



Enlargement and Regional Policy

The current negotiations on enlarging the European Union to include Austria, Finland, Norway and Sweden have led to an agreement on structural funding and regional policy.

Under this agreement, the Austrian region of Burgenland (with 269,000 inhabitants) will be incorporated into Objective 1 (regions where development is lagging behind). It will receive 184 MECU (in 1995 prices) for the period 1995-99, a level of aid per capita close to the average for Objective 1 regions, except in countries which benefit from the Cohesion Fund (Spain, Greece, Ireland and Portugal).

A new Objective 6 has been agreed for Arctic regions which are particularly sparsely populated (less than 8 inhabitants per square

kilometre). This Objective will cover 17% of the Finnish population, 14% of the Norwegian population and 5% of the Swedish population. The total structural funding budget for these regions will amount to 1,109 MECU for the period 1995-99. This will allow a considerably higher level of aid per capita than in Objective 2 (areas in industrial decline) and 5b (rural development) regions, but some 17% below the average for Objective 1 regions, except in Cohesion countries.

Finally, for Objectives 2 and 5b, the Commission is studying proposals for eligible regions in close consultation with the four new potential members. The Commission will take decisions on how to implement the Objectives in time to allow them to come into force as soon as the countries join.

Structural Funds 1995-1999 (in MECU, 1995 prices)	Obj. 1	Obj. 2 et 5b	Obj. 6	TOTAL
Austria	184	1 439	/	1 623
Finland	/	1 193	511	1 704
Norway	/	769	368	1 137
Sweden	/	1 190	230	1 420
Total	184	4 591	1 109	5 884

Objective 5a (Agriculture and Fisheries)

On 2 March 1994, the European Commission fixed the share-out between eligible Member States of most of the financing for structural actions under Objective 5a (adaptation of agricultural and fisheries structures) under the EAGGF-Guidance Section (European Agricultural Guidance Fund) and FIFG (Financial Instrument for Fisheries Guidance).

This share-out covers all the Community's territory, except for the regions eligible under Objective 1, in which such actions are covered by their own regional development plans.

Objective 5a 1994-99 (in MECU)	Agriculture (EAGGF-Guidance)	Fisheries (FIFG)
Belgium	170	21,6
Denmark	127	135,5
Germany	1 068	65,8
Spain	326	105,6
France	1 742	170,7
Italy	680	118,6
Luxembourg	39	1,0
Netherlands	118	41,2
United Kingdom	361	78,3
TOTAL	4 631	738,3

Community Initiatives: PME, Urban and the Portuguese Textile Industry

The previous issue of INFOREGIO NEWS presented all the Community Initiatives to be financed by the Structural Funds between 1994 and 1999. This issue now gives extra information on three of the new Community Initiatives: PME, Urban and the Portuguese Textile Industry Initiative.

- The PME Initiative aims to help small and medium-sized enterprises, especially in Objective 1 regions (regions where development is lagging behind), to adapt to the Single Market and to become competitive on an international scale.

To ensure the effectiveness of the Initiative, it will concentrate on seven priority areas:

- improvement of production and organisation systems (total quality, technological innovation, telecommunications, etc.).
- due regard for the environment and rational use of energy.
- strengthening cooperation between research centres and SMEs.
- access to new public and private sector markets in the Community and beyond.
- developing cooperation and networks between SMEs and principals, sub-contractors and clients.
- improving professional qualifications within SMEs.
- helping SMEs gain access to financing and loans.

Structural funding for this Initiative totals 1,000 MECU, of which 800 MECU will be allocated to Objective 1 regions.

- The URBAN Initiative aims to offer Community support through loans or grants to integrated programmes aimed at

tackling economic, social and environmental problems in struggling urban areas.

The target zones have high levels of unemployment, a run-down urban fabric, poor housing conditions and a lack of social facilities, and are located within cities of more than 100,000 inhabitants.

Choices will have to be made among the 350 or 400 cities of this size in the Community, as there will be a maximum of 50 individual projects. In exceptional cases, smaller cities, or cities outside eligible areas, could be considered.

Some 600 MECU of structural funding will be available for this Initiative, of which 400 MECU will be allocated to cities in Objective 1 regions.

- Finally, the Portuguese Textile Industry Initiative gives concrete form to the decision of the Council of Ministers of 15 December 1993 to make an exceptional allocation of 400 MECU to this country following the outcome of the Uruguay Round in the textile sector, and bearing in mind the special and, indeed, essential nature of this sector in Portugal.

The proposed Community Initiative puts special emphasis on improving know-how, exchanging experience and promoting cooperation between companies. Through support for existing aid schemes or the improvement of access to risk capital and subsidised and/or guaranteed loans, this Initiative will also promote modernisation of production equipment. However, the Commission and the Portuguese authorities will ensure that this modernisation will not lead to an increase in production capacity.

Forthcoming events

Committee of the Regions

At its inaugural meeting on 9-10 March, the Committee of the Regions selected its first bureau. It elected Jacques Blanc (Vice-President of the Languedoc-Roussillon Regional Council) as President, and Pascal Maragall (Mayor of Barcelona) as Vice-President.

The next plenary session of the Committee of the Regions will take place on 5-6 April. Its main aim will be to adopt the internal rules of procedure of the Committee and to approve its opinion on the Cohesion Fund Regulation.

Europartenariat

Since 1988, Europartenariat meetings have helped thousands of SMEs from a wide range of countries to form business links with their counterparts in the disadvantaged regions of the Community. Two meetings are planned for 1994. On 9-10 June, Europartenariat will for the first time be held outside the EC in Gdansk, where 400 host SMEs have been selected from a variety of Polish regions. And on 21-22 November, in Bilbao, Europartenariat Cornisa Atlantica (Atlantic Front) will bring together around 500 host SMEs from seven Spanish regions: the Basque Country, Navarre, La Rioja, Aragon, Cantabria, Asturias and Galicia.



European Commission
Directorate-General for Regional Policies