structural Funds in Ireland between 2000 and 2006 is the introduction of region-based programmes. Two areas have been defined for this purpose: the Border, Midland and Western region and the Southern and Eastern region. The first is fully eligible under Objective 1 while the second will receive the transitional support that is to be given to regions whose GDP has recently risen above 75% of the Community average. The measures included in these two operational programmes are aimed at improving local infrastructure, developing local businesses, assisting agriculture and rural development, social rehabilitation and aid for childcare. Commissioner Michel Barnier signed these two programmes in Brussels on 27 November, in the presence of representatives from the managing authorities for both regions.

A national programme devoted to employment and human resources was adopted back in October. It is built around the four pillars of the European strategy for employment: employability, entrepreneurial spirit, adaptability and equal opportunities.

Four programmes remain to be approved, covering the consolidation of the peace process (PEACE II), economic and social infrastructure, the manufacturing sector and technical assistance.

Germany

The programme for Saxony-Anhalt is the second German programme under Objective 1 to be approved by the Commission, the first being the programme for Mecklenburg-Western Pomerania. Focused mainly on employment, the new programme provides for the creation of 12 300 lasting new jobs and 45 000 transitional ones, the safeguarding of 24 700 more and training for 140 000 people to prevent them losing employment. In addition, Saxony-Anhalt will also benefit from the three horizontal programmes for all the Länder coming under Objective 1, which cover transport infrastructure, human resources and the fishing industry.

Programme	Total cost*	Contribution of the Structural Funds*
Ireland		
Southern & Eastern	1 733	572
Border, Midland & Western	1 080	400
Employment and human resources	14 200	900
Germany		
Sachsen-Anhalt	8 700	3 354

* in million euro

For more information, please consult the "News" page on our Inforegio website: http://inforegio.cec.eu.int/wbnews/new_en.htm

Final agreement on development strategies under Objective 1 for Greece and Spain

Commissioner Michel Barnier signed the final decision approving the Community support framework for the twelve Spanish Objective 1 regions on 18 October, in the presence of Mr Cristóbal Montoro, Spain's Finance Minister. These regions will be receiving EUR 41 269 million from the Structural Funds during 2000-06 plus EUR 6 528 million from the Cohesion Fund.

The Community support framework for Greece was signed by Mr Barnier on 27 November in the presence of Mr Yannos Papantoniou, the Greek Economics Minister. The country will receive a Community contribution of EUR 22 710 million from the Structural Funds and EUR 3 300 million from the Cohesion Fund.

Proposals for programmes to implement the CSFs are currently under study by the Commission, which should approve them after talks with the relevant authorities in the two countries.

New Objective 2 programmes

Five operational programmes under Objective 2 were approved by the European Commission during November. These cover the south and east of Scotland, Gibraltar, and Salzburg and Vorarlberg in Austria.

The programme for Eastern Scotland will mainly support measures to develop small and medium-sized businesses that are innovative and competitive, to expand strategic business sites and sectors and to promote local economic development. In Southern Scotland, the programme provides for implementation of three strategic priorities:

Objective 2	Total cost*	Contribution of the Structural Funds*
United Kingdom		
Southern Scotland	172.8	73.1
Eastern Scotland	650.4	250.5
Gibraltar	19.5	8.4
Austria		
Salzburg	87.5	17.7
Voralberg	153.0	22.7

* in million euro

improving the competitiveness of businesses, developing competitive business locations and local economic development. The programme for Gibraltar is aimed, firstly, at assisting the diversification of the economy by creating new small businesses and helping existing small firms to develop their commercial activities and, secondly, at preserving the unique character of the environment and the cultural heritage of the peninsula.

The programme for Vorarlberg in Austria focuses on strengthening regional economic structures and on competitiveness, with particular emphasis on the working conditions of women. In the region of Salzburg, three priorities have been identified: infrastructure, encouraging innovation and research in manufacturing, and sustainable development (in particular exploiting renewable forms of energy).

For more detailed information, please consult the "News" page on the Inforegio website: http://inforegio.cec.eu.int/wbnews/new_en.htm.

New measures for the outermost regions

On 29 November the European Commission tabled new proposals for improving the support given by the European Union to the seven most remote regions of the Union (the four French overseas departments, the Canary Islands in Spain, the Azores and Madeira in Portugal). To stimulate the economies of these regions, the Commission is proposing that better account be taken of their specific handicaps in the Structural Fund regulations.

Several amendments to the basic texts of EU structural policy are being suggested*:

- raising the contribution of the Structural Funds towards investment in the small-business sector from 35% to 50% of eligible total volume;
- aligning Structural Fund assistance rates on a maximum of 85% of eligible total volume for all the outermost regions, whether or not they belong to Member States covered by the Cohesion Fund;
- raising the maximum level of public support under the European Agricultural Guidance and Guarantee Fund for investment on farms from 50% to 75% and for investment in processing and marketing of agricultural products from 50% to 65%, and extending Community funding to forests owned by local authorities.
- increasing some assistance rates under the Financial Instrument for Fisheries Guidance (FIFG) to support structural measures in the fishing industry.

The Commission is also proposing improvements to the aid for traditional products in agriculture by making several changes to the specific-option programmes that exist to compensate for the remoteness and island location of the outermost regions.

It will now be up to the Council, together with the European Parliament, the Committee of the Regions and the Economic and Social Committee, to evaluate these proposals.

* COM (2000) 774.

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