


# Procedure file

| Basic information  |                                |                     |
|--|--------------------------------|---------------------|
| INI - Own-initiative procedure   | <a href="#">1997/2189(INI)</a> | Procedure completed |
| Structural Fund: use of resources  |                                |                     |
| Subject<br>4.70.01 Structural funds, investment funds in general, programmes |                                |                     |

| Key players  |  |   |            |
|--|--|---|------------|
| European Parliament  | Committee responsible                                      | Rapporteur                                  | Appointed  |
|  | <b>REGI</b> Regional Policy                                |   | 24/06/1997 |
|  |  | PPE <a href="#">BEREND Rolf</a>             |            |
|  | Committee for opinion                                      | Rapporteur for opinion                      | Appointed  |
|  | <b>AGRI</b> Agriculture and Rural Development              |   | 30/09/1997 |
|  |  | ELDR <a href="#">VALLVÉ Joan</a>            |            |
|  | <b>BUDG</b> Budgets  |   | 02/09/1997 |
|  |  | UPE <a href="#">GALLAGHER Pat the Cope</a>  |            |
|  | <b>ENER</b> Research, Technological Development and Energy |   | 07/10/1997 |
|  |  | GUE/NGL <a href="#">MARSET CAMPOS Pedro</a> |            |
| <b>ENVI</b> Environment, Public Health and Consumer Protection |  |   |            |
| <b>CONT</b> Budgetary Control                                  |  |   |            |
| <b>PECH</b> Fisheries  |  | 24/06/1997                                  |            |
|  | PPE <a href="#">MCCARTIN John Joseph</a>                   |   |            |

| Key events |  |   |         |
|------------|--|---|---------|
| 18/07/1997 | Committee referral announced in Parliament |   |         |
| 20/01/1998 | Vote in committee                          |   | Summary |
| 20/01/1998 | Committee report tabled for plenary        | <a href="#">A4-0016/1998</a>  |         |
| 17/02/1998 | Debate in Parliament                       |  |         |
| 19/02/1998 | Decision by Parliament                     | T4-0087/1998  | Summary |
| 19/02/1998 | End of procedure in Parliament             |   |         |

| Technical information      |                                |
|----------------------------|--------------------------------|
| Procedure reference        | 1997/2189(INI)                 |
| Procedure type             | INI - Own-initiative procedure |
| Procedure subtype          | Initiative                     |
| Legal basis                | Rules of Procedure EP 54       |
| Stage reached in procedure | Procedure completed            |
| Committee dossier          | REGI/4/09199                   |

| Documentation gateway                               |  |  |            |    |         |
|---|--|--|------------|----|---------|
| Committee report tabled for plenary, single reading |  | <a href="#">A4-0016/1998</a><br><a href="#">OJ C 080 16.03.1998, p. 0003</a> | 20/01/1998 | EP |         |
| Text adopted by Parliament, single reading          |  | T4-0087/1998<br><a href="#">OJ C 080 16.03.1998, p. 0186-0222</a>            | 19/02/1998 | EP | Summary |

## Structural Fund: use of resources

The committee adopted the report on the implementation of structural fund appropriations almost unanimously. Comparing the results of the previous programming period (1983-1993), which the Commission considered to be highly satisfactory from the point of view of implementation, with little, delayed or no implementation from the new period (1994-1999), especially in 1994 and 1995, the rapporteur, Mr Rolf Berend (PPE, A), stated that he did not wish to draw any dramatic conclusions. First, 1996 and the first two quarters of 1997 had marked a turning point in the implementation of appropriations (at a rate of 98%), indicating partial normalisation of all the Funds, with the exception of the FIFG. In addition, the degree of uptake varied greatly depending on the intervention, the Fund and the Member State: thus, in 1994, the drop was accounted for by Community initiatives (12% implementation), the programming period of which was late starting up; furthermore, during 1994-95, the new definition of objectives 3 and 4 and long negotiations on regions eligible for aid under objectives 2 and 5 b caused a slowdown; as for the Member States, at the end of 1995, Belgium (objectives 1 and 5 b), Italy (all objectives), the Netherlands (objective 2) and France (objectives 1, 2, 5 b), plus Sweden (objectives 3, 4, 5 a) at the end of 1996, implemented initial programming at a much lower than average rate. In any event, the rapporteur considered that the failure to implement appropriations was not due solely to current economic factors but rather to a whole series of structural deficiencies. These could be abstracted and summarised under three categories of causes: - administrative and procedural causes, the negative impact of which at all stages of implementation was felt at both regional/national and European level (with real backlogs during the selection of projects, modification of programmes, ex-post evaluation and monitoring); - fiscal causes, due either to the lack of co-funding or to co-funding problems, especially in regions with no financial autonomy; - by macroeconomic causes, which would explain the link between regional competitiveness and the implementation of appropriations, i.e. the positive impact of weak competitiveness on objective 1 and 5 b regions and, by contrast, the negative impact on objective 2 regions. Another important cause of the extremely poor rates of implementation during the first two years must be attributed to the bad start to the 1994-1999 programming period, which was characterised by numerous delays, Mr. Berend felt that we should learn from this experience that a successful start-up begins well before the official launch of each planning period. The rapporteur therefore emphasised the time factor and hoped that new framework regulations would be adopted before 1998, so that local, regional and national authorities would have sufficient time to prepare and submit programmes which could then be rapidly implemented in the year 2000. Finally, the report adopted contains other recommendations with a view to improving the situation: properly structured partnership to reduce administrative segmentation, guaranteed co-funding to ensure that programmes run smoothly and improved coherence between national and European policies in order to harmonise objectives, strategies and measures. The rapporteur also rejected any reduction in the Funds decided by the Council, since this did not resolve the problem of implementation and undermined the expenditure target agreed in Edinburgh; on the contrary, he favoured the proposal presented by the Commission in its Agenda 2000 to create a reserve for faster funding of appropriations from the Structural Funds.?

## Structural Fund: use of resources

In adopting the report by Mr Rolf BEREND (PPE,D) on implementation of structural fund appropriations, Parliament notes with satisfaction that 1996 marks a turning point concerning the utilization of appropriations. While for the period 1994-1996 around ECU 2.5 billion were not implemented, all appropriations provided for 1996 were committed and, in addition, ECU 423m of the ECU 869m which were rolled over to 1994 to 1996 were also implemented. However, at the end of 1996, appropriations for a period up to 1994 remain to be implemented (ECU 3.4 billion), together with ECU 2.5 billion for Community support frameworks and initiatives in respect of the period 1989-1993. The European Parliament attributes these delays to the late adoption of regulations and decisions concerning eligible areas and all procedures relating to the start up of programmes (allocation of appropriations, submission and approval of programmes etc., It points out in this connection that administrative fragmentation can stand in the way of successful implementation of the structural funds. In order to reform the structural funds, Parliament calls on the Commission to adopt its proposals for framework regulations as soon as possible, and in any case early in 1998, so that the Member State authorities have sufficient time to draw up and submit programmes. It calls for current support to continue for a transitional year should the new structural fund regulations not be adopted until after 1 January 1999. It welcomes the concentration,

simplification and reduction in the number of forms of intervention proposed by the Commission in Agenda 2000 and hopes that this will contribute to easing the administrative burden at every level, particularly where Community initiatives are concerned and will thus help to improve the implementation of appropriations. It proposes a widening of responsibilities and a review of the task of the monitoring committees. This should be accompanied by stronger controls and the introduction of Commission sanctions. Also, it wishes to strengthen partnership arrangements at local level and urges the partners involved to make full use of existing opportunities. Concerning budgetary arrangements the option of automatic reinstatement in the budget should remain open, given that the time frames of multilateral programming are out of phase with budget annuality. It hopes very much that the Commission will decide not to make 'economies' to the detriment of the principle of economic and social cohesion and criticizes the Council yet again for increasingly responding to implementation of backlogs by cutting appropriations which may engender liquidity problems and in case indirectly undermines the expenditure target agreed in Edinburgh. Should uptake difficulties remain at the end of the programming period solutions will have to be found which will allow for the reallocation of resources. It acknowledges the Commission's proposal put forward in Agenda 2000 (COS0619) to introduce a reserve for the regions utilizing the appropriations most effectively and urges that the introduction of such a reserve must not engender an additional administrative burden. The creation of this reserve must be assessed within the general framework of the discussion of the new ad hoc regulations and at this stage it cannot conclude that its creation will automatically lead to an improvement in the qualitative utilization of appropriations. ?