

Procedure file

Basic information	
COS - Procedure on a strategy paper (historic) 2002/2009(COS)	Procedure completed
Structural Funds, Cohesion Fund and Instrument for Pre-accession ISPA. Annual reports 2000	
Subject 4.70.01 Structural funds, investment funds in general, programmes 4.70.02 Cohesion policy, Cohesion Fund (CF) 8.20.28 Structural funds and instruments	

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	RETT Regional Policy, Transport and Tourism		26/11/2001
		NI TURCO Maurizio	
	Committee for opinion	Rapporteur for opinion	Appointed
	AFET Foreign Affairs, Human Rights, Common Security, Defense		24/01/2002
		V/ALE SCHROEDTER Elisabeth	
	BUDG Budgets		22/01/2002
		PSE PITTELLA Gianni	
	CONT Budgetary Control	The committee decided not to give an opinion.	
	ECON Economic and Monetary Affairs	The committee decided not to give an opinion.	
	JURI Legal Affairs and Internal Market	The committee decided not to give an opinion.	
	EMPL Employment and Social Affairs		23/10/2001
		PPE-DE GLASE Anne-Karin	
ENVI Environment, Public Health, Consumer Policy	The committee decided not to give an opinion.		
PECH Fisheries		22/01/2002	
	V/ALE PIÉTRASANTA Yves		
FEMM Women's Rights and Equal Opportunities		22/01/2002	
	PSE PRETS Christa		
Council of the European Union	Commission DG	Commissioner	
European Commission	Regional and Urban Policy		

Key events			
03/10/2001	Non-legislative basic document published	COM(2001)0539	Summary
16/01/2002	Committee referral announced in Parliament		
22/05/2002	Vote in committee		
22/05/2002	Committee report tabled for plenary	A5-0202/2002	
12/06/2002	Debate in Parliament		
13/06/2002	Decision by Parliament	T5-0320/2002	Summary
13/06/2002	End of procedure in Parliament		
30/10/2003	Final act published in Official Journal		

Technical information	
Procedure reference	2002/2009(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	RETT/5/15690

Documentation gateway					
Non-legislative basic document		COM(2001)0539	03/10/2001	EC	Summary
Supplementary non-legislative basic document		COM(2001)0602	22/10/2001	EC	Summary
Supplementary non-legislative basic document		COM(2001)0616	31/10/2001	EC	Summary
Committee report tabled for plenary, single reading		A5-0202/2002	22/05/2002	EP	
Text adopted by Parliament, single reading		T5-0320/2002 OJ C 261 30.10.2003, p. 0388-0560 E	13/06/2002	EP	Summary

Structural Funds, Cohesion Fund and Instrument for Pre-accession ISPA. Annual reports 2000

PURPOSE : to present the twelfth annual report on Structural Funds (2000). **CONTENT :** this report is compiled in accordance with Article 45(2) of the general Regulation governing the Structural Funds (Regulation 1260/1999/EC). It presents the application in 2000 of the rules on the Structural Funds, particularly the implementation of Objectives 1, 2 and 3 and the Community initiatives. In addition to the statutory requirements, the first chapter of the report looks at the major events of 2000, in particular the adoption of the programming documents and the start of the first assistance on the ground. The past year was marked by two major topics in the field of economic and social cohesion: 1) the adoption of the programmes for 2000-06 and the guidelines for the Community Initiatives and the innovative measures: following the final preparations completed in 1999, the Commission was able to adopt a large number of programming documents (CSFs/SPDs/OPs) in this first year of implementation. The situation is particularly satisfactory as regards the Objective 1 programmes, since all the 7 CSFs and 19 SPDs were adopted, with only one exception (the French National programme for computers). About half of the OPs under the CSFs were adopted (46 in 2000; 51 are still to be adopted in 2001). In the case of Objective 2, only the SPDs for Finland, Sweden and Denmark could be adopted, 8 in all, because most plans did not reach the Commission until early in 2000. All the CSFs/OPs or SPDs for Objective 3 in the Member States concerned were adopted during 2000. During the year, the Commission adopted guidelines for the four Community Initiatives: INTERREG III, URBAN II, EQUAL and LEADER+. INTERREG III has three strands: cross border cooperation; transnational cooperation and interregional cooperation. URBAN II seeks to regenerate certain urban areas in crisis. The EQUAL Initiative seeks to promote equal treatment on the labour market and the promotion of equality between men and women. LEADER + following on from LEADER I and II, is designed to promote rural development. The draft guidelines for innovative actions were adopted by the Commission in July. Following amendments requested by the European Parliament, the final version of the guidelines was adopted in January 2001. Following the adoption of the programming documents for Objectives 1,2 and 3 some programmes could start in the first year of programming. This meant that 13% of total appropriations were

committed and 5% paid by 31 December 2000. These rates of implementation are similar to those recorded in 1994, the first year of programming for the previous period (1994-99). 2) closure of documents : a large number of programmes from earlier periods were closed during 2000. The number of programmes still to be closed relating to assistance before 1989 was reduced from 89 to 35. A particular effort was made to close programmes in Italy, which were most numerous. Of the programmes for period 1989-93, some 73 programmes were closed during the year; 101 still remain. Progress was particularly significant in the case of programmes in Italy and the United Kingdom. The closure of Objective 2 programmes (1994-96) also began during the year 2000.?

Structural Funds, Cohesion Fund and Instrument for Pre-accession ISPA. Annual reports 2000

This annual report on the activities of the Cohesion Funds covers the calendar year 2000. It provides information on the first year of the 2000-06 programming period. In 2000 none of the Member States which are beneficiaries (Greece, Spain, Portugal and Ireland) of the Cohesion Fund were in an excessive deficit situation. Accordingly, the Commission did not produce an assessment of compliance with conditionality for any Member State in 2000. With regard to the budgetary implementation, the final amount, after indexation, of the resources of the Cohesion Fund for 2000 is EUR 2 659 million. As for the coordination with the Structural Funds, for the 2000-06 programming period the Commission established a series of guidelines regarding the Cohesion Fund indicating that its assistance should be subject to a coordinated strategic approach and framed within programmes identifying the main priorities for assistance in different sectors of application selected and looking for better coordination with other financial Community instruments. In 2000, the transport sector represented 53.8% of total Cohesion Fund commitments. As in the past, the Commission has insisted that the work of the Fund should concentrate on the railways, which in 2000, absorbed about 85% of commitments for transport in Spain and 77% in Portugal. The environment accounted for 46.2% of total Cohesion Fund commitments for 2000. The priorities in this sector remained: the supply of drinking water, the treatment of waste water and the treatment of solid waste. At the end of 2000, of the 120 projects planned, 107 had already been evaluated, 58 in the transport sector and 49 in the environment sector. The initial conclusions to be drawn from the ex-post evaluations of 31 environment projects suggest that their implementation and their impact in environmental, social and economic terms have been positive and have in general met the targets laid down. The provisional summary exercise reviewed the ex-post evaluations of some 40 transport projects concerning all modes. The projects have resulted in considerable socio-economic improvements but their implementation has sometimes encountered unexpected problems (sometimes design shortcomings resulting in an upward general review of costs). However, the use made of the projects was very satisfactory. Lastly, during 2000, the Anti-Fraud Office carried out no investigations concerning the Cohesion Fund. However, in 2000, the Spanish authorities notified two irregularities to the Commission under Regulation 1831/94/EC, bringing to seven the number of irregularities notified under this Regulation since its entry into force. Despite this fairly small number, the Commission would draw the attention of the beneficiary Member States to their obligations in this respect. ?

Structural Funds, Cohesion Fund and Instrument for Pre-accession ISPA. Annual reports 2000

This annual report on the activities of ISPA covers the calendar year 2000. It is the first annual report of the new pre-accession instrument, which has been set up as part of the Agenda. The reporting format reflects the provisions of the ISPA Regulation, and takes account of the requirements for presenting the first operational year of a new financing instrument. It is hoped that it will serve as a useful document for those who are interested in the promotion of the enlarged European Union. At the summit in Luxembourg in December 1998 the European Council endorsed a new strategy for the preparation of applicant countries for enlargement. It made available substantial additional financial resources to assist membership. On 26 March 1999, at Berlin European Council, the Heads of Government of States concluded a political agreement on Agenda 2000. Agenda is an action programme whose main objectives are to strengthen Community policies and to give the European Union a new financial framework for the period 2000-06 with a view to enlargement. In May 1999, the European Parliament, the Council and the Commission reached a new institutional agreement which commits them to respect the spending ceilings. These initiatives laid the foundation for the financial framework for the pre-accession instruments which limit the pre-accession aid to applicant countries to EUR 3,120 million a year for the 2000-06 period (1999 prices). The year 2000 was the first operational year for ISPA. Before projects (defined as "measures" in the ISPA Regulation) were presented to the ISPA Management Committee, beneficiary countries were required to prepare ISPA investment strategies for the transport and environmental sectors. These documents provide guidance for the selection of ISPA projects and establish the link between investment requirements for achieving compliance with the acquis in the sectors and the selected ISPA projects. By Autumn 2000, the strategies for all ten countries had been presented to the ISPA Management Committee. In total, 85 projects received a positive opinion from the ISPA Management Committee. They represented a total of ISPA contribution of EUR 2.09 billion. For the end 2000 budget, 75 projects (EUR 997 million - budget line B7-020 B) were committed; the ten other projects that received a positive opinion are being committed from the 2001 budget. The average value of the projects approved for the 2000 ISPA budget is approximately EUR 13 million. The average Community grant rate stood at 64% of project cost, which is lower than the normal ISPA maximum funding level of 75%. The projects accepted in 2000, including the technical assistance projects, were divided fairly equally between environmental and transport sectors: 39 environmental projects received over 46% of the 2000 budget and 36 transport projects received over 53% of the 2000 budget. The priorities for programming in 2001 remain the same as in 2000: presenting high quality projects to the Management Committee with the aim to reach the mid-point in the percentage range of the country allocation, achieving a balance between environmental projects and the transport sector. ?

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The European Parliament adopted a resolution drafted by Maurizio TURCO (Ind, Italy) criticising the substantial underutilisation of commitment and payment appropriations of Structural Fund assistance for the 2000-2006 programming period. Implementation of commitment appropriations stands at 55.3% and payment appropriations at 79.4%. Parliament questioned the accuracy of the budget forecasts. In addition, despite the fact that the number of Community initiatives has been reduced to four, the rate of budgetary implementation was zero, both for commitments and payments, because no measures were approved. Both Member States and the Commission are criticised for their failure to approve and implement actions in good time to ensure that these instruments genuinely have a positive impact during the programming period. On the specific aspects of additionality and control, the Commission is reminded that it must look more closely at the problems relating to verification in annual reports. Parliament noted that the Commission did not adopt the general guidelines for the programmes until the preparation of programmes in the Member States and regions was already well under way. Consequently, in all areas, financial implementation is lagging well behind the figures in the financial perspective and in general does not exceed the flat rate advance of 7% of financing. Member

States and regions will face greater pressure absorbing funds during the remaining years of the programming period. Under the n+2 rule, a huge loss of Structural Fund financing is likely if the capacity of Member States to absorb funds is inadequate. Parliament also deplored the inadequate rate of implementation of commitment (84.4%) and payment appropriations (57%) for the Cohesion Funds. More detailed information on the projects is required. On ISPA, implementation should be stepped up, but Parliament wondered whether beneficiary countries have the capacity to submit suitable projects. Project quality is the key criteria for allocating the funds. The Commission must examine whether it would be better to increase money for technical assistance so as to avoid high levels of underutilisation for 2000-2006. Parliament deplored the failure to implement payment appropriations (1.5%) and again questioned the accuracy of the budget forecast. In future, the Commission must strive to: -improve the quality of projects, using instruments capable of assessing their impact and promoting the projects that perform best; -monitor project management very closely, ensuring Community rules and procedures are scrupulously applied; -promote decentralised project management, with the above proviso.?