


# Procedure file

Basic information	
COS - Procedure on a strategy paper (historic)	1996/2116(COS)
Procedure completed	
Regional policies of the European Union: implementation in Austria, Finland and Sweden	
Subject 4.70 Regional policy	
Geographical area Austria Sweden Finland	

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	<b>REGI</b> Regional Policy		16/09/1996
		PPE <a href="#">RACK Reinhard</a>	
	Committee for opinion	Rapporteur for opinion	Appointed
	<b>AGRI</b> Agriculture and Rural Development		20/11/1996
		ARE <a href="#">WEBER Jup</a>	
Council of the European Union			

Key events			
03/07/1996	Non-legislative basic document published	COM(1996)0316	Summary
23/10/1996	Committee referral announced in Parliament		
20/03/1997	Vote in committee		Summary
20/03/1997	Committee report tabled for plenary	<a href="#">A4-0114/1997</a>	
16/05/1997	Debate in Parliament		
16/05/1997	Decision by Parliament	T4-0261/1997	Summary
16/05/1997	End of procedure in Parliament		
02/06/1997	Final act published in Official Journal		

Technical information	
Procedure reference	1996/2116(COS)
Procedure type	COS - Procedure on a strategy paper (historic)

Procedure subtype	Commission strategy paper
Legal basis	Rules of Procedure EP 142
Stage reached in procedure	Procedure completed
Committee dossier	REGI/4/08035

### Documentation gateway

Non-legislative basic document		COM(1996)0316	03/07/1996	EC	Summary
Committee of the Regions: opinion		<a href="#">CDR0354/1996</a> <a href="#">OJ C 116 14.04.1997, p. 0019</a>	15/01/1997	CofR	
Committee report tabled for plenary, single reading		<a href="#">A4-0114/1997</a> <a href="#">OJ C 132 28.04.1997, p. 0006</a>	20/03/1997	EP	
Text adopted by Parliament, single reading		T4-0261/1997 <a href="#">OJ C 167 02.06.1997, p. 0226-0242</a>	16/05/1997	EP	Summary

## Regional policies of the European Union: implementation in Austria, Finland and Sweden

**OBJECTIVE :** This communication concerns the implementation of EU regional policy in Austria, Finland and Sweden (Objectives 1, 2 and 6 and Community initiatives) from January 1995 to May 1996. It reports in particular on the start-up of Structural Fund actions in the new Member States and on the added value of Structural Fund interventions in those countries. **SUBSTANCE:** In its communication, the Commission focuses on the effects and impact of the Structural Funds on the three new Member States. Overall, the Commission considers that the introduction of the Structural Funds in the three new Member States offered a unique opportunity to test the added value of Structural Funds in relatively prosperous countries. It stresses that the attitude of the national and regional administration is of paramount importance and that, if there is a positive agenda for change in national regional policy, the movement and adjustment created by the introduction of the Structural Funds can help carry that agenda forward. This has been the case particularly in Sweden and Finland, where such trends have always prevailed. In Austria, however, the strong emphasis by the Union on certain problem areas (Burgenland, the only Objective 1 area in the three new Member States) has provoked criticism, since Austrian regional policy was aiming to address structural problems across the whole territory. That said, the introduction of the Structural Funds has undoubtedly had some important effects, of which the Commission believes three types should be highlighted: - the precise definition of the concept of structural adjustment expenditure within the national budget, has enabled cohesion policies to maintain a privileged position at a time of budgetary rigour and also shields the regions concerned from the negative effects of economic convergence; - in the three new Member States, the introduction of the Structural Funds was the occasion for a detailed review of partnership arrangements (in particular in Finland and Sweden, with further decentralization of the management of structural adjustment). Also, the quality of the dialogue within the administration and with the social partners has been strengthened. In general, the transparency of the use of public finance has increased, owing to the Funds assuming a higher profile in the context of specific measures; - the Funds have influenced the national and regional agenda of structural adjustment policies, either through single programming documents (SPDs) for the regions covered by Objectives or through Community initiatives or other pilot actions. In this connection, special attention should be paid to the effects of inter-regional cooperation resulting from the combination of programmes such as Interreg, Ecos/Ouverture and Phare/Tacis with neighbouring third countries. By the same token, the cooperation instigated between the Interreg and Phare programmes may be considered as a pre-accession strategy for the applicant countries. This strategy has also prevailed, albeit at a different level, with the Baltic regions, where joint actions have helped not to prepare the ground for accession, but for greater mutual understanding and a common approach to the interests of the peoples concerned. Lastly, the Commission emphasizes that, with the accession of the three new Member States, the Union has gained three distinct sets of know-how in relation to open government, the mastery of technology, innovative labour market policies and the reform of the public services. ?

## Regional policies of the European Union: implementation in Austria, Finland and Sweden

The committee unanimously adopted the report by Mr Reinhard RACK (PPE, A) on the implementation of EU regional policies in Austria, Finland and Sweden. In order to speed up the approval of actions and the implementation of regional development programmes under the structural funds (1995-1999 period), the three new states only submitted single programming documents (SPDs), 41 of which were approved (Austria: 17, Finland: 9, Sweden: 15). The speed with which the SPD approval procedures had been concluded was remarkable and was ascribable first and foremost to the professionalism of the national authorities in preparing projects for the purposes of accession. However, there had been a great deal of delay in approving Community initiatives, which was why the European Parliament had called for a reduction in the number of initiatives in order to avoid a situation in which implementation costs were out of all proportion to the funding to be distributed. During the 1995-1999 programming period, Austria will receive ECU 1.623 million from the structural funds (607.6 million under objectives 1, 2 and 5b), Finland will receive 1.704 million (836.9 under objectives 2, 5b and 6) and Sweden will receive ECU 1.420 million (ECU 550 million under objectives 2, 5b and 6). Only one region in the new Member States is classified under objective 1 (Burgenland in Austria, population 271,000, per capita GDP approximately 70% of the EU average). Aid is targeted mainly at trade, industry, tourism, agriculture and the environment and should enable 7,300 new jobs to be created. It should be stressed that although these new states are "relatively prosperous, there are nonetheless disparities and specific regional development problems" (low population, isolation etc.); "the rate of unemployment in Finland and Sweden has almost tripled since the 1980s". As a result, "promoting long-term employment and reducing unemployment must be one of the basic objectives of the structural funds" and all the SPDs are based on this. "Extreme concern" is expressed at the high rate of

youth unemployment in Finland and Sweden. Targeted measures were therefore needed to modernize existing forms of training and learning and "promote labour market diversification and innovation and, more importantly, to encourage local development and employment initiatives". "The European Parliament calls on the Commission to plan support for these measures beyond the current framework (objective 3 - employment)". As far as local and regional authorities are concerned, they asked "to be more closely involved in the establishment, approval and implementation of the programmes in order to satisfy the principle of partnership... by including the social partners, representatives of the civil society and non-government ecological organizations in control committees". The European Parliament also called for "a flexible approach to cofinancing" through "increased private-sector participation".?

## Regional policies of the European Union: implementation in Austria, Finland and Sweden

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In adopting the report by Mr Reinhard RACK (PPE, A) on regional policies in Austria, Finland and Sweden, Parliament welcomed the efforts made by those countries since the adoption of the 41 programming documents (SPDs) and expressed its satisfaction at the speed with which the SPDs were approved. However, it regretted the delays in the approval of the Community initiatives and called for a reduction in their number in cases where bureaucratic procedures would be out of all proportion to the aid to be granted. It pointed out that there were major disparities in these Member States, in particular as regards development and welcomed the emphasis placed on employment, protection of the environment and equal opportunities in the implementation of regional policies. It also expressed its pleasure at the share of the funding allocated to promoting the Information Society (especially in Austria, where the Information Society is promoted in disadvantaged rural regions). It was extremely concerned at the high levels of youth unemployment in Finland (29.9%) and Sweden (19.4%) and called for measures to be taken to create sustainable jobs for young people, to modernize existing forms of training and apprenticeship and to promote labour market diversification and innovation. It requested the Commission to take appropriate action to achieve this in the context of the present framework of Objective 3 (Employment). At the same time, it emphasized the importance attached to inter-regional and cross-border cooperation in the new Member States and welcomes the efforts to cultivate partnership which have been made in those countries. It would, however, like to see more done to involve local and regional authorities in project implementation (the bottom-up principle). In this regard, it points out that regional and local authorities in Sweden and Finland would like to be more closely involved in the establishment, approval and implementation of the programmes and therefore calls on the Commission and the Council to ensure that the subsidiarity principle is respected so as to ensure that central government is not too dominant. Lastly, Parliament calls for: - the publicity given to participation by the European Structural Funds to be improved so as to enhance the visibility of Community measures in the countries concerned, - simplification in the administration of the Structural Funds towards greater clarity in the criteria of eligibility, better internal coordination on the part of the Commission, the abolition of multi-fund support and more rapid processing, - reform of the administrative structures in the new Member States in order to simplify procedures and achieve greater transparency, - for proportionality between the amount of administrative work and the benefits to be taken into account, - a flexible approach to co-financing through increased private-sector participation. ?