



The New Structural Fund Regulations: Current Debates

IQ-Net Thematic Paper 4(1)

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***IQ-Net
Improving the Quality of Structural Fund
Programming through Exchange of
Experience***

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Preface

IQ-Net: Networking to improve the quality of Objective 2 programmes

Launched in early 1996 and managed by the *European Policies Research Centre* (EPRC) at the University of Strathclyde in Glasgow, the network *IQ-Net* facilitates exchange of experience in the development, implementation and evaluation of Objective 2 programmes. Funded by a consortium of 13 Objective 2 areas and the European Commission (DG XVI), the network meets twice a year to examine issues of practical relevance to programme-makers and share examples of good, innovative and distinctive practice from across the EU. The first four meetings were held in Glasgow, in association with Strathclyde European Partnership (February 1996), in Cardiff, hosted by the Welsh Office and Welsh Development Agency (September 1996), in Gelsenkirchen, Nordrhein Westfalen, hosted by the Land Government of Nordrhein Westfalen (April 1997), and in Fyrstad, hosted by the Fyrstad Objective 2 secretariat. The fifth and most recent meeting was held in Bordeaux and hosted by the Aquitaine SGAR and regional council. Meetings provide the opportunity to discuss the results of a structured programme of applied research and debate, steered by the network's partner regions:

- Steiermark and Niederösterreich, Austria
- Nordjylland, Denmark
- Päijät-Häme and South Karelia, Finland
- Aquitaine and Rhône Alpes, France
- Nordrhein Westfalen and Saarland, Germany
- Ångermanlandskusten and Fyrstad, Sweden
- Industrial South Wales and Western Scotland, UK

IQ-Net Thematic Papers

This document contains the fourth series of thematic papers, produced by EPRC in spring 1998 as part of *IQ-Net*'s applied research programme:

- 4.1: The new Structural Fund Regulations - current Debates
- 4.2: Employment and the Structural Funds: Making a good Job of making Jobs
- 4.3: Thinking strategically - RTD and Objective 2 Programmes
- 4.4: Objective 2 Programming in Aquitaine, France

It supplements the following previous *IQ-Net* papers:

- 1.1: Managing the Structural Funds, Institutionalising Good Practice
- 1.2: RTD/Innovation policies in Objective 2 programmes
- 1.3: Generating Good Projects
- 1.4: Monitoring and Evaluation
- 2.1: Interim Evaluation
- 2.2: Synergy between the ERDF and ESF
- 2.3: The Environment in Objective 2
- 2.4: The Nordrhein Westfalen Objective 2 Programme
- 3.1: The Evolution of Objective 2 Programmes
- 3.2: Integrating Equal Opportunities into Objective 2 Programmes
- 3.3: Meso-Level Partnerships and Structural Fund Implementation
- 3.4: Objective 2 Programming in Fyrstad, Sweden

Focusing on topics selected by the network's partner regions, each paper places issues in their international context, raises questions for debate and highlights distinctive and innovative

practices. For the convenience of readers, executive summaries are included in French, German and English.

Papers are first drafted on the basis of field research (encompassing interviews with Objective 2 programme managers and partners at regional, Member State and Commission levels) and substantial desk research. They are then modified to reflect the discussions of the *IQ-Net* meeting and the comments of network sponsors. The papers are distributed to a wide group of people nominated by the sponsors. The EPRC welcomes comment and feedback on them.

Readers are reminded that the content of the papers does not necessarily represent the official position of either the partner regions or the Commission, and that errors of fact or interpretation are the responsibility of the authors alone.

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Translations were carried out by Ingrid Schumacher (German) and Christelle Promé-McKeegan (French).

Further Information

Additional copies of papers and further information on *IQ-Net* can be obtained from John Bachtler and Sandra Taylor, managers of the network, at EPRC. The December 1996, June 1997, January 1998 and September 1998 editions of '*IQ-Net Bulletin*', a newsletter co-financed by DG XVI and available from EPRC, contain synopses of the papers.

The New Structural Fund Regulations – Current Debates

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Executive Summaries

*The New Structural Fund Regulations –
Current Debates*

*Les Nouveaux Règlements sur les Fonds Structurels -
Débats Actuels*

Die Neuen Strukturfondsvorschriften

1. THE NEW STRUCTURAL FUND REGULATIONS - CURRENT DEBATES

1.1 Introduction

The publication of the new regulations in March 1998 marks a further stage in the reform of the Structural Funds. Many of the key strategic issues have been put on 'hold' pending the outcome of the German elections. Nevertheless the detailed proposals for area designation enable technical work on the indicators and criteria to continue and the potential national and regional impacts to be assessed. This summary paper provides a brief overview of the political perspectives of the Member States at this stage in the reform process, highlighting the implications of the area designation proposals for Objective 2 regions, the Commission's advocacy of 'map coherence' and some of the key programming issues in the new regulations.

1.2 The new Structural Fund Regulations

The new draft Structural Fund and Cohesion Fund Regulations were presented by the Commission on 18 March 1998. Apart from a few last minute additions in response to intensive Member State lobbying (notably the "safety net" provision for Objective 2 and 5b areas), much of the content was as expected. Key new proposals for the 2000-2006 period include reduction of the priority Objectives from seven to three, two of which are spatially defined. All regions will be reassessed to determine whether or not they qualify under the new Objectives 1 and 2, with transitional arrangements assisting areas losing eligibility. Amendments have also been proposed to the operation of programming, supervision and monitoring of programmes, eligible measures, financial management and control and evaluation.

Major decisions on budgetary allocations, spatial coverage etc will not be taken until after the German elections on 27 September 1998. A possible scenario is a special Council under the German presidency in Spring 1999, but if the budget and regulations are not agreed and adopted before 1 April 1999, the European Parliament elections could delay finalisation of the decision-making until the Finnish Presidency at the end of 1999.

1.3 Political Perspectives of the Member States

Reactions to the proposed new regulations are still tentative and driven largely by the views of national authorities. However, interview research across several EU countries suggests the following perspectives. First, on the budgetary issue, the main 'fault line' is between the net payers and net recipients of EU structural and cohesion policies. Most of the net payers regard the figure of 0.46 percent of EU GDP as the absolute ceiling on future structural policy expenditure, which is not accepted by the cohesion countries, concerned about the future impact of enlargement.

Second, there are contradictions in the approach to spatial coverage. Many of the net payers support geographical concentration at EU level but are wary of the impact of cutbacks within their own countries and the potentially damaging competition for eligibility between regions. The increased intensity

of assistance implied could also pose absorption problems. A further issue is the proposed coherence between national and EU designated areas.

Third, the reorganisation of Objectives has generally been accepted, although more rationalisation of the Community Initiatives would be favoured. The question of the Cohesion Fund has also not been finally settled. Lastly, attention has switched to the reform proposals with respect to programming. The proposals respond to several Member States' concerns for a more simplified and decentralised system, but some aspects appear to increase the role of the Commission and introduce greater complexity.

1.4 Area Designation and Objective 2

1.4.1 Designation of EU Assisted Areas

The starting point for Objective 2 regions assessing the implications of the new regulations is the likely coverage of Objective 1 in each Member State. While the regulations restate the intention to apply the designation criteria strictly, there is a widespread assumption that there will be flexibility in interpretation for regions which are at the margin of the 75 percent cut-off point. Designation is complicated by the secondary criterion of population density for former Objective 6 regions and the treatment of de-designated Objective 1 areas.

Debate over the designation of the new Objective 2 areas is taking place at three levels. First, there are reservations about the EC approach to the designation process, focusing on the more sophisticated designation systems used by some countries for selecting their national regional aid areas, as well as awareness of the internal political sensitivities associated with (de)designation.

Second, many Member States are critical of the focus on (un)employment as the main criteria proposed for Objective 2. Several countries advocate the use of national GDP per capita as an indicator for establishing the population ceilings for national Objective 2 shares. The choice of reference years as well as the limited availability and reliability of up-to-date, EU-wide data at the NUTS III level also raise questions. The third area of debate concerns the specific criteria of national interest for Objective 2 and most Member States are engaged in internal review processes assess the most appropriate criteria.

The potential impact of the proposed new designation criteria is difficult to assess. Currently, just over one quarter of the EU's population are in Objective 2 and 5b areas, a figure which is to be reduced to 18 percent from 2000 onwards. Virtually all of the non-cohesion Member States have at least one-fifth of their national populations currently covered under the two Objectives. While the 'safety net' provision would provide a 'floor' for countries like the Netherlands which might otherwise have no coverage or be subject to severe cutbacks, it still indicates a maximum potential reduction of between 11 and 14 percentage points for Austria, Finland, France, Luxembourg and the United Kingdom. Clearly these are projected baseline figures and individual Member States may be allocated higher levels of new Objective 2 coverage on the basis of either statistical or political considerations.

1.4.2 Coherence between EU and national Aid Areas

The review of EU assisted areas cannot be considered in isolation. Agenda 2000 and the proposed regulations advocate coherence between designated Structural Fund areas and the national aid areas approved by the European Commission. In effect, the proposals subordinate the areas selected for EU Objective 2 support by the Member States (and the criteria with which they are selected) to the national aid areas and designation systems approved by DGIV.

Under the new Guidelines on National Regional Aid published by the Commission in March 1998 the overall coverage of national assisted areas would be reduced from 46.9 to 42.7 percent of the Community population, the definition of Article 92(3)(a) would be aligned with Objective 1 which in turn determines the coverage of Article 92(3)(c) and thereby Objective 2 coverage, and national quotas would be determined for Article 92(3)(c), within which Member States could designate areas subject to approved area designation methodologies.

Internal EPRC calculations reveal that, in most cases, there are significant differences in the population coverage between EU and national aid maps, differences which exceed 8-10 percent for some countries. Table 1.2 in the longer paper indicates how the Commission's envisaged reduction of the national aid areas from 46.9 to 42.7 percent of the EU population could affect individual Member States. For most countries, the coverage of national aid areas would fall, with the notable exceptions of Belgium and Finland. The table also indicates the possible scale of Objective 1 cutbacks and the potential implications for the new Objective 2 shares of individual countries.

This exercise highlights several other important issues. First, the requirement that the maps should be coherent across all Member States is questionable. While for some countries closer coherence between Structural Fund and national aid maps may not be problematic, the situation is different for other Member States where the rationale for national and EU regional policy are very different, or where there is a significant difference between Structural Fund and national aid coverage.

Second, there are reservations about the methods through which coherence is being pursued. The designation of assisted areas under the Structural Funds involves different criteria to those used by DGIV for approving national aid maps, yet it is expected that the exercises produce consistent maps.

Third, the practicalities of the Commission's approach to coherence are doubtful. The Commission anticipates that the two designation exercises will be undertaken in parallel with a view to the two new maps entering into force on 1 January 2000. Apart from the technical complexities of the two exercises, the increasingly compressed timetable for agreeing budgets and spatial coverage for the Structural Funds suggest a severe danger of political and policy overload. Several of the issues in the new Guidelines are likely to be resolved only at the highest political levels. Nevertheless if coherence is followed through, and the Structural Fund areas become a subset of national aid areas, then the eligibility of Objective 2 areas will depend as much on the decisions made by national (rather than EU) policymakers.

1.5 Programming Issues

The new regulations respond to many of the concerns expressed by Member State authorities and programme managers regarding the complexity of programming and the ‘excessive’ operational level involvement of Commission services. Although the Commission is proposing to withdraw from detailed involvement in programme implementation, it is reinforcing its influence in several areas. First, the Commission is planning to present the Community’s priorities for each Objective immediately after the adoption of the regulations and supervise compliance. This has given rise to concerns at a potentially dirigiste approach to programming, imposing standardised priorities with insufficient regard to the policy context or priorities of Member States and regions.

Second, supervision and monitoring arrangements lay down requirements for a single managing authority for each programme, and although this could improve programme management arrangements in many regions, there is concern at the degree to which the managing authority will effectively be the Commission’s agent in the regions. In addition, the regulations specify the requirements for partnership at every stage of programming, regardless of the orientation of the programme or established institutional structures.

Third, the mechanisms for financial control, monitoring and evaluation have been strengthened. The biggest innovation is the proposed performance reserve scheme, which, from the viewpoint of most national and regional authorities, is considered unworkable or undesirable. Comparison between programmes of different size, type and orientation across regions - and certainly between Member States - will be fraught with methodological difficulties and could stifle innovation and experimentation. It will also change the character of the mid-term evaluation and inhibit a transparent presentation of programme progress.

2. LES NOUVEAUX RÈGLEMENTS SUR LES FONDS STRUCTURELS -DÉBATS ACTUELS

2.1 Introduction

La publication des nouveaux règlements en mars 1998 marque une nouvelle étape dans la réforme des Fonds Structurels. Un certain nombre de points stratégiques clés ont été mis en suspend en attendant le résultat des élections allemandes. Toutefois, les propositions détaillées sur la désignation des zones éligibles permet de continuer le travail technique sur les indicateurs et les critères de sélection et permet également d'évaluer les impacts potentiels au niveau national et régional. Ce résumé offre une rapide vue d'ensemble des perspectives politiques des États Membres à ce stade du processus de réforme et met en lumière premièrement les conséquences possibles des propositions concernant la désignation des zones éligibles pour les régions d'Objectif 2, deuxièmement la demande de la Commission d'une carte cohérente et troisièmement les points clés des nouveaux règlements pour ce qui concerne la programmation.

2.2 Les nouveaux Règlements des Fonds Structurels

Les nouveaux règlements pour les Fonds Structurels et le Fonds de Cohésion ont été présentés par la Commission le 18 mars 1998. Mis à part quelques adjonctions de dernières minutes en réponse au lobbying intense des États Membres (en particulier la disposition relative au "safety net" pour les zones des Objectifs 2 et 5b), le contenu ne contient pas de surprise. La réduction du nombre d'objectifs prioritaires de sept à trois, parmi lesquels deux sont géographiques figure parmi les nouvelles propositions clés. Toutes les régions seront réévaluées afin de déterminer si elles sont éligibles aux nouveaux Objectifs 1 et 2. Une période de transition est prévue pour les régions qui ne seraient plus éligibles. Certaines modifications qui concernent le système de programmation, le contrôle et le suivi des programmes, les mesures éligibles, la gestion financière et l'évaluation ont également été proposées.

Les décisions importantes portant par exemple sur les allocations budgétaires et sur la couverture géographique ne seront prises qu'après les élections allemandes du 27 septembre 1998. Il est envisageable qu'un Conseil extraordinaire ait lieu sous la présidence allemande durant le printemps 1999, mais si le budget et les règlements ne sont pas adoptés avant le 1er avril 1999, les élections du Parlement Européen pourrait retarder la mise au point de la prise de décision jusqu'à la présidence finlandaise à la fin de 1999.

2.3 Perspectives Politiques des États Membres

Les réactions aux propositions de nouveaux règlements sont encore timides et largement motivées par les positions des autorités nationales. Cependant, des recherches dans plusieurs États membres révèlent les perspectives suivantes. Premièrement, sur la question budgétaire, le point de discord principal réside entre les payeurs nets et les bénéficiaires nets des politiques structurelles et de cohésion. La plupart des payeurs net considère 0.46 pour-cent du PNB de l'Union comme étant le plafond absolu pour les prochaines dépenses de la politique structurelle mais ce chiffre n'est pas accepté par les États membres

qui bénéficient du Fonds de Cohésion qui s'inquiètent de l'impact à venir de l'élargissement de l'Union.

Deuxièmement, il existe des contradictions dans l'approche de la couverture géographique. Un nombre important de payeurs net sont en faveur du principe de concentration géographique au niveau européen mais sont plus prudents quant à l'impact d'une réduction géographique dans leur propre pays et sur l'éventuelle néfaste mise en concurrence des régions pour leur éligibilité. L'intensité accrue de l'assistance induite pourrait aussi poser des problèmes d'absorption. Un autre problème est celui de la cohérence entre les zones éligibles au niveau national et celles éligibles au niveau communautaire.

Troisièmement, bien que la réorganisation des Objectifs ait été bien acceptée, une rationalisation plus radicale des Initiatives Communautaires était souhaitable. La question du Fonds de Cohésion n'a pas non plus été définitivement résolue. Enfin, l'attention s'est portée sur les propositions de réforme de la programmation. Les propositions répondent aux demandes de certains États membres pour un système plus simplifié et plus décentralisé mais certains aspects semblent augmenter le rôle joué par la Commission et semblent introduire une plus grande complexité.

2.4 Designation des Zones Éligibles et Objectif 2

2.4.1 Designation des Zones Éligibles au Niveau Communautaire

Le point de départ pour les régions d'Objectif 2 qui cherchent à évaluer les conséquences des nouveaux règlements est la couverture vraisemblable de l'Objectif 1 dans chaque État membre. Bien que les règlements réaffirment l'intention d'appliquer strictement les critères de sélection, il est généralement accepté qu'une interprétation souple aura lieu pour les régions qui sont à la limite des 75 pour cent. La désignation est compliquée par le critère secondaire de la densité de population pour les anciennes régions d'Objectif 6 et le traitement des zones d'Objectif 1 qui ne sont plus désignées en tant que telles.

Deuxièmement, les États Membres critiquent l'importance donnée à l'emploi comme critère principal proposé pour l'éligibilité à l'Objectif 2. Plusieurs pays prouvent l'utilisation du PNB par habitant au niveau national comme indicateur pour établir les plafonds de population pour la répartition de l'Objectif 2 entre états. Le choix de l'année de référence ainsi que le manque de données fiables pour toute l'Union au niveau NUTS III soulèvent aussi des problèmes. Le troisième domaine qui pose problème concerne les critères spécifiques d'intérêt national pour l'Objectif 2 et la plupart des États Membres procèdent à l'heure actuelle à une révision interne afin de déterminer les critères les plus appropriés.

L'impact possible des nouveaux critères proposés pour la désignation est difficile à prévoir. A l'heure actuelle, un peu plus d'un quart de la population de l'Union est situé dans des zones d'Objectifs 2 et 5b. Ce chiffre doit être réduit à 18 pour-cent à partir de l'an 2000. A l'heure actuelle, pratiquement tous les États Membres qui ne bénéficient pas du Fonds de Cohésion ont un cinquième de leur population couverte par les deux Objectifs. Bien que la clause de sécurité devrait offrir une garantie aux états tels que les Pays-Bas qui

autrement n'auraient plus de couverture ou souffriraient de sérieuses réductions, il y aurait tout de même une réduction possible de 11 à 14 pour cent maximum pour l'Autriche, la Finlande, La France, le Luxembourg et le Royaume Uni. Ceci ne sont que des prévisions pour les chiffres de base et les États Membres pourront se voir allouer des niveaux plus élevés de couverture pour l'Objectif 2 sur la base de considérations statistiques ou politiques.

2.4.2 *Cohérence entre les Zones Éligibles au Niveau national et au Niveau Européen*

La révision des zones éligibles au niveau européen ne peut être considérée isolément. Agenda 2000 et les propositions de règlements prouvent la cohérence entre les zones éligibles aux Fonds Structurels et les zones désignées par la Commission européenne comme éligibles au niveau national. En fait, les propositions subordonnent les zones sélectionnées par les États Membres pour assistance par les Fonds Structurels dans le cadre de l'Objectif 2 (et les critères selon lesquels elles sont sélectionnées) aux zones assistées au niveau national et aux systèmes de désignation approuvés par la DG IV.

Selon les nouvelles Lignes Directrices des Aides à Finalité Régionale publiées par la Commission en mars 1998, la couverture des zones assistées au niveau national serait réduite de 46,9 à 42,7 pour cent de la population de l'Union, la définition de l'article 92-3a serait alignée sur l'Objectif 1 qui, à son tour, détermine la couverture de l'article 92-3c et dès lors la couverture de l'Objectif 2. De plus, des quotas nationaux seraient déterminés pour l'article 92-3c dans la limite desquels les États Membres pourraient désigner des zones selon les méthodes acceptées pour la désignation de zones éligibles.

Des calculs effectués par l'EPRC révèlent que, dans la plupart des cas, il existe des différences sensibles de couverture de population entre les cartes pour l'assistance au niveau européen et celles pour l'assistance au niveau national, différences qui excèdent 8 à 10 pour cent pour certains États Membres. Le tableau 1.2 qui se trouve dans la version intégrale de cet article indique comment la proposition de la Commission de réduire de 46,9 à 42,7 pour cent les zones aidées nationales pourrait affecter les États Membres. Pour la plupart des états, la couverture des zones aidées nationales chuterait, excepté pour la Belgique et la Finlande. Le tableau indique également l'ampleur éventuelle de la réduction de l'Objectif 1 et les conséquences possibles pour la nouvelle répartition entre États Membres de l'Objectif 2.

Cet exercice souligne plusieurs autres points importants. Premièrement, il est possible de mettre en question l'exigence que les cartes soient cohérentes entre tous les États Membres. Si pour certains états une cohérence plus étroite entre la carte des Fonds Structurels et celle pour l'assistance nationale ne pose pas de problème, la situation est différente pour d'autres États Membres pour lesquels la logique des deux politiques régionales est très différente, ou pour lesquels il existe une grande différence entre la couverture des Fonds Structurels et celle de l'aide nationale.

Deuxièmement, il existe des réserves quant aux méthodes utilisées pour assurer cette cohérence. La désignation de zones éligibles aux Fonds Structurels impliquent des critères différents de ceux utilisés par la DG IV

pour approuver les cartes d'aides nationales, toutefois il est attendu que les deux exercices produisent des cartes cohérentes l'une avec l'autre.

Troisièmement, il est permis de douter des aspects pratiques de l'approche de la Commission en ce qui concerne cette cohérence. La Commission anticipe que les deux exercices de désignation seront entrepris en parallèle afin que les deux nouvelles cartes entrent en vigueur au 1er janvier 2000. Mises à part les difficultés techniques de ces deux exercices, la réduction croissante du temps imparti pour approuver les budgets et la couverture spatiale des Fonds Structurels suggère un sérieux danger de surcharges politiques. Plusieurs points contenus dans les nouvelles Lignes Directrices ne pourront être résolus qu'à un niveau politique très élevé. Toutefois si la cohérence est suivie et les zones de Fonds Structurels deviennent un sous-groupe des zones assistées au niveau national alors l'éligibilité des zones d'Objectif 2 dépendra autant des décisions prises par les instances nationales que par les instances européennes.

2.5 La Programmation

Les nouveaux règlements répondent aux inquiétudes exprimées par les autorités des États Membres et les responsables des programmes quant à la complexité de la programmation et à l'implication 'excessive' des services de la Commission au niveau opérationnel. Bien que la Commission propose de ne plus intervenir au stade de la mise en oeuvre, elle renforce son influence dans d'autres domaines. Premièrement, la Commission envisage de présenter les priorités de l'Union pour chaque Objectif immédiatement après l'adoption des règlements et d'en assurer le respect. Certains s'inquiètent que cela résulte en une approche dirigiste de la programmation, car la Commission imposerait des priorités standardisées qui ne porteraient pas suffisamment attention au contexte politique ou aux priorités des États Membres et des régions.

Deuxièmement, les dispositions pour la responsabilité du programme et le suivi stipulent que chaque programme serait dirigé par une autorité unique, et bien que ceci puisse améliorer les dispositions pour la direction de programme dans les régions, il est possible de se demander si l'autorité chargée du programme ne deviendrait pas en fait un agent de la Commission dans les régions. De plus, les règlements précisent les dispositions pour la mise en oeuvre du partenariat à chaque étape de la programmation, sans se soucier de l'orientation du programme ou des structures institutionnelles existantes dans les États Membres et les régions.

Troisièmement, les mécanismes de contrôle financier, de suivi et d'évaluation ont été renforcés. La plus grande innovation est la proposition d'une réserve liée à la performance, qui, selon la plupart des autorités nationales et régionales, n'est pas souhaitable et ne fonctionnera pas. Des comparaisons entre des programmes de tailles différentes, de types différents et avec des orientations différentes d'une région à l'autre - et à raison de plus entre États Membres - seraient alourdies par des difficultés méthodologiques et pourraient freiner l'innovation et l'expérimentation. Cela changerait aussi la nature de l'évaluation intermédiaire et ne permettrait pas une présentation transparente des progrès de la mise en oeuvre des programmes.

3. DIE NEUEN STRUKTURFONDSVORSCHRIFTEN

3.1 Einführung

Die Veröffentlichung der neuen Vorschriften im März 1998 markiert eine weitere Phase in der Reform der Strukturfonds. Viele der wichtigsten strategischen Fragen sind in Erwartung der Ergebnisse der deutschen Wahlen erst einmal zurückgestellt worden. Nichtsdestoweniger können aufgrund der ausführlichen Vorschläge zur Gebietsabgrenzung die Arbeit an den Indikatoren und Kriterien fortgesetzt und die potentiellen nationalen und internationalen Wirkungen beurteilt werden. Diese zusammenfassende Arbeit gibt einen kurzen Überblick über die politischen Perspektiven der Mitgliedstaaten in diesem Stadium des Reformprozesses, durch Beleuchtung der Implikationen der Vorschläge zur Gebietsabgrenzung für Ziel 2 Regionen, der Befürwortung der Kohärenz der Karten, sowie einiger wichtiger Programmenthemen in den neuen Vorschriften.

3.2 Die neuen Strukturfonds-Vorschriften

Die neuen Vorschriftenentwürfe für Struktur- und Kohäsionfonds wurden von der Kommission am 18. März 1998 vorgelegt. Abgesehen von Zusätzen, die in letzter Minute auf intensives Lobbying der Mitgliedstaaten hinzugenommen wurden (vor allem der "Sicherungsmechanismus" für Ziel 2 und 5b Gebiete) entsprach der Großteil des Inhalts den Erwartungen. Zu den wichtigsten neuen Vorschlägen für den Zeitraum 2000-2006 gehören Reduzierung der Ziele von sieben auf drei, von denen zwei räumlich definiert sind. Alle Regionen sollen neu bewertet werden, um ihre Förderungsfähigkeit nach den neuen Zielen 1 und 2 festzustellen, wobei für Gebiete, die ihren Förderungsstatus verlieren, Übergangsregelungen vorgesehen sind. Änderungen wurden auch vorgeschlagen bezüglich der Abwicklung der Programmerstellung, des Monitorings und Begleitung der Programme, förderfähiger Maßnahmen, finanziellem Management sowie Kontrolle und Evaluierung.

Größere Entscheidungen über Etatzuweisungen, Gebietsumfang usw. werden erst nach den deutschen Wahlen am 27. September 1998 getroffen werden. Ein mögliches Szenario ist ein Sonderrat unter deutschem Vorsitz in Frühjahr 1999, doch wenn Etat und Vorschriften nicht vor dem 1. April 1999 vereinbart und angenommen werden, könnten die Wahlen zum Europäischen Parlament die endgültige Entscheidungsfindung bis zur finnischen Präsidentschaft Ende 1999 verzögern.

3.3 Politische Perspektiven der Mitgliedstaaten

Die Reaktionen auf die vorgeschlagenen neuen Vorschriften sind noch recht zurückhaltend und im großen und ganzen von den Ansichten nationaler Behörden beeinflusst. Doch lassen Interviews in mehreren europäischen Ländern folgende Perspektiven vermuten. Erstens, bezüglich des Themas Etat, gibt es die geringste Übereinstimmung zwischen Nettozahlern und Nettoempfängern der EU-Struktur- und Kohäsionsmaßnahmen. Die meisten der Nettozahler betrachten die Zahl von 0,46 Prozent des EU-BIP als die absolute Höchstgrenze für zukünftige strukturpolitische Ausgaben, was von

den Kohäsionsländern nicht akzeptiert wird, die sich um die zukünftige Wirkung einer Erweiterung Gedanken machen.

Zweitens bestehen Widersprüche im Ansatz zum gebietsmäßigen Geltungsbereich. Viele der Nettozahler unterstützen geographische Konzentration auf EU-Ebene, fürchten aber für die Wirkung von Kürzungen in ihren eigenen Ländern und den eventuell schädlichen Wettbewerb um Zulässigkeit zwischen Regionen. Die erhöhte Intensität der implizierten Förderung könnte auch Absorptionsprobleme verursachen. Ein weiteres Thema ist die vorgeschlagene Kohärenz zwischen nationalen Regionalförderungsgebieten und den Zielgebieten.

Drittens ist allgemein die Neuorganisation der Ziele akzeptiert worden, wenngleich eine stärkere Konzentration der Gemeinschaftsinitiativen bevorzugt würde. Die Frage der Kohäsionsfonds ist ebenfalls noch nicht endgültig geregelt. Schließlich hat sich die Aufmerksamkeit den Reformvorschlägen bezüglich der Programmerstellung zugewandt. Die Vorschläge reagieren auf das Interesse mehrerer Mitgliedstaaten an einem einfacheren und mehr dezentralisierten System, doch scheinen einige Aspekte die Rolle der Kommission zu verstärken und größere Komplexität einzuführen.

3.4 Gebietsabgrenzung und Ziel 2

3.4.1 Abgrenzung der EU-Fördergebiete

Der Ausgangspunkt für die Bewertung der Implikationen der neuen Vorschriften durch Ziel 2 Regionen ist der wahrscheinliche Geltungsbereich von Ziel 1 in den einzelnen Mitgliedstaaten. Während die Vorschriften erneut die strikte Anwendung der Abgrenzungskriterien bekannt geben, wird allgemein angenommen, daß bei Regionen, die am Rande der 75-Prozent Schwelle liegen, eine gewisse Flexibilität in der Interpretation geübt werden wird. Kompliziert wird die Abgrenzung durch das sekundäre Kriterium der Bevölkerungsdichte für frühere Ziel 6 Regionen und die Behandlung ehemaliger Ziel 1 Gebiete.

Die Debatte über die Abgrenzung der neuen Ziel 2 Gebiete findet auf drei Ebenen statt. Erstens gibt es Bedenken bezüglich des Kommissions-Ansatzes beim Abgrenzungsprozeß, die sich auf die anspruchsvolleren Abgrenzungssysteme konzentrieren, die von einigen Ländern zur Wahl ihrer nationalen Regionalförderungsgebiete verwendet werden; außerdem ist man sich der internen politischen Sensibilitäten im Zusammenhang mit der (Aufhebung der) Abgrenzung bewußt.

Zweitens kritisieren viele Mitgliedstaaten die Konzentration auf Arbeitslosigkeit als dem vorgeschlagenen Hauptkriterium für Ziel 2. Mehrere Länder befürworten den Gebrauch des nationalen BIP pro Kopf als einem Indikator zur Feststellung der nationalen Anteile an Ziel 2. Die Wahl von Bezugsjahren sowie die begrenzte Verfügbarkeit und Verlässlichkeit aktueller EU-weiter Daten auf NUTS III Ebene werfen ebenfalls Fragen auf. Der dritte Bereich der Debatte betrifft die spezifischen Kriterien, die von nationalem Interesse für Ziel 2 sind, und die meisten Mitgliedstaaten sind mit internen Revisionsprozessen befaßt, um die geeignetsten Kriterien zu beurteilen.

Die potentielle Wirkung der vorgeschlagenen neuen Abgrenzungskriterien ist schwierig abzuschätzen. Gegenwärtig ist etwas über ein Viertel der Bevölkerung der EU in Ziel 2 und 5b Gebieten angesiedelt, eine Zahl, die ab dem Jahre 2000 auf 18 Prozent reduziert werden soll. In praktisch allen Nicht-Kohäsionsstaaten wird mindestens ein Fünftel der nationalen Bevölkerung derzeit von den zwei Zielen erfaßt. Während der 'Sicherungsmechanismus' Länder wie die Niederlande 'auffangen' würde, die sonst nicht erfaßt oder ernsthaft gekürzt würden, wird doch noch eine maximale eventuelle Kürzung von zwischen 11 und 14 Prozent für Österreich, Finnland, Frankreich, Luxemburg und das Vereinigte Königreich erwartet. Dies sind zweifelsohne projizierte Grunddaten, und den individuellen Mitgliedstaaten werden auf der Basis entweder statistischer oder politischer Erwägungen eventuell höhere Volumen neuer Ziel 2 Deckung zugewiesen.

3.4.2 *Kohärenz zwischen nationalen und EU-Fördergebieten*

Die Revision der EU-Fördergebiete kann nicht isoliert betrachtet werden. Agenda 2000 und die vorgeschlagenen Vorschriften befürworten eine Kohärenz zwischen abgegrenzten Strukturfondsgebieten und den nationalen von der Europäischen Kommission gebilligten Gebieten. Im Endeffekt werden nach den Vorschlägen die Gebiete, die von den Mitgliedstaaten für EU-Ziel 2 Unterstützung gewählt wurden (sowie die dafür verwendeten Kriterien), den von der GDIV gebilligten nationalen Fördergebieten und Abgrenzungssystemen untergeordnet.

Nach den neuen Richtlinien zu Nationaler Regionalförderung, die von der Kommission im März 1998 veröffentlicht wurden, würde der Gesamtumfang der Fördergebiete von 46,9 auf 42,7 Prozent der Bevölkerung der Gemeinschaft reduziert, die Definition des Artikel 92(3)(a) würde auf Ziel 1 abgestimmt, das wiederum den Geltungsbereich von Artikel 92(3)(c) und damit Ziel 2 bestimmt. Für Artikel 92(3)(c) wurden nationale Quoten festgesetzt, innerhalb deren die Mitgliedstaaten Gebiete Abgrenzungen vornehmen können, allerdings abhängig von gebilligten Methoden der Gebietsabgrenzung.

Internen Rechnungen des EPRC zufolge bestehen in den meisten Fällen bedeutende Unterschiede im Bevölkerungsumfang zwischen der nationalen und der EU-Förderkarte - Unterschiede, die in einigen Ländern mehr als 8 - 10 Prozent betragen. Tabelle 1.2 der Langfassung zeigt, wie die geplante Reduzierung der nationalen Fördergebiete durch die Kommission von 46,9 auf 42,7 Prozent der EU-Bevölkerung einzelne Mitgliedstaaten treffen würde. In den meisten Ländern, mit Belgien und Finnland als bemerkenswerten Ausnahmen, würde der Umfang der nationalen Fördergebiete zurückgehen. Die Tabelle zeigt auch den eventuellen Umfang der Ziel 1 Kürzungen und die potentiellen Implikationen für die neuen Ziel 2 Anteile der einzelnen Länder.

Daraus ergeben sich Implikationen für mehrere andere wichtige Themen. Erstens ist die Forderung, daß die Karten in allen Mitgliedstaaten kohärent sein sollten, recht fragwürdig. Während für einige Länder eine engere Kohärenz zwischen den nationalen Förderkarten und denen des Strukturfonds vielleicht nicht problematisch ist, so ist die Situation anders für Mitgliedstaaten, wo die Hintergründe für nationale und EU-Regionalpolitik

sehr verschieden sind oder wo ein bedeutender Unterschied besteht zwischen dem Geltungsbereich der Strukturfonds und nationaler Hilfe.

Zweitens bestehen Vorbehalte bezüglich der Methoden, durch die Kohärenz verfolgt wird. Bei der Abgrenzung der Fördergebiete nach den Strukturfonds, werden andere Kriterien verwendet als die der GDIV für die Billigung nationaler Fördergebiete, doch wird erwartet, daß die Übungen zu übereinstimmenden Karten führen werden.

Drittens sind die Einzelheiten des Ansatzes der Kommission zur Kohärenz zweifelhaft. Die Kommission sieht vor, daß die beiden Abgrenzungsübungen parallel unternommen werden, so daß die beiden neuen Karten am 1. Januar 2000 in Kraft treten. Abgesehen von der Komplexität der beiden Aufgabestellungen deutet der immer enger werdende Zeitplan für die Billigung von Etats und Gebietsumfang für die Strukturfonds auf die ernste Gefahr politischer und maßnahmepolitischer Überbelastung hin. Mehrere der Themen in den neuen Richtlinien werden wahrscheinlich erst auf den höchsten politischen Ebenen gelöst. Wenn allerdings Kohärenz durchgezogen wird und die Strukturfondsgebiete den nationalen Fördergebieten untergeordnet werden, dann wird die Zulassung der Ziele 2 Gebiete in gleicher Weise von den Entscheidungen nationaler (statt EU) Programmpolitiker abhängen.

3.5 Fragen der Programmerstellung

Die neuen Vorschriften reagieren auf viele der Bedenken, die von den Behörden und Programm-Manager der Mitgliedstaaten bezüglich der Komplexität der Programmerstellung und dem 'übertriebenen' Engagement der Kommissionsdienste auf operationeller Ebene ausgedrückt wurden. Obwohl die Kommission sich von einem detaillierten Engagement bei der Umsetzung der Programme zurückziehen will, verstärkt sie ihren Einfluß in mehreren Bereichen. Erstens plant die Kommission, die Prioritäten der Gemeinschaft für jedes Ziel unmittelbar nach der Annahme der neuen Vorschriften zu präsentieren und deren Erfüllung zu überwachen. Dies weckt Bedenken angesichts des eventuell dirigistischen Ansatzes zu Programmerstellung, wobei standardisierte Prioritäten ohne genügende Rücksichtnahme auf den politischen Inhalt oder die Prioritäten der Mitgliedstaaten und Regionen auferlegt werden.

Zweitens forderten die Monitorings- und Begleitarrangements eine einzelne leitende Autorität für jedes Programm und obwohl dies das Programm-Management in vielen Regionen verbessern könnte, ist man besorgt, inwieweit diese leitende Autorität effektiv der Agent der Kommission in der Region sein wird. Außerdem spezifizieren die Vorschriften die Notwendigkeit von Partnerschaft auf jeder Stufe der Programmerstellung, ungeachtet der Orientierung der Programms oder der etablierten institutionellen Strukturen.

Drittens sind die Mechanismen für finanzielle Kontrolle, Begleitung und Evaluierung verstärkt worden. Die größte Innovation ist die vorgeschlagene leistungsgebundene Reserve, das vom Standpunkt der meisten nationalen und regionalen Behörden nicht durchführbar oder nicht erwünscht ist. Vergleiche zwischen Programmen verschiedener Größe, Art und Orientierung in den einzelnen Regionen - und zweifelsohne zwischen Mitgliedstaaten - werden voll methodologischer Schwierigkeiten sein und könnte Innovation und

Experimente verhindern. Dies würde auch den Charakter der Zwischenevaluierung ändern und eine transparente Darstellung der Programmfortschritte behindern.

Thematic Paper

*The New Structural Fund Regulations –
Current Debates*

The New Structural Fund Regulations – Current Debates

1. INTRODUCTION

The publication of the new regulations in March 1998 marks a further stage in the reform of the Structural Funds. Many of the key strategic issues, relating to budgetary allocations or spatial coverage, have been put on ‘hold’ pending the outcome of the German elections. Nevertheless the detailed proposals for area designation enable technical work on the indicators and criteria to continue and the potential national and regional impacts to be assessed. The proposals for programming, supervision and monitoring also give some guidance to regions as they begin considering the strategic direction and implementation arrangements for the next programming period. In addition to the Structural Fund regulations, the Commission has published new guidelines on national regional aid which could have a significant influence on the areas designated for Structural Fund purposes.

The following paper provides a brief summary of the new regulations and reviews the political perspectives of the Member States at this stage in the reform process. It then discusses the implications of area designation proposals for Objective 2 regions and explores the influence of the Commission’s advocacy of ‘map coherence’. Lastly, the paper examines some of the key programming issues in the new regulations and the current state of regional preparations for the next programming period.

2. THE NEW STRUCTURAL FUND REGULATIONS

Following the publication of Agenda 2000 in July 1997, the new draft Structural Fund and Cohesion Fund Regulations were presented by the Commission on 18 March 1998, alongside a new draft financial perspective for 2000-2006 and proposals for the reform of the Common Agricultural Policy. There are three main elements to the Structural Fund proposals (covering a total of six new Regulations):

- a new General Regulation replacing the previous “Framework” and “Co-ordination” Regulations, which details the provisions which apply to all the Funds (priority Objectives, programming method; financial management; evaluation and control);
- new Regulations for each of the four Structural Funds, reduced to the provisions specific to them (the FIFG is to become a fully fledged Structural Fund); and
- a Cohesion Fund Regulation.

The seventh new Regulation and final element in the package is the “Instrument for Structural Policies for Pre-Accession (ISPA)”, which broadly follows the form of the proposed new Cohesion Fund Regulation.

Much of the content of the proposed new Regulations was as expected, with a few last minute additions in response to intensive Member State lobbying (notably the “safety net” provision for Objective 2 and 5b areas). The following section summarises the main elements of the proposals, highlighting the new features for the 2000-2006 period.

2.1 The priority Objectives

As expected, the priority Objectives have been reduced from seven to three.

- Objective 1 - promoting the development and structural adjustment of regions whose development is lagging behind. As before, this applies to regions whose GDP per head is less than 75 percent of the EU average, as well as the current Objective 6 regions and the outermost EU regions. Objective 1 is expected to cover about 20 percent of the EU population, and will be allocated about two-thirds of the Structural Fund budget.
- Objective 2 - converting regions seriously affected by industrial decline. This Objective brings together the previous Objectives 2 and 5b, extending coverage to urban and service areas in difficulty, and regions heavily dependent on fisheries. Objective 2 will cover 18 percent of the European population and the reduction per Member State will not be more than a third of the current Objective 2 and 5b coverage (the “safety net”).
- Objective 3 - combating long term unemployment and facilitating the integration into working life of young people and of persons excluded from the labour market. This unites the previous Objectives 3 and 4 and will be available only outside the Objective 1 and 2 areas. The measures have been quite broadly defined, including active labour market policies to combat unemployment, the promotion of social inclusion and equal opportunities for men and women, strengthening employability through systems for lifelong education and training, and measures for anticipating and facilitating adaptation to economic and social change.

All regions will be reassessed to determine whether or not they qualify under the new Objectives 1 and 2. Gradually decreasing transitional arrangements will be introduced to assist those areas losing their former eligibility: five years for former Objective 1 regions (six for those qualifying under the new Objective 2) and three years for former Objective 2 and 5b regions. An efficiency reserve (10 percent of the overall budget) is to be held back and repaid on the basis of a mid-term review.

2.2 Eligibility Criteria

As mentioned above, the criteria for Objective 1 designation remain unchanged, while Objective 2 eligibility criteria have been reformulated to reflect the wider coverage of the new Objective (see box).

Objective 2: eligibility criteria

The Commission will lay down population ceilings for each Member State and identify priority regions at Community level. Within this ceiling, Member States will submit to the Commission a list of areas meeting the criteria. The Commission will then draw up a list of eligible regions together with the Member States. The indicative breakdown within the population ceiling is as follows: 10% for industrial and service areas; 5% for rural areas; 2% for urban areas; 1% for areas dependent on fisheries. The list of regions may be amended in 2003 where there is a serious crisis in a region, provided it does not increase the proportion of the population covered by Objective 2 in each programming region. The Regulation also states that the industrial and rural areas meeting the quantitative, hard criteria of unemployment, employment and population density must contain at least 50% of the population covered by Objective 2 in each Member State, except where duly justified by objective circumstances.

Industrial areas: the same as 1994-99 Objective 2 criteria, i.e.

- an average rate of unemployment over the last three years above the Community average;
- a percentage share of industrial employment in total employment equal to or greater than the Community average in any reference year from 1985 onwards;
- an observable fall in industrial employment compared with the reference year.

Rural areas:

- population density of fewer than 100 people per km² or a share of agricultural employment in total employment which is at least double the Community average;
- either an average unemployment rate which is above the Community average or a decline in population.

Urban areas:

- a rate of long term unemployment higher than the Community average;
- a high level of poverty, including poor housing conditions;
- a particularly degraded environmental situation;
- a high crime rate;
- a low level of education among the resident population.

Fisheries dependent areas: coastal areas where a significant share of employment in the fisheries sector and restructuring problems leading to a significant decline in employment in the sector.

Other areas:

- areas adjacent to Objective 1 areas, or Objective 2 industrial or rural areas;
- rural areas with socio-economic problems arising from the ageing of the agricultural population;
- areas facing or threatened by a high level of unemployment arising from ongoing or planned restructuring of a key activity in the agricultural, industrial or service sector.

In addition to the changes proposed to the “mainstream” Structural Funds, the Community Initiatives will undergo a significant revision, while a number of more minor amendments are proposed for the Cohesion Fund.

Community Initiatives	Cohesion Fund
<p>To be reduced to three, covering:</p> <ul style="list-style-type: none"> • transnational, cross-border and interregional co-operation; • rural development; • transnational co-operation to fight discrimination and inequality and improve access to employment. <p>Each will be financed by a single Structural Fund, and the share of the Structural Fund budget will be reduced from 9% to 5%.</p>	<p>A number of minor changes are proposed:</p> <ul style="list-style-type: none"> • strengthening the macro-economic conditionality of funding for Member States participating in EMU to prevent excessive public deficits; • increasing the use of private sector finance; • applying the polluter pays principle to funding; • a simplified financial management structure giving Member States increased responsibilities.

2.3 Programming

As well as the changes proposed to the priority Objectives, amendments have also been proposed to the operation of programming, supervision and monitoring of programmes, eligible measures, financial management and control and evaluation.

Programming

Objective 1, 2 and 3 programmes would run for a seven-year term, adapted at mid-term evaluation and on allocation of the performance reserve. Single programmes/SPDs are recommended for every NUTS II region for Objectives 1 and 2. For Objective 3, one SPD per Member State is recommended.

The procedural process for 2000-2006 will include two new steps: after adoption of the Structural Fund Regulations (and before the presentation of plans by Member States), the Commission will present Community priority guidelines for each Objective (and again before the mid-term review of programmes); and after the Operational Programmes and SPDs have been adopted, the Member States or regions responsible will draw up detailed complementary programming documents which indicate the beneficiaries and the financial allocations for the various proposed measures. The proposal lists the following particular Community priorities for programmes: a high degree of competitiveness and innovation; an increase in levels of employment; a balanced and sustainable development of activities; and promotion of equal opportunities for men and women.

Partnership

The Commission recommends broadening the partnership to include local and regional governments, economic and social partners and other relevant organisations, notably bodies dealing with environmental protection and the promotion of equal opportunities for men and women. The deepening of partnership at all stages is also recommended, in particular, development plans submitted by Member States should be accompanied by partners' opinions (especially those of environmental agencies).

Co-financing rates

Co-financing levels are unchanged, although ceilings are set for investment in infrastructure generating substantial revenue, and the level of Community co-financing for investments in firms is lowered.

Eligible measures

Eligible measures remain broadly unchanged for the ERDF, EAGGF and FIFG. The intervention fields set out in the former EAGGF Guidance Regulation are largely covered by the new "Support for rural development from EAGGF" Regulation and will be financed either by the Guidance Fund (Objective 1) or the Guarantee Fund (outside Objective 1). Eligible ESF activities fall into three categories: assistance to persons; assistance to structures and systems; and ancillary measures. The use of diversified forms of assistance such as loan guarantees and risk capital funds are recommended.

Evaluation

Three types of evaluation are proposed for the 2000-2006 period:

- *ex ante* evaluation: the responsibility of the authorities responsible for plan preparation;
- mid-term evaluation: the responsibility of the managing authority in co-operation with the Commission;
- *ex-post* evaluation: the responsibility of the European Commission, in collaboration with the Member State and the managing authority.

3. TIMETABLE

When Agenda 2000 was published it was originally hoped that the Luxembourg summit in December 1997 would be able to approve the principles of the reform, for example the budgetary ceiling, the Objective 1 designation criteria or the rationalisation of Objectives. In practice it became clear in the course of the year that agreement would not be possible, with sharp differences over the budget between Germany and Spain in particular. Consequently the Luxembourg summit made almost no reference to the reforms of structural and cohesion policies.

Although the Regulations were to be discussed at the informal EU Regional Affairs Ministers' meeting in Glasgow in June 1998, the major decisions on budgetary allocations, spatial coverage etc have effectively been shelved until after the German elections on 27 September 1998 (indeed, the Council of Ministers intends to delay its first reading of the draft Regulations until after

the elections). The Netherlands and Sweden also face national elections during 1998.

While it may be possible for some decisions to be taken by the end of the Austrian Presidency (December 1998), a more likely scenario is a special Council under the German Presidency in Spring 1999. On this timetable the likely ratification of the Amsterdam Treaty will give the European Parliament co-decision over the Structural Fund regulations. Thus, if the budget and regulations are not agreed and adopted before 1 April 1999, the European Parliament elections could delay finalisation of the decision-making until the Finnish Presidency at the end of 1999.

4. POLITICAL PERSPECTIVES OF THE MEMBER STATES

Reactions to the proposed new regulations are still tentative and driven largely by the views of national authorities. In several countries, a clear national opinion is not yet available, with consultation exercises underway to inform or consult with regional and local authorities; in others, the official national position is not being made public until after the German elections. However, interview research across several EU countries suggests the following perspectives on the overall package of proposals.

First, on the budgetary issue, the main ‘fault line’ is between the net payers and net recipients of EU structural and cohesion policies¹. Most of the net payers (Germany, Netherlands, France, Austria, Netherlands, UK, Finland) regard the figure of 0.46 percent of EU GDP as the absolute ceiling on future structural policy expenditure and, in some cases, are advocating that it should be considered an upper limit and clearly underspent. This is not accepted by the cohesion countries, concerned about the future impact of enlargement and the redistribution of EU Structural Funds following accession of Central and Eastern European countries. In moving towards a compromise, it appears that the original view of some net payers - that the budgetary settlement should apply up to and beyond enlargement - is being dropped. Tacitly, it is accepted that there is a contradiction between the principles of ‘affordability’ (ie. no increase in the budget) and ‘durability’ (a longer term budgetary perspective), as expressed by the UK and others. A further factor is how the budget should be distributed where all countries (with the possible exception of Denmark) are clearly intent on maximising their share of the budget. For most, the main aim is to ensure that the net payment/receipt position is not worsened, and Germany is explicitly arguing for an increase in the share of receipts.

Second, there are similar contradictions in the approach to spatial coverage. Many of the net payers support geographical concentration at EU level but are wary of the impact of cutbacks within their own countries and the potentially damaging competition for eligibility between regions, especially between industrial and rural Objective 2 areas. Reduced territorial coverage, with the same volume of assistance could imply significantly increased intensity of assistance, potentially involving problems of absorption. The implications of the different designation criteria are currently being assessed but spatial

¹ Discussed in detail in: IQ-NET Thematic Paper 3.4, *The Evolution of Objective 2 Programmes*, EPRC, Glasgow; and Bachtler J (1997) *Reforming the Structural Funds: Options for Change*, *Regional and Industrial Policy Research Papers*, EPRC, University of Strathclyde.

coverage will need to be resolved in conjunction with the budgetary debate. Member State positions are complicated by the need to balance the gains and losses under structural policy with the impact of the reform of agricultural policy. A more immediate issue for all Member States is the proposed coherence between national and EU designated areas in the light of the recently published Commission guidelines on designating national assisted areas.

Third, the reorganisation of Objectives has generally been accepted. For several Member States (eg. Sweden, Finland) the new Objective 2 recognises the close relationship of urban and rural problems, but others have questioned how consolidation of the former Objectives 2 and 5b will work in practice, for example integrating EAGGF with the other two funds and the allocation of finance between different types of areas. In some cases (eg. Germany), the institutional structure means that the combination of Objective 2 and 5b is likely to be cosmetic. More fundamental is the question of the Community Initiatives where Member States agree with a reduction in the number of fields and, apart from INTERREG which commands universal support, consider that the rationalisation could go still further. Some industrial regions have been promoting a RESTRUCT initiative to support areas going through industrial change which are not covered by Objective 2, or for regions which experience difficulties during the next programming period, but the proposal has only limited support among Member State governments. The question of the Cohesion Fund has also not been finally settled; Germany, in particular, is critical of continued support for countries which qualify for the euro.

Lastly, given the lack of short-term progress in addressing the major reform questions, attention has switched to the technical detail of the reform proposals with respect to programming. Planning for the next programming period has started in most countries with discussion, mainly at regional level, regarding the strategic direction and implementation arrangements for the next round of programmes. The Commission's proposals for programming respond to several of the Member States' concerns for a more simplified and decentralised system, but some aspects appear to increase the role of the Commission and introduce greater complexity.

5. AREA DESIGNATION AND OBJECTIVE 2

5.1 Designation of EU Assisted Areas

The starting point for Objective 2 regions assessing the implications of the new regulations is the likely coverage of Objective 1 in each Member State. While the regulations restate the intention to apply the designation criteria strictly, there is a widespread assumption that, as in 1993, there will be flexibility in interpretation for regions which are at the margin of the 75 percent cut-off point. Designation is complicated by the secondary criterion of population density for former Objective 6 regions and the treatment of de-designated Objective 1 areas.

Debate over the designation of the new Objective 2 areas is taking place at three levels. First, there are basic reservations about the EC approach to the designation process. The German government, for example, maintains that,

since EU data are far inferior to national data, the Commission's role should be restricted to setting a population ceiling for Member States within which they would designate their own assisted areas using their own criteria. In part this reflects the relatively sophisticated designation systems used by countries such as Germany for selecting their national regional aid areas, but it also arises from acute awareness of the internal political sensitivities associated with (de)designation. The French government has also highlighted the need to ensure coherent economic areas under the new Objective 2. Under the current EU assisted areas map, France (like other countries) has several examples of Objective 2 industrial areas which are too small, disparate or lacking in economic development coherence for effective regional strategies. The problem of 'chicken pox' maps could be intensified under the new, combi-function Objective 2 as currently proposed.

Second, many Member States are critical of the main criteria proposed for Objective 2 by the Commission. The focus on (un)employment is regarded as excessive by several countries, either because current national labour market conditions would limit their share of the new Objective or because they consider that the nature of structural change in industrial and rural areas is inadequately measured by unemployment rates. Hence, several Member States are advocating the use of national GDP per capita as an indicator for establishing the population ceilings for national Objective 2 shares as well as regional GDP data to ensure that rural areas (which may suffer from low income and low unemployment) are adequately covered. At a technical level, it is evident that the choice of reference years for designation criteria will influence eligibility. More seriously, the limited availability and reliability of up-to-date, EU-wide data at the NUTS III level for basic indicators such as sectoral employment raise justifiable doubts as to how the so-called hard criteria can be valid (let alone more qualitative indicators such as the criteria for urban areas and fishing dependency).

The third area of debate concerns the specific criteria of national interest for Objective 2. Most Member States are engaged in internal review processes to consult with regional and local interests and assess the most appropriate criteria. A preliminary survey of IQ-NET regions indicates a wide range of criteria under discussion, for example:

- demographic criteria - population density, outmigration, migration balance;
- labour market criteria - average unemployment, job prospects, development of the labour market, participation rates, proportion of the working population seeking work outside the region, development of the service sector;
- economic criteria - income per head, gross regional product, wage/salary levels;
- geographic criteria - natural geographical/topographical difficulties such as mountainous terrain; and
- urban criteria - congestion, environmental degradation, derelict land.

Table 1.1: Current and projected coverage of EU assisted areas

	Current coverage (% of national population)					Potential reduction in coverage				
	Obj.1	Obj.2	Obj.5b	Obj.6	Total	Obj.2+ Obj.5b	Proportional reduction	Safety reduction	net	
							New O2 area (%)	Change (% pts)	New O2 area (%)	Change (% pts)
Austria	3.7	7.7	28.7	-	40.1	36.4	26.0	-10.4	24.3	-12.1
Belgium	12.8	14.2	4.5	-	31.5	18.7	13.4	-5.3	12.5	-6.2
Denmark	-	8.5	6.8	-	15.3	15.3	10.9	-4.4	10.2	-5.1
Finland	-	15.7	21.6	16.7	54	37.3	26.6	-10.7	24.9	-12.4
France	4.4	25.1	16.7	-	46.2	41.8	29.9	-11.9	27.9	-13.9
Germany	20.6	8.8	9.7	-	39.1	18.5	13.2	-5.3	12.3	-6.2
Greece	100	-	-	-	100	-	-	-	-	-
Ireland	100	-	-	-	100	-	-	-	-	-
Italy	36.7	11	8.3	-	56	19.3	13.8	-5.5	12.9	-6.4
Luxembourg	-	34.6	7.9	-	42.5	42.5	30.3	-12.2	28.3	-14.2
Netherlands	1.5	17.4	5.4	-	24.3	22.8	16.3	-6.5	15.2	-7.6
Portugal	100	-	-	-	100	-	-	-	-	-
Spain	59.7	20.4	4.4	-	84.5	24.8	17.7	-7.1	16.5	-8.3
Sweden	-	11.5	9.2	5.3	26	20.7	14.8	-5.9	13.8	-6.9
U. Kingdom	5.9	30.9	4.9	-	41.7	35.8	25.6	-10.2	23.9	-11.9
EUR15	25	16.4	8.8	0.4	50.6	25.2	18.0	-7.2	16.8	-8.4

Source: First Report on Economic & Social Cohesion and EPRC calculations

Table 1.2: Current and projected coverage under EU and national aid areas (% of national population)

	Obj.1	Total	Obj.2+ Obj.5b	National aid areas		New Article 92(3) (a) and (c) areas		Transitional O1 areas?
				Current	New?	(a)	(c)	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Austria	3.7	40.1	36.4	35.1	31.4	3.41	27.99	-0.29
Belgium	12.8	31.5	18.7	35	36.7	0	36.7	-12.8
Denmark	-	15.3	15.3	20	20	0	20	-
Finland	-	54	37.3	41.6	48.5	13.83	34.67	-
France	4.4	46.2	41.8	42	42.1	2.73	39.37	-1.67
Germany	20.6	39.1	18.5	38.1	33.4	17.39	16.01	-3.21
Greece	100	100	-	100	100	100	0	0
Ireland	100	100	-	100	100	0	100	-100
Italy	36.7	56	19.3	48.2	41.1	30.7	10.4	-6
Luxembourg	-	42.8	42.8	42.7	32	0	32	-
Netherlands	1.5	24.3	22.8	17.3	15	0	15	-1.5
Portugal	100	100	-	100	100	66.62	33.38	-33.38
Spain	59.7	84.5	24.8	75.5	72.2	44.34	27.86	-15.36
Sweden	-	26	20.7	18.5	15	0	15	-
U. Kingdom	5.9	41.7	35.8	40.5	30.4	4.66	25.74	-1.24
EUR15	25	50.6	25.2	46.9	42.7	19.26	23.44	-5.74

Source: EPRC calculations and Wishlade (1998)

The impact of the proposed new designation criteria is difficult to assess. Currently, just over one quarter of the EU's population is in Objective 2 and 5b areas, a figure which is to be reduced to 18 percent from 2000 onwards (see Table 1.1). Virtually all of the non-cohesion Member States have at least one-fifth of their national populations currently covered under the two Objectives, a figure which rises to more than 35 percent in the cases of Austria, Finland, France, Luxembourg and the United Kingdom. For these countries, an equal share out of the proposed reduction in Objective 2/5b population coverage would imply cuts of over 10 percentage points in the new Objective 2 map. A more relevant calculation is to assess the impact of the 'safety net' provision, whereby no Member State should lose more than one-third of the coverage under the new Objective 2 compared to coverage under Objective 2/5b in the current period. As indicated in Table 1.1, this provides a 'floor' for those countries like the Netherlands (at 15 percent) which might otherwise have no coverage or be subject to severe cutbacks. However, it still indicates a maximum potential reduction of between 11 and 14 percentage points for Austria, Finland, France, Luxembourg and the United Kingdom². Clearly these are projected baseline figures and individual Member States may be allocated higher levels of new Objective 2 coverage on the basis of either statistical or political considerations.

5.2 Coherence between EU and national Aid Areas

An important point is that the review of EU assisted areas cannot be considered in isolation. Agenda 2000 and the proposed regulations advocate coherence between designated Structural Fund areas and the national aid areas approved by the European Commission. Agenda 2000 states that, for Objective 1 regions, there should be complete congruence with the regions assisted by the Member States under Article 92(3)(a) of the Treaty, while the designation of the new Objective 2 areas should be as consistent as possible with the areas assisted by the Member States under Article 92(3)(c). In the introduction to the proposed Council Regulation laying down general provisions on the Structural Funds³ the ambition of coherence is restated as follows:

“in the interests of efficient programming, the regions...where per capita GDP is less than 75% of the Community average should be the same as the areas assisted by the Member States under Article 92(3)(a) of the Treaty; whereas, in accordance with the communication of the Commission to the Member States on regional policy and competition policy, the areas undergoing economic and social change should correspond as closely as possible to the areas assisted by the Member States under Article 92(3) of the Treaty, and the areas that the Member States accordingly propose as eligible for assistance towards economic and social conversion should essentially only be those areas notified to the Commission under Article 92(3)(c)”.

² This does not take account of the way in which transitional Objective 1 regions which meet the new Objective 2 criteria might be incorporated into the calculations.

³ *Reform of the Structural Funds*, COM(1998) 131 final, 18 March 1998.

These proposals would radically alter the relationship between Structural Fund and national assisted areas. In effect, they subordinate the areas selected for EU Objective 2 support by the Member States (and the criteria with which they are selected) to the national aid areas and designation systems approved by DGIV.

The radical nature of the proposals is borne out by the Guidelines on National Regional Aid⁴ published by the Commission in March 1998. Alongside its aim of focusing assistance on the poorest regions and reducing the total volume of regional aid, the Commission intends that the spatial coverage and timing of changes to national and Community regional policies should be co-ordinated. Under the Guidelines: the overall coverage of national assisted areas should be reduced from 46.9 to 42.7 percent of the Community population; the definition of Article 92(3)(a) would be aligned with Objective 1 which in turn determines the coverage of Article 92(3)(c) and thereby Objective 2 coverage; and national quotas would be determined for Article 92(3)(c), on the basis of national disparities in GDP per head and unemployment rates at NUTS III, within which Member States could designate areas subject to approved area designation methodologies⁵.

The results of internal EPRC calculations concerning the impact of the new Guidelines on the regional aid maps of Member States are given in Table 1.2. This table attempts to replicate the complex methodology used by DGIV to assess the coverage of national aid maps in the next programming period. Alongside the figures for the current EU designated areas under Objective 1 and Objective 2 + 5b, it lists the current population coverage of the national aid areas in each Member States (column 5). It is evident that, in most cases, there are significant differences in the population coverage between EU and national aid maps, differences which exceed 8-10 percent for some countries. The sixth column in the table indicates how, according to EPRC calculations, the Commission's envisaged reduction of the national aid areas from 46.9 to 42.7 percent of the EU population could affect individual Member States. For most countries, the coverage of national aid areas would fall, with the notable exceptions of Belgium and Finland.

Of particular importance for the future Structural Fund areas are the figures in the subsequent columns. These attempt to replicate the Commission's calculations for the areas which would be approved under Articles 92(3)(a) and 92(3)(c) of the Treaty under the new Guidelines. If complete coherence between the national aid maps and the Structural Fund map were to exist, then the Article 92(3)(a) coverage would equate with the post-1999 coverage of Objective 1 and the Article 92(3)(c) coverage with the new Objective 2. Effectively the figures in column 8 of the table would be the limit of coverage for 'areas undergoing economic and social conversion' in each Member States and within which the new Objective 2 would need to be accommodated. The final column (9) in Table 1.2 computes the possible extent of the transitional Objective 1 areas, by subtracting the current Objective 1 coverage in each

⁴ Guidelines on National Regional Aid, *Official Journal of the European Communities*, C74, 10 March 1998.

⁵ Wishlade F (1998) *The New Guidelines on Regional Aid: A preliminary assessment*, Internal Report, EPRC, University of Strathclyde, Glasgow.

Member State from the estimated Article 92(3)(a). Although there are some statistical anomalies (the reduction in Austrian Objective 1 coverage reflects population decline in the Burgenland region), the column does indicate the possible scale of Objective 1 cutbacks and the potential implications for the new Objective 2 shares of individual countries.

More important than the specific figures are the issues that this exercise highlights. First, the requirement that the maps should be coherent across all Member States is questionable. For some countries, such as Austria and Finland, closer coherence between Structural Fund and national aid maps may not be problematic, either because of the similarity of the levels of coverage or because of the close relationship between EU regional policy expenditure and national state aid. For other Member States the situation is different: in the UK and France, for instance, the rationale for national and EU regional policy are very different, and coherence is not considered to make sense; in Sweden there is a significant difference between Structural Fund coverage (26 percent) and national aid coverage (18.5 percent).

Second, there are reservations about the methods through which coherence is being pursued. The designation of assisted areas under the Structural Funds involves different designation criteria to those used by DGIV for approving national aid maps. For example, the new Objective 2 is to be designated on the basis of mainly (un)employment criteria whereas national designation systems use much more complex ranges of quantitative and qualitative criteria, and the approval of national aid areas under Article 92(3)(c) involves both GDP per head and unemployment in the derivation of national quotas. Yet it is expected that the outcome of the different designation exercises should produce consistent maps⁶.

Third, the practicalities of the Commission's approach to coherence are doubtful. The Commission anticipates that the two designation exercises will be undertaken in parallel with a view to the two new maps entering into force on 1 January 2000. Apart from the technical complexities of the two exercises, the increasingly compressed timetable for agreeing budgets and spatial coverage for the Structural Funds suggests a severe danger of political and policy overload. Several of the issues in the new Guidelines go to the heart of the relationship between the Commission and Member States in the fields of regional aid and competition policy and are likely to be resolved only at the highest political levels. Nevertheless if coherence is followed through, and the Structural Fund areas become a subset of national aid areas, then the eligibility of Objective 2 areas will depend as much on the decisions made by national (rather than EU) policymakers.

6. PROGRAMMING ISSUES

6.1 Role of the European Commission

As noted earlier, the regulations respond to many of the concerns expressed forcibly by Member State authorities and programme managers regarding the complexity of programming and the 'excessive' operational level involvement

⁶ There are also more fundamental conceptual, legal and technical questions about the new Guidelines which are likely to be challenged by Member States.

of Commission services. Although the Commission is proposing to withdraw from detailed involvement in programme implementation, it is reinforcing its influence in several areas. First, the Commission is planning to present the Community's priorities (eg. competitiveness, innovation, employment creation, sustainable development, equal opportunities) for each Objective immediately after the adoption of the regulations, and it intends to supervise compliance with these strategic priorities. This approach extends the use of 'guidelines' for the recent reprogramming in Objective 2 regions for the 1997-99 period and has given rise to concerns in some regions at a potentially dirigiste approach to programming, imposing standardised priorities with insufficient regard to the policy context or priorities of Member States and regions.

Second, supervision and monitoring arrangements lay down requirements for a single managing authority for each programme. Although such an arrangement could significantly improve programme management arrangements in many regions, there is concern at the degree to which the managing authority will effectively be the Commission's agent in the regions. In addition, the regulations go further than the previous regulatory regime in specifying the requirements for partnership at every stage of programming, regardless of the orientation of the programme or established institutional structures.

Third, the mechanisms for financial control, monitoring and evaluation have been strengthened. The biggest innovation is the proposed creation of the performance reserve scheme designed to allow 10 percent of the total allocation of the Funds to be reserved and allocated in line with performance. From the viewpoint of most national and regional authorities, the reserve scheme is considered unworkable or undesirable. Comparison between programmes of different size, type and orientation (especially the new Objective 2 programmes) across regions - and certainly between Member States - will be fraught with methodological difficulties and could stifle innovation and experimentation. It will also change the character of the mid-term evaluation and inhibit a transparent presentation of programme progress.

6.2 Strategic Direction of Programmes

It is still relatively early in the negotiation process for regions to have considered in depth the implications of the new Regulations for programming during the next period. Many regions are waiting for greater certainty regarding their eligibility position and potential receipts before undertaking any detailed planning on the possible future strategic direction of programmes or on management issues.

More detailed thinking concerning strategy development is expected to commence later this summer, with several regions using evaluations as the starting point for planning their programmes (see Table 1.3). For example, Industrial South Wales and West of Scotland in the UK are combining *ex post* evaluations for the 1994-96 programme with mid-term evaluations for 1997-99 to feed into the overall strategy for the next cycle, while Nordrhein Westfalen is commissioning an independent evaluation to help develop the strategy. In Sweden, there are plans to bring all the programme managers and other local actors together in order to discuss thematic and programme issues,

and Fyrstad is undertaking a SWOT analysis to help determine the future direction of programming.

While regions with experience of several programming periods behind them tend to consider the re-programming process as an opportunity to “fine-tune” strategies which already reflect well the regions’ needs, newer Member States may make more wide-ranging changes. Even in long-established Objective 2 regions, programme continuity may pose a problem where the NUTS II region contains eligible rural areas. Several Member States (including the three newest Member States) are positive about the opportunity for programme simplification afforded by the new Regulations - particularly within those regions which already contain Objective 2 and 5b areas. The expectation is that in these regions, the old Objective 2 and 5b may be consolidated into single, more regionally coherent programmes. In Finland, for example, the new programmes may contain fewer measures and concentrate on larger projects.

Simplification is likely to be a major theme, both in terms of the programmes themselves and the structures for implementing them. Alongside this streamlining, several regions are promoting more sub-regional level involvement in both the programme preparation and implementation stages e.g. Nordrhein Westfalen hopes to revitalise and improve its Regionalisation strategy (ie. the regional conferences which discuss investment and infrastructure projects which may be funded by ERDF or GA or other *Land*-financed economic development programmes, and the labour market conferences which discuss ESF and other labour market programmes), and integrate the output into the *Land* and Objective 2 strategy.

Some regions have already identified themes which are likely to receive attention during the next programming period - these include the information society, more regionally- focused tourism measures, the development of “clusters”, improving the managerial competence of SMEs, improving business sector participation in programmes and improving linkage mechanisms to facilitate technology transfer to SMEs.

6.3 Programme Management

The uncertainty regarding area designation has meant that regions are delaying considering detailed programme management issues until later in the year (see Table 1.4). Several regions are not anticipating major changes in programme management arrangements, although there is a trend towards more regional-level involvement e.g. the new regional Monitoring Committees in Germany, as well as the revitalised regional conferences in Nordrhein Westfalen (see above), and continued regional-level decentralisation in Sweden, possibly including devolved responsibility for financial management.

Again, the opportunity for simplification of implementation arrangements will be taken by some regions, although in Austria, there is concern that initial administration could prove to be even more complicated than previously. A clearer division of competence during the next programming period could help, perhaps with some consolidation of regional management offices (possibly along thematic lines). There has been positive feedback about the Austrian regional management office system and it is likely to be maintained,

as is the programme executive system in the UK and the regional network of Préfectures in France. Some changes are envisaged in Ångermanlandskusten (Sweden), where the County Administration Board would like to see one Decision Group for the entire county of Västernorrlands, reducing bureaucracy and enabling better co-ordination across the Funds in the region. Improved partnership arrangements could also improve involvement of the business sector in the programme.

Finally, many Member States and regions are already introducing improved procedures and mechanisms for monitoring and evaluation. There is widespread support for a more substantive role for interim evaluations, and more strategic role for the Monitoring Committees.

Table 1.3: Anticipated strategic direction of IQ-Net programmes

Member State/Region	Strategic direction of programmes
Austria	Continued quantity vs quality debate and concern with rural areas.
<i>Niederösterreich</i>	The Regional Innovation Strategy currently being completed will provide the basis for the industrial development component of the new programme. A <i>Leitbild</i> (guideline) for tourism in the Land as a whole is being redrafted - the tourism section of SPD will draw on this.
<i>Steiermark</i>	Reduced focus on investment assistance and business aid, more focus on infrastructure measures. Building "clusters" into the SPD would be beneficial.
Denmark	Programme preparation has not yet started.
Finland	Themes will be simplification and concentration, with fewer measures and larger projects. Information society is a possible theme.
France	Continuity of previously defined priorities. Old Objective 2 and 5b programmes are expected to be consolidated into single, more regionally coherent programmes.
Germany	
<i>Nordrhein Westfalen</i>	Starting point will be the evaluation to be undertaken. Hope to revitalise and improve regionalisation strategy (regional conferences which discuss investment and infrastructure projects, and labour market conferences) and integrate into the strategy.
<i>Saarland</i>	Programme preparation has not yet started.
Sweden	Thematic and programme issues will be discussed among programme managers and other local actors.
<i>Ängermanlandskusten</i>	Main aim should be to develop competence development in SMEs (raising skills levels and managerial capabilities) and further development of SME networking projects. Also need better linkage mechanisms to facilitate technology transfer to SMEs in region.
<i>Fyrstad</i>	Will depend on results of a SWOT analysis being undertaken. Greater focus on RTD is expected, also improving managerial competence within the SME sector and trying to reduce dependency on large companies.
U. Kingdom	
<i>West of Scotland</i>	Starting point will be combined <i>ex post</i> and interim evaluations, although little change is expected - the programme is already addressing areas of greatest need.
<i>Industrial South Wales</i>	Starting point will be combined <i>ex post</i> for 1994-96 and mid-term for 1997-99.

Table 1.4: Programme Management Issues

Member State/Region	Programme management issues
Austria	SPDs should be more strategically focused and simplified. Concern that administration could be more rather than less complicated. Regional Management Office structure is likely to be maintained, but the role should be clarified. Not in favour of integrating NGOs into Monitoring Committees - could slow decision making. Social partners already integrated. More strategic role for MC?
<i>Niederösterreich</i>	Clearer division of competence required in the management of next programme. Support for more strategic role for Monitoring Committee.
<i>Steiermark</i>	Fewer departments should be involved in implementation. Consolidation of Regional Management Offices (possibly along thematic lines) would be beneficial.
Denmark	More detailed thinking on administration will wait until there is more certainty regarding the exact location of designated areas.
Finland	Good opportunity for simplification of present arrangements. Programme continuity is a concern. Kera Ltd, the development bank, may play a larger role. New Regional Development Ministry?
France	New programming arrangements are not expected, but streamlining and modernisation of national administrative structures may have an impact. Expect to consolidate old Objective 2 and 5b into single, more regionally coherent programmes. Tighter monitoring and evaluation systems already on the way due to national initiatives. Improvements to ESF management/monitoring underway.
Germany	Regional Monitoring Committees are likely.
<i>Nordrhein Westfalen</i>	Having its own Monitoring Committee means that region will be free to develop its partnership approach and take its own approach to evaluation. ERDF and ESF monitoring systems being improved.
<i>Saarland</i>	Programme preparation has not yet started.
Netherlands	Would prefer Member State to be responsible for the SPD. Require more clarification regarding decentralisation issues. Absorption may be a problem. Concern regarding environmental/physical planning stipulations and procedures.
Sweden	Positive about the opportunity for simplification. Implementation process may be streamlined (greater regional-level decentralisation including financial management?) and more national aid schemes may be included (eg Regional Development Grants). Interim evaluations should take place later. Move towards a more holistic assessment process recommended.
<i>Ångermanlandskusten</i>	The County Administration Board (CAB) would like to see one Decision Group for the entire county, and improved partnership arrangements, particularly in relation to business sector. The CAB would also like to see a more substantive role played by interim evaluation e.g. a rolling process which feeds more directly into the programme.
<i>Fyrstad</i>	Detailed thinking about management arrangements are likely to wait until eligibility becomes clearer.
U Kingdom: <i>West of Scotland</i>	Little change is expected. More Advisory Committees (for equal opportunities, arts and culture) underway. New monitoring arrangements being put in place - piloted this spring.
<i>Industrial South Wales</i>	Positive about the opportunity for simplification. May be affected by political developments (e.g. role of Programme Executive). Recognise need for more focused monitoring and evaluation.