

## COUNCIL REGULATION (EEC) No 2081/93

of 20 July 1993

amending Regulation (EEC) No 2052/88 on the tasks of the Structural Funds and their effectiveness and on coordination of their activities between themselves and with the operations of the European Investment Bank and the other existing financial instruments

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 130d thereof,

Having regard to the proposal from the Commission <sup>(1)</sup>,

Having regard to the opinion of the European Parliament <sup>(2)</sup>,

Having regard to the opinion of the Economic and Social Committee <sup>(3)</sup>,

Whereas Article 19 of Regulation (EEC) No 2052/88 <sup>(4)</sup> requires the Council to re-examine that Regulation on the basis of a Commission proposal before 31 December 1993;

Whereas the main principles of the 1988 reform of the Structural Funds should continue to govern the activities of the Funds until 1999 but whereas experience hitherto has demonstrated the need for improvements to make structural policies more effective, simpler and more transparent;

Whereas Article 1 of Regulation (EEC) No 2052/88 lays down the priority objectives for Community action through the Structural Funds, the European Investment Bank (EIB) and the other financial instruments;

Whereas the Community has undertaken a reform of the common agricultural policy entailing structural measures, particularly for the promotion of rural development;

Whereas Community measures for the improvement of the conditions under which fishery and aquaculture products are processed and marketed were laid down by Regulation (EEC) No 4052/89 <sup>(5)</sup>; whereas Community measures to improve and adapt structures in the fisheries and aquaculture sector were laid down by Regulation

(EEC) No 4028/86 <sup>(6)</sup>; whereas finance for these operations comes from a variety of budgetary resources, including, in some cases, the European Agricultural Guidance and Guarantee Fund (EAGGF) Guidance Section; whereas, with a view to regrouping all these resources in a single financial instrument, the financial instrument for fisheries guidance (hereinafter referred to as 'FIFG') was established by Regulation (EEC) No 2080/93 <sup>(7)</sup>; whereas, to the extent that the single instrument supports the achievement of the objectives set out in Article 130a of the EEC Treaty, assistance from it should be coordinated with that from the Structural Funds; whereas all the provisions governing the Structural Funds should therefore be extended to that instrument;

Whereas the Structural Funds constitute the chief means of redressing the socio-economic disturbances which review of the common fisheries policy is likely to create in certain coastal areas; whereas it is consequently necessary, except in regions already covered by Objective 1, to adjust the eligibility criteria for Objectives 2 and 5 (b) to take account of these problems;

Whereas Regulation (EEC) No 792/93 <sup>(8)</sup> introduces a temporary cohesion financial instrument through which the Community makes a financial contribution to projects relating to the environment and to the trans-European transport infrastructure network in Greece, Spain, Ireland and Portugal, provided that each of those countries has a convergence programme which has been examined by the Council designed to avoid an excessive public sector deficit; whereas the said Regulation is temporary in nature pending the establishment of the Cohesion Fund referred to in Article 130d of the Treaty as provided for by the Treaty on European Union and will be re-examined before 31 December 1993; whereas the financial instrument for which provision has been made, as amended if necessary (hereinafter referred to as the 'cohesion financial instrument'), must be covered by Regulation (EEC) No 2052/88; whereas, pursuant to Article 7 of Regulation (EEC) No 792/93, no item of expenditure may benefit both from this instrument and from the EAGGF, the European Social Fund (ESF) or the European Regional Development Fund (ERDF);

<sup>(1)</sup> OJ No C 118, 28. 4. 1993, p. 21.

<sup>(2)</sup> Opinion delivered on 14 July 1993 (not yet published in the Official Journal).

<sup>(3)</sup> OJ No C 201, 26. 7. 1993, p. 52.

<sup>(4)</sup> OJ No L 185, 15. 7. 1988, p. 9.

<sup>(5)</sup> OJ No L 388, 30. 12. 1989, p. 1.

<sup>(6)</sup> OJ No L 376, 31. 12. 1986, p. 7. Regulation as last amended by Regulation (EEC) No 3946/92 (OJ No L 401, 31. 12. 1992, p. 1).

<sup>(7)</sup> See page 1 of this Official Journal.

<sup>(8)</sup> OJ No L 79, 1. 4. 1993, p. 74.

Whereas Objectives 3 and 4 are concerned, on the one hand, with combating long-term unemployment and, on the other hand, with facilitating integration of young people; whereas these Objectives, for whose implementation the ESF is responsible, should be clarified by combining them under Objective 3, widening the latter to include the integration into working life of persons exposed to exclusion from the labour market and introducing a new Objective 4 to facilitate the adaptation of workers of either sex to industrial changes and changes in production systems;

Whereas the principle of equal opportunities for men and women on the employment market is a goal which the Community seeks and to which structural measures should contribute;

Whereas Article 3 (1) of Regulation (EEC) No 2052/88 specifies the tasks of the ERDF; whereas investment in the field of education and health in the Objective 1 regions should be supported;

Whereas paragraph 2 of that Article specifies the tasks of the ESF; whereas these should be adapted to take account of the new definitions of Objectives 3 and 4; whereas, as part of the redefinition of measures eligible for assistance from the ESF, aid for employment may be presented in the form, *inter alia*, of aid for geographical mobility;

Whereas the European Council of 11 and 12 December 1992 fixed the resources available for commitment by the Structural Funds and other structural operations for the period 1993 to 1999; whereas these resources are spending targets; whereas it also fixed the resources available in real terms for commitment under Objective 1 for that period; whereas those amounts will permit commitments under Objective 1 and under the cohesion financial instrument to double in the four Member States eligible under that financial instrument, so reaching about ECU 85 billion in those four Member States for the period 1993 to 1999;

Whereas partnership should be strengthened by involving economic and social partners in programming, in an appropriate fashion, through a better definition of the responsibilities of each party in application of the principle of subsidiarity;

Whereas *ex ante* appraisal, monitoring and *ex post* evaluation should be developed and provisions should be made for greater flexibility in the implementation of Community structural assistance to meet real needs; whereas, in the interests of effectiveness, thorough appraisal should precede the commitment of Community resources in order to ensure that they yield socio-economic benefits in keeping with the resources deployed;

Whereas the EIB will continue to devote the majority of its resources to promoting economic and social cohesion

and in particular to developing further loans in the Member States which benefit from the cohesion financial instrument and in the Community's Objective 1 regions;

Whereas, in order to improve transparency, there should be an indicative breakdown of the resources of the Structural Funds available for commitment by Member State and by each of the Objectives 1 to 4 and 5 (b); whereas, when such allocation is made, 'full account should be taken, as now, of national prosperity, regional prosperity, population of the regions, and the relative severity of structural problems, including the level of unemployment and, for the appropriate objectives, the needs of rural development'; whereas the resources of Objective 5 (a), except for those fields covered by Objective 1, must be subject to appropriate allocation;

Whereas, in order to avoid excessive increases in budgetary expenditure in the less prosperous regions, it is desirable that the levels of Community participation for operations supported by the Structural Funds be modulated and that, in consequence, intervention rates may be increased, in exceptional cases, in these regions;

Whereas, in order to secure effective concentration of assistance, Community measures under Objective 2 could cover up to 15 % of the Community population;

Whereas, in order to ensure better coordination between structural assistance under Objectives 2 and 5 (b), the lists of areas eligible under those Objectives should, as far as possible, be adopted at the same time;

Whereas measures to speed up the adjustment of agricultural and fisheries structures (Objective 5 (a)) should be coordinated with the other Objectives referred to in this Regulation;

Whereas the principles and goals of sustainable development are set out in the Community programme of policy and action in relation to the environment and sustainable development as referred to in the Council Regulation of 1 February 1993 <sup>(1)</sup>; whereas Community policy in the field of the environment is designed to ensure a high level of protection while taking account of the variety of situations in the various regions of the Community; whereas the requirements of environmental protection should form part of the definition and implementation of other Community policies; whereas the Member States should therefore supply, in the plans submitted under Objectives 1, 2 and 5 (b), an appraisal of the state of the environment and the environmental impact of the operations envisaged, in accordance with the provisions of Community law in force, as well as the steps they have taken to associate their environmental authorities with the preparation and implementation of the plans;

<sup>(1)</sup> OJ No C 138, 17. 5. 1993, p. 1.

Whereas a report on progress in achieving economic and social cohesion should be presented every three years,

In the framework of the review of the common fisheries policy, measures for the adjustment of fisheries structures come under Objective 5 (a).

(\* ) OJ No L 193, 31. 7. 1993, p. 1.

HAS ADOPTED THIS REGULATION:

#### Article 1

Articles 1 to 19 of Regulation (EEC) No 2052/88 shall be replaced by the following:

### 1. OBJECTIVES AND TASKS OF THE STRUCTURAL FUNDS

#### Article 1

##### Objectives

Community action through the Structural Funds, the financial instrument for fisheries guidance (hereinafter referred to as the "FIFG") established by Regulation (EEC) No 2080/93 (\*), the EIB cohesion financial instrument and other existing financial instruments shall support the achievement of the general objectives set out in Articles 130a and 130c of the Treaty. The Structural Funds, the FIFG, the EIB and the other existing financial instruments shall each contribute in appropriate fashion to the attainment of the following five priority objectives:

1. promoting the development and structural adjustment of regions whose development is lagging behind (hereinafter referred to as "Objective 1");
2. converting the regions, frontier regions or parts of regions (including employment areas and urban communities) seriously affected by industrial decline (hereinafter referred to as "Objective 2");
3. combating long-term unemployment and facilitating the integration into working life of young people and of persons exposed to exclusion from the labour market (hereinafter referred to as "Objective 3");
4. facilitating the adaptation of workers of either sex to industrial changes and to changes in production systems (hereinafter referred to as "Objective 4");
5. promoting rural development by:
  - (a) speeding up the adjustment of agricultural structures in the framework of the reform of the common agricultural policy;
  - (b) facilitating the development and structural adjustment of rural areas,
 (hereinafter referred to as "Objectives 5 (a) and 5 (b)").

#### Article 2

##### Means

1. The Structural Funds (the EAGGF Guidance Section, the ESF and the ERDF) and the FIFG shall contribute, each according to the specific provisions governing its operations, to the attainment of Objectives 1 to 5 (b) on the basis of the breakdown given below:

- Objective 1: ERD, ESF and EAGGF Guidance Section,
- Objective 2: ERDF and ESF,
- Objective 3: ESF,
- Objective 4: ESF,
- Objective 5 (a): EAGGF Guidance Section and FIFG,
- Objective 5 (b): EAGGF Guidance Section, ESF and ERDF.

2. The EIB, while performing the tasks assigned to it by Article 129 and 130 of the Treaty, shall cooperate in achieving the objectives set out in Article 1, in accordance with the procedures laid down in its Statute.

3. The other existing financial instruments may contribute, each according to the specific provisions governing its operations, to any measure supported by one or more of the Structural Funds in connection with one of the Objectives 1 to 5 (b). Where appropriate, the Commission shall take measures to enable these instruments to make a better contribution to the Objectives set out in Article 1.

#### Article 3

##### Tasks of the Funds

1. In accordance with Article 130c of the Treaty, the ERDF shall:

- have the essential task of providing support for Objectives 1 and 2 in the regions concerned,
- in addition, participate in the operations of Objective 5 (b).

It shall in particular provide support for:

- (a) productive investment;
- (b) the creation or modernization of infrastructure which contribute to the development or conversion of the regions concerned;

- (c) measures to exploit the potential for internally generated development of the regions concerned;
- (d) investment in the field of education and health in regions concerned by Objective 1.

The ERDF shall also provide support for studies or pilot schemes concerning regional development at Community level, especially where frontier regions of Member States are involved.

2. Within the framework of Article 123 of the Treaty, the ESF shall have the priority task of providing support for Objectives 3 and 4 throughout the Community and, in addition, providing support for Objectives 1, 2 and 5 (b).

To combat unemployment, it shall in particular contribute to:

- (a) facilitating access to the labour market;
- (b) promoting equal opportunities in the labour market;
- (c) developing skills, abilities and professional qualifications;
- (d) encouraging job creation.

In this framework, the ESF shall provide for studies and pilot schemes, especially those covering aspects common to several Member States.

3. In line with the principles set out in Article 39 of the Treaty, assistance from the EAGGF Guidance Section shall be geared in particular to the following tasks:

- (a) strengthening and re-organizing agricultural and also, in this context, forestry structures, including those for the marketing and processing of agricultural and forestry products and helping to offset the effects of natural handicaps on agriculture;
- (b) ensuring the conversion of agricultural production and fostering the development of supplementary activities for farmers of either sex;
- (c) helping to ensure a fair standard of living for farmers of either sex;
- (d) helping to develop the social fabric of rural areas, to safeguard the environment and to preserve the countryside (*inter alia* by securing the conservation of natural agricultural resources).

The EAGGF Guidance Section shall also contribute to technical assistance and information operations, and provide support for studies or pilot schemes concerning the adjustment of agricultural structures and the promotion of rural development at Community level.

4. The specific provisions governing operations under each Structural Fund shall be laid down in the implementing decisions adopted pursuant to Article 130e of the Treaty.

They shall establish in particular the procedures for providing assistance in one of the forms defined in Article 5 (2), the conditions of eligibility and of Community participation. Without prejudice to paragraph 5 of this Article, they shall also establish the arrangements for the monitoring, evaluation, financial management and checking of measures and any transitional provisions necessary in relation to existing rules.

5. The Council, acting on the basis of Article 130e of the Treaty, shall adopt the provisions necessary for ensuring coordination between the different Structural Funds, on the one hand, and between them and the EIB and the other existing financial instruments, on the other. The Commission and the EIB shall establish by mutual agreement the practical arrangements for coordinating their operations.

The implementing decisions referred to in this Article shall also lay down the transitional provisions concerning the integrated approaches adopted under existing rules.

#### Article 3a

#### Tasks of the FIGG

The tasks on the FIGG and specific provisions governing its operations, including transitional provisions, shall be laid down in Regulation (EEC) No 2080/93 by virtue of Article 43 of the Treaty.

The provisions of this Regulation and the provisions adopted pursuant to Article 3 (5) of this Regulation shall apply to the FIGG.

## II. ARRANGEMENTS FOR STRUCTURAL OPERATIONS

#### Article 4

#### Complementarity, partnership, technical assistance

1. Community operations shall be such as to complement or contribute to corresponding national operations. They shall be established through close consultations between the Commission, the Member State concerned and the competent authorities and bodies — including, within the framework of each Member State's national rules and current practices, the economic and social partner, designated by the Member State at national, regional, local or other level, with all parties acting as partners in pursuit of a common goal. These consultations shall hereinafter be referred to as the "partnership". The partnership shall

cover the preparation and financing, as well as the *ex ante* appraisal, monitoring and *ex post* evaluation of operations.

The partnership will be conducted in full compliance with the respective institutional, legal and financial powers of each of the partners.

2. Acting in accordance with the provisions of this Regulation and with the provisions referred to in Article 3 (4) and (5), the Commission shall take steps and implementing measures to ensure that Community operations are in support of the objectives set out in Article 1 and impart an added value to national initiatives.

3. Within the framework of the partnership, the Commission may, in accordance with the provisions referred to in Article 3 (4), contribute to the preparation, implementation and adjustment of operations by financing preparatory studies and technical assistance operations locally, in agreement with the Member State concerned and, where appropriate, with the authorities and bodies referred to in paragraph 1.

4. For each objective, tasks shall be shared between the Commission and the Member State during the preparation of operations in accordance with Articles 8 to 11a.

#### Article 5

##### Forms of assistance

1. Financial assistance under the Structural Funds, from the EIB and the other existing Community financial instruments shall be provided in a variety of forms that reflect the nature of the operations.

2. In the case of the Structural Funds and the FIGG, financial assistance may be provided principally in one of the following forms:

- (a) part-financing of operational programmes;
- (b) part-financing of a national aid scheme including repayments;
- (c) provision of global grants, as a general rule managed by an intermediary designated by the Member State in agreement with the Commission and allocated by the intermediary in the form of individual grants to final beneficiaries;
- (d) part-financing of suitable projects;
- (e) support for technical assistance, including the measures to prepare, appraise, monitor and evaluate operations, and pilot and demonstration projects.

With the exception of those referred to in (e), the forms of assistance undertaken on the Commission's initiative may be only those established by the Member State or the competent authorities designated by the Member State and submitted to the Commission by that Member State or any other body it may, should the need arise, designate to do so.

Acting by a qualified majority on a proposal from the Commission and in cooperation with the European Parliament, the Council may introduce other forms of assistance of the same type.

3. In the case of the EIB and the other existing financial instruments, each observing its own specific rules, financial assistance shall be provided, in particular, in one of the following forms:

- individual loans, global loans and framework loans or other forms of part-financing given investment projects or programmes,
- part-financing of technical assistance or of studies in preparation for operations,
- guarantees.

4. Community assistance shall in an appropriate way combine the assistance in the form of grants and loans referred to in paragraphs 2 and 3 in order to maximize the stimulus provided by the budgetary resources deployed, making use of existing financial engineering techniques.

5. An operational programme within the meaning of paragraph 2 (a) shall comprise a consistent series of multiannual measures which may be implemented through recourse to one or more Structural Funds, to one or more of the other existing financial instruments and to the EIB.

Where a form of assistance involves participation under more than one Structural Fund and/or more than one other financial instrument, it may be implemented in the form of an integrated approach, the details of which shall be laid down in the provisions referred to in Article 3 (5).

Assistance shall be undertaken on the initiative of the Member States or of the Commission in agreement with the Member State concerned.

#### Article 6

##### Prior appraisal, monitoring and *ex post* evaluation

1. Community operations shall be monitored to ensure that the commitments entered into as part of the objectives set out in Articles 130a and 130c of the

Treaty are effectively honoured. Such monitoring shall, where necessary, make it possible to adjust operations in line with requirements arising during implementation.

The Commission shall periodically inform the European Parliament and the Committees referred to in Article 17 as to the implementation of operations; it shall lay before those Committees the annual report referred to in the first subparagraph of Article 16.

2. In order to gauge their effectiveness, Community structural operations shall be the subject of prior appraisal, monitoring and *ex post* evaluation designed to appraise their impact with respect to the objectives set out in Article 1 and to analyse their effects on specific structural problems.

3. The procedure for appraisal, monitoring and evaluation of Community operations shall be established by the provisions referred to in Article 3 (4) and (5) and, in the case of the EIB, in the manner provided for in its Statute.

#### Article 7

##### Compatibility and checks

1. Measures financed by the Structural Funds or receiving assistance from the EIB or from another existing financial instrument shall be in conformity with the provisions of the Treaties, with the instruments adopted pursuant thereto and with Community policies, including those concerning the rules on competition, the award of public contracts and environmental protection and the application of the principle of equal opportunities for men and women.

2. Without prejudice to the financial Regulation, the provisions referred to in Article 3 (4) and (5) shall lay down harmonized rules for strengthening checks on structural operations. They shall be adjusted to reflect the special nature of the financial operations concerned. The procedures for carrying out checks on operations undertaken by the EIB shall be as set out in its Statute.

### III. PROVISIONS RELATING TO THE SPECIFIC OBJECTIVES

#### Article 8

##### Objective 1

1. The regions covered by Objective 1 shall be regions at NUTS level II whose per capita GDP, on the basis of the figures for the last three years, is less than 75% of the Community average.

Northern Ireland, the five new German *Länder*, east Berlin, and the French overseas departments, the

Azores, the Canary Islands and Madeira shall also be covered by this Objective, as shall other regions whose per capita GDP is close to that of the regions referred to in the first subparagraph and which have to be included within the scope of Objective 1 for special reasons.

Abruzzi shall be eligible for aid under Objective 1 for the period 1 January 1994 to 31 December 1995.

Exceptionally, in view of their unique adjacent position and their regional GDP at NUTS level III, the "arrondissements" of Avesnes, Douai and Valenciennes as well as Argyll and Bute, Arran, the Cambraes and western Moray shall also be covered by this Objective.

2. The list of regions concerned by Objective 1 is given in Annex I.

3. The list of regions shall be applicable for six years from 1 January 1994. Before the end of that period, the Commission shall review the list in good time so that the Council, acting by a qualified majority on a proposal from the Commission and after consulting the European Parliament, may establish a new list to apply for the following period.

4. The Member States concerned shall submit to the Commission their regional development plan. These plans shall include:

- a description of the current situation with regard to disparities and development gaps, the financial resources deployed and the main results of operations undertaken in the previous programming period, in the context of Community structural assistance received and with regard to the evaluation results available,
- a description of an appropriate strategy to achieve the objectives referred to in Article 1, the regional development priorities selected and specific objectives, quantified where they lend themselves to quantification; a prior appraisal of the expected impact, including that on jobs, of corresponding operations with a view to ensuring that they yield medium-term economic and social benefits in keeping with the resources deployed,
- an appraisal of the environmental situation of the region concerned and an evaluation of the environmental impact of the strategy and operations referred to above in terms of sustainable development in agreement with the provisions of Community law in force; the arrangements made to associate the competent environmental authorities designated by the Member State in the preparation and implementation of the operations envisaged in the

plan and to ensure compliance with Community environmental rules,

- an indicative overall financial table summarizing the national and Community financial resources provided for and corresponding to each regional development priority adopted in the context of the plan, as well as an indication of the planned use of the assistance available under the Funds, from the EIB and the other financial instruments in implementing the plan.

The Member States may submit an overall regional development plan for all their regions included in the list referred to in paragraph 2, provided that such plan comprises the features listed in the first subparagraph.

Member States shall also submit the plans referred to in Article 10 for the regions concerned; the elements of those plans may also be included in the regional development plans of the regions concerned.

5. The Commission shall appraise the proposed plans and the other elements referred to in paragraph 4 to determine whether they are consistent with the objectives of this Regulation and with the provisions and policies referred to in Articles 6 and 7. On the basis of all the plans referred to in paragraph 4, it shall establish, through the partnership referred to in Article 4 (1) and in agreement with the Member State concerned, the Community support framework for Community structural operations, in accordance with the procedure referred to in Article 17.

The Community support framework shall cover, in particular

- the development objectives, quantified where they lend themselves to quantification, the progress to be achieved during the period concerned compared with the current situation, and the priorities adopted for Community assistance; procedures for the appraisal, monitoring and evaluation of operations to be undertaken,
- the forms of assistance,
- the indicative financing plan, with details of the amount of assistance and its source,
- the duration of the assistance.

The Community support framework shall provide coordination of Community structural assistance towards those of the objectives referred to in Article 1 which may be pursued in a particular region.

The Community support framework may, if necessary, be revised and adjusted through the partnership defined in Article 4 (1), on the initiative of the Member State or of the Commission in agreement with the Member State, in the light of relevant new

information and of the results obtained during implementation of the operations concerned, including the results of monitoring and evaluation.

At the duly substantiated request of the Member State concerned, the Commission shall adopt distinct Community support frameworks for one or more of the plans referred to in paragraph 4.

6. The arrangements for the implementation of this Article shall be specified in the provisions referred to in Article 3 (4) and (5).

7. Programming shall also cover operations under Objective 5 (a) to be implemented in the regions concerned, making a distinction between those which relate to agricultural structures and those which relate to fisheries structures.

#### Article 9

##### Objective 2

1. The declining industrial areas concerned by Objective 2 shall comprise regions, frontier regions or parts of regions (including employment areas and urban communities).

2. Subject to paragraph 4, the areas referred to in paragraph 1 must represent or belong to a NUTS level III territorial unit which satisfies all the following criteria:

- (a) the average rate of unemployment recorded over the last three years must have been above the Community average;
- (b) the percentage share of industrial employment in total employment must have equalled or exceeded the Community average in any reference year from 1975 onwards;
- (c) there must have been an observable fall in industrial employment compared with the reference year chosen in accordance with (b).

In addition, Community assistance may, subject to paragraph 4, also extend to:

- adjacent areas satisfying criteria (a), (b) and (c) as well as areas satisfying criteria (a), (b) and (c) that are adjacent to an Objective 1 region,
- urban communities with an unemployment rate at least 50% above the Community average which have recorded a substantial fall in industrial employment,
- areas which have recorded substantial job losses over the last three years or are experiencing or are threatened with such losses in industrial sectors of decisive importance for their economic development, including those losses brought about

by industrial changes and changes in production systems, with a consequent serious worsening of unemployment in those areas,

- areas especially urban areas, with severe problems linked to the regeneration of derelict industrial sites,
- other industrial or urban areas where the socio-economic impact of the restructuring of the fisheries sector, assessed on the basis of objective criteria, justifies such assistance.

In implementing the criteria defined above, the Commission will take account of how the national situations with respect to unemployment rate, industrialization rate and industrial decline compare with the Community average.

For the application of these criteria, Member States may also take as a reference basis the specific realities influencing the actual activity rate or employment rate of the population.

3. As soon as this Regulation has entered into force, and after considering the Community information relating to the provisions referred to in paragraph 2, the Member States concerned shall propose to the Commission on the basis of the provisions of the said paragraph and taking account of the concentration principle, the list of areas which in their view should benefit from assistance under Objective 2, and provide the Commission with all useful information to this end.

On the basis of this information and its overall assessment of the proposals submitted, taking into account the national priorities and situations, the Commission shall, in close consultation with the Member State concerned in accordance with the procedure provided for in Article 17, establish an initial list for three years of the areas referred to in paragraph 1. The Commission shall inform the European Parliament of that list.

4. In establishing that list and in defining the Community support framework referred to in paragraph 9, the Commission and the Member States shall seek to ensure that assistance is genuinely concentrated on the areas most seriously affected, at the most appropriate geographical level, taking into account the particular situation of the areas concerned. Member States shall supply to the Commission all information which might be of assistance to it in this task.

5. West Berlin shall be eligible for aid under this Objective for the first three-year period referred to in paragraph 6.

6. The list of eligible areas shall be reviewed by the Commission periodically in close consultation with

the Member State concerned. However, the assistance granted by the Community in respect of Objective 2 in the various areas listed shall be planned and implemented on a three-yearly basis.

7. Three years after the entry into force of the list referred to in paragraph 3, the criteria laid down in paragraph 2 may be altered by the Council, acting by a qualified majority on a proposal from the Commission and after consulting the European Parliament.

8. The Member States concerned shall submit their regional and social conversion plans to the Commission. Those plans shall include:

- a description of the current situation, the financial resources deployed and the main results of operations undertaken in the previous programming period, in the context of Community structural assistance received and with regard to the evaluation results available,
- a description of an appropriate strategy to achieve the objectives listed in Article 1 and the conversion priorities selected for the areas concerned, quantifying the progress anticipated, where it lends itself to quantification, a prior appraisal of the expected impact, including that on jobs, of corresponding operations with a view to ensuring that they yield medium-term economic and social benefits in keeping with the resources deployed,
- an appraisal of the environmental situation of the area concerned and an evaluation of the environmental impact of the strategy and operations referred to above in terms of sustainable development in agreement with the provisions of Community law in force; the arrangements made to associate the competent environmental authorities designated by the Member State in the preparation and implementation of the operations envisaged in the plan and to ensure compliance with Community environmental rules,
- an indication of the planned use of assistance available under the Funds, from the EIB and the other financial instruments in implementing the plan.

9. The Commission shall examine the proposed plans to determine whether they are consistent with the objectives of this Regulation and with the provisions and policies referred to in Articles 6 and 7. On the basis of these plans, it shall establish, through the partnership defined in Article 4 (1) and in agreement with the Member State concerned, the Community conversion support framework for Community structural operations, in accordance with the procedures referred to in Article 17.

The Community support framework shall cover in particular:

- the conversion objectives, quantified where they lend themselves to quantification, the progress to be achieved during the period concerned compared with the current situation and the priorities adopted for Community assistance; procedures for the appraisal, monitoring and evaluation of operations to be undertaken,
- the forms of assistance,
- the indicative financing plan, with details of the amount of assistance and its source,
- the duration of the assistance.

The Community support framework may, if necessary, be revised and adjusted through the partnership defined in Article 4 (1), on the initiative of the Member State concerned or of the Commission in agreement with the Member State, in the light of relevant new information and of the results obtained during implementation of the operations concerned including, in particular, the results of monitoring and evaluation.

10. The arrangements for the implementation of this Article shall be specified in the provisions referred to in Article 3 (4) and (5).

#### Article 10

#### Objectives 3 and 4

##### 1. Objective 3

The Member States shall submit to the Commission plans for operations to combat long-term unemployment and to facilitate the integration into working life of young people and of persons exposed to exclusion from the labour market (Objective 3).

The plans shall include:

- a description of the current situation, the financial resources deployed and the main results of operations undertaken in the previous programming period, in the context of Community structural assistance received and with regard to the evaluation results available,
- a description of an appropriate strategy to achieve the objectives listed in Article 1 and the priorities selected for the implementation of Objective No 3, quantifying the progress anticipated where this lends itself to quantification; a prior appraisal of the expected impact, including that on jobs, of the operations involved in order to show that they yield medium-term social and economic benefits in keeping with the financial resources deployed,
- an indication of the use to be made of assistance available under the ESF — where appropriate, in

conjunction with assistance from other existing Community financial instruments — in implementing the plan.

The Commission shall establish, for each Member State and for the individual plans submitted to it, through the partnership referred to in Article 4 (1) and in agreement with the Member State concerned, the Community support framework for the attainment of Objective 3, in accordance with the procedures set out in Article 17.

##### 2. Objective 4

The Member States shall submit to the Commission plans for operations designed to facilitate the adaptation of workers of either sex to industrial change and to changes in production systems (Objective 4).

These plans shall include:

- a description of the current situation and of likely changes in jobs and occupations, stressing needs in terms of initial and further vocational training, taking account of the evaluation results available,
- a description of an appropriate strategy to achieve the objectives listed in Article 1 and the priorities selected for the attainment of Objective 4, quantifying the progress anticipated where it lends itself to quantification, prior appraisal of the expected impact, including that on jobs, of the operations involved with a view to ensuring that the medium-term social and economic benefits are in keeping with the financial resources deployed,
- measures adopted to involve the competent authorities and bodies designated by the Member State at the appropriate levels in the preparation and implementation of operations featuring in the plan,
- an indication of the use to be made of assistance available under the ESF — where appropriate, in conjunction with assistance from the EIB or other existing Community financial instruments — in implementing the plan.

The Commission shall establish, for each Member State and for the individual plans submitted to it, through the partnership referred to in Article 4 (1) and in agreement with the Member State concerned, the Community support framework for the attainment of Objective 4, in accordance with the procedures set out in Article 17.

##### 3. Common provisions

3.1. The plans shall distinguish between the information relating to regions covered by

Objective 1 and the rest of the territory. The information relating to Objective 1 regions may also be included in the regional development plans referred to in Article 8 (4).

- 3.2. For the presentation of the plans relating to Objectives 3 and 4, the Member States may also use as a reference basis the specific realities influencing the actual activity rate or employment rate of the population.
- 3.3. The Commission shall examine the proposed plans to determine whether they are consistent with the objectives of this Regulation and with the provisions and policies referred to in Articles 6 and 7. The Commission shall draw up the Community support frameworks in agreement with the Member State concerned.

Each Community support framework shall cover in particular:

- the objectives planned, quantified where they lend themselves to quantification, the progress to be achieved during the period concerned compared with the current situation, and the priorities adopted for Community assistance; procedures for the appraisal, monitoring and evaluation of operations to be undertaken,
- the forms of assistance,
- the indicative financing plan, with details of the amount of assistance and its source,
- the duration of the assistance.

The Community support framework may, if necessary, be revised and adjusted through the partnership defined in Article 4 (1) on the initiative of the Member State or of the Commission in agreement with the Member State in the light of relevant new information and of the results obtained during implementation of the operations concerned including, in particular, of the results of monitoring and evaluation.

- 3.4. The arrangements for the implementation of this Article shall be specified in the provisions referred to in Article 3 (4) and (5).

#### Article 11

##### Objective 5 (a)

The arrangements for the implementation of operations connected with the adaptation of agricultural and fisheries structures (Objective 5 (a)) shall be decided within the framework of the provisions referred to in Article 3 (4) and (5).

#### Article 11a

##### Objective 5 (b)

1. The rural areas outside Objective 1 regions that may receive Community assistance under Objective 5 (b) are those which have a low level of socio-economic development assessed on the basis of GDP per inhabitant and also satisfy at least two of the following three criteria:

- (a) high share of agricultural employment in total employment;
- (b) low level of agricultural income, in particular as expressed in terms of agricultural value added per agricultural work unit (AWU);
- (c) low population density and/or a significant depopulation trend.

Assessment of the eligibility of areas according to the above criteria shall take into account socio-economic parameters which indicate the seriousness of the general situation in the areas concerned, and how it is developing.

2. The Community assistance may also be extended to other rural areas with low levels of socio-economic development that are outside Objective 1 regions if they meet one or more of the following criteria:

- the peripheral nature of areas or islands in relation to major centres of economic and commercial activity in the Community,
- the sensitivity of the area to developments in agriculture, especially in the framework of the reform of the common agricultural policy, assessed on the basis of the trend in agricultural incomes and the size of the agricultural labour force;
- the structure of agricultural holdings and the age structure of the gainfully employed agricultural labour force,
- the pressures exerted on the environment and on the countryside,
- the situation of areas within mountain or less-favoured areas classified pursuant to Article 3 of Directive 75/268/EEC (\*),
- the socio-economic impact on the area, as measured by objective criteria, of the restructuring of the fisheries sector.

3. As soon as this Regulation has entered into force, and after considering the Community information relating to the provisions referred to in

paragraphs 1 and 2, the Member States concerned shall propose to the Commission, on the basis of the provisions of the said paragraphs and taking account of the concentration principle, the list of areas which in their view should benefit from assistance under Objective 5 (b), and provide the Commission with all useful information to this end.

On the basis of this information and its overall assessment of the proposals submitted, taking into account the national priorities and situations, the Commission shall, in close consultation with the Member State concerned and in accordance with the procedure laid down in Article 17, establish the list of eligible areas. The Commission shall inform the European Parliament of this list.

4. In selecting rural areas and in programming assistance from the Funds, the Commission and the Member States shall take care to ensure that assistance is effectively concentrated on areas suffering from the most serious rural development problems. Member States shall supply to the Commission all information which might be of assistance to it in this task.

5. The Member States concerned shall submit their rural development plans to the Commission. Those plans shall include:

- a description of the current situation, the financial resources deployed and the main results of operations undertaken in the previous programming period, in the context of the Community structural assistance received and taking account of the evaluation results available,
- a description of an appropriate strategy to achieve the objectives listed in Article 1 and the rural development priorities selected for the areas concerned, specific objectives, quantified, where they lend themselves to quantification, a prior appraisal of the expected impact, including that on jobs, of corresponding operations with a view to ensuring that they yield medium-term economic and social benefits in keeping with the resources deployed,
- an assessment of the environmental situation of the region concerned and an evaluation of the environmental impact of the strategy and operations referred to above in accordance with the principles of sustainable development in agreement with the provisions of Community law in force; the arrangements made to associate the competent environmental authorities designed by the Member State in the preparation and implementation of the operations foreseen in the plan and to ensure compliance with Community rules concerning the environment,

- an indication of the planned use of assistance available under the Funds, from the EIB and the other financial instruments in implementing the plan,
- any link with the consequences of reform of the common agricultural policy and the common fisheries policy.

6. The Commission shall examine the proposed plans to determine whether they are consistent with the objectives of this Regulation and with the provisions and policies referred to in Articles 6 and 7. It shall establish, on the basis of those plans, through the partnership referred to in Article 4 (1) and in agreement with the Member State concerned, the Community rural development support framework for Community structural assistance in accordance with the procedures referred to in Article 17.

The Community support framework shall cover in particular:

- the rural development objectives, quantified where they lend themselves to quantification, the progress to be achieved during the period concerned compared with the current situation, and the priorities adopted for Community assistance; procedures for the appraisal, monitoring and evaluation of operations to be undertaken,
- the forms of assistance,
- the indicative financing plan, with details of the amount of assistance and its source,
- the duration of the assistance.

The Community support frameworks may, if necessary, be revised and adjusted, through the partnership provided for in Article 4 (1), on the initiative of the Member State concerned or of the Commission in agreement with the Member State in the light of relevant new information and of the results obtained during implementation of the operations concerned, including in particular the results of monitoring and evaluation.

The Community support frameworks under Objective 5 (b) may repeat for information the details of the operations concerning the adjustment of agricultural structures under Objective 5 (a) to be implemented in the areas eligible under Objective 5 (b).

7. The arrangements for the implementation of this Article shall be specified in the provisions referred to in Article 3 (4) and (5).

(\*) OJ No L 128, 19. 5. 1975, p. 1. Directive as last amended by Directive 82/786/EEC (OJ No L 327, 24. 11. 1982, p. 19).

## IV. FINANCIAL PROVISIONS

*Article 12***Resources and concentration**

1. The resources available for commitment from the Structural Funds in the FIG shall be ECU 141 471 million at 1992 prices for the period 1994 to 1999.

The annual breakdown of these resources is shown in Annex II.

2. A considerable proportion of budgetary resources shall be concentrated on the regions whose development is lagging behind which are covered by Objective 1.

The resources available for commitment for these regions shall be ECU 96 346 million at 1992 prices for the period 1994 to 1999.

The annual breakdown of these resources is shown in Annex II.

All operations under Objectives 1 to 5 to assist the regions covered by Objective 1 shall be taken into account for this purpose.

3. For the four Member States eligible for the cohesion financial instrument, the increase in commitment appropriations for the Structural Funds must permit a doubling of commitments in real terms under Objective 1 and the cohesion financial instrument between 1992 and 1999.

4. The Commission shall, using transparent procedures, make indicative allocations by Member State for each of the Objectives 1 to 4 and 5 (b) of the Structural Fund commitment appropriations taking full account, as previously, of the following objective criteria: national prosperity, regional prosperity, population of the regions, and the relative severity of structural problems, including the level of unemployment and, for the appropriate Objectives, the needs of rural development. These criteria will be appropriately weighted in the allocation of resources.

In addition, Objective 5 (a) except for those fields covered by Objective 1 shall receive an allocation based principally on continuity related to the degree of utilization of resources during the preceding programming period and on the specific structural needs of agriculture and fisheries as they are perceived.

5. For the period referred to in paragraph 1, 9% of the commitment appropriations for the Structural Funds shall be devoted to funding assistance undertaken on the initiative of the Commission in accordance with Article 5 (5).

6. For the purpose of their inclusion in the general budget of the European Communities, the sums indicated in paragraphs 1 and 2 and in Annex II shall be amended before each annual budgetary procedure to reflect price changes in the Community.

*Article 13***Differentiation of rates of assistance**

1. The Community contribution to the financing of operations shall be differentiated in the light of the following:

- the gravity of the specific, in particular regional or social, problems to be tackled by the operations,
- the financial capacity of the Member State concerned, taking into account in particular the relative prosperity of the State and the need to avoid excessive increases in budgetary expenditure,
- the special importance attaching to measures from the Community viewpoint,
- the special importance attaching to measures from the regional and national viewpoint,
- the particular characteristics of the types of measure proposed.

2. Such differentiation shall take account of the planned link between the grants and loans deployed, as referred to in Article 5 (4).

3. The Community contribution granted by the Funds and the FIG in respect of the various objectives listed in Article 1 shall be subject to the following ceilings:

- a maximum of 75% of the total cost and, as a general rule, at least 50% of public expenditure in the case of measures carried out in the regions eligible for assistance under Objective 1. Where the regions are located in a Member State concerned by the cohesion financial instrument, the Community contribution may, in exceptional and duly justified cases, rise to a maximum of 80% of the total cost and to a maximum of 85% of the total cost for the outermost regions, as well as for the outlying Greek islands which are under a handicap as far as distance is concerned,
- a maximum of 50% of the total cost and, as a general rule, at least 25% of public expenditure in the case of measures carried out in the other regions.

The minimum rates of assistance laid down in the first subparagraph shall not apply to revenue-bearing investment.

4. For the preparatory studies and technical assistance measures undertaken on the initiative of the Commission, financing by the Community may in exceptional and duly justified cases amount to 100% of total cost.

5. The arrangements for the implementation of this Article, including those concerning public funding of the operations concerned, and the rates applied to revenue-bearing investment, shall be laid down in the provisions referred to in Article 3 (4) and (5).

## V. OTHER PROVISIONS

### Article 14

#### Combination and overlapping of assistance

1. For any given period, an individual measure or operation may benefit from assistance from only one Structural Fund or the FIGG at a time.
2. An individual measure or operation may benefit from assistance from a Structural Fund or other financial instrument in respect of only one of the Objectives listed in Article 1 at a time, unless otherwise permitted by the provisions referred to in Article 3 (4) and (5).
3. Any territory may be eligible for assistance under only one of Objectives 1, 2 or 5 (b).

### Article 15

#### Transitional provisions

1. This Regulation shall not affect multiannual operations, including the adjustment of Community support frameworks and forms of assistance, approved by the Council or by the Commission on the basis of the existing rules governing the Structural Funds applying before the entry into force of this Regulation.
2. Applications for assistance from the Structural Funds towards operations which are submitted under the provisions applying before the entry into force of this Regulation shall be considered and approved by the Commission on the basis of those provisions.
3. The provisions referred to in Article 3 (4) and (5) shall lay down specific transitional provisions relating to the implementation of this Article, including provisions to ensure that aid to Member States is not interrupted pending the establishment of the plans and operational programmes in accordance with the new system and that the grant of assistance for projects granted assistance before 1 January 1989

shall be finally concluded no later than 30 September 1995.

### Article 16

#### Reports

Within the framework of Articles 130a and 130b of the Treaty, before 1 November of each year the Commission shall submit to the European Parliament, the Council and the Economic and Social Committee a report on the implementation of this Regulation during the preceding year.

In that report, the Commission shall in particular indicate what progress has been made towards achieving the objectives listed in Article 1 and in concentrating assistance within the meaning of Article 12.

The Commission shall submit a report at three-yearly intervals to the European Parliament, the Council and the Economic and Social Committee on the progress made towards economic and social cohesion and the contribution thereto made by the Funds, the FIGG, the cohesion financial instrument, the EIB and the other financial instruments. That report shall, if necessary, be accompanied by appropriate proposals with regard to Community operations and policies affecting economic and social cohesion. The first such report shall be drawn up no later than 31 December 1996.

### Article 17

#### Committees

1. In implementing this Regulation, the Commission shall be assisted by four committees dealing respectively with:

- Objectives 1 and 2:  
advisory committee composed of representatives of the Member States,
- Objectives 3 and 4:  
committee under Article 124 of the Treaty,
- Objective 5 (a):
  - management committee composed of representatives of the Member States (adjustment of agricultural structures),
  - management committee composed of representatives of the Member States (adjustment of fisheries structures),
- Objective 5 (b):  
management committee referred to under Objective 5 (a) first sub-indent.

2. In implementing assistance undertaken on its own initiative in accordance with Article 5 (5), last subparagraph, the Commission shall be assisted by a

management committee composed of representatives of the Member States.

3. Provisions setting out the arrangements for the operation of the committees referred to in paragraph 1 and measures concerning the tasks of those committees in the framework of management of the Funds shall be adopted in accordance with Article 3 (4) and (5), and the last subparagraph of Article 3a.

#### VI. FINAL PROVISIONS

##### *Article 18*

##### **Implementation**

The Commission shall be responsible for the implementation of this Regulation.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 20 July 1993.

##### *Article 19*

##### **Review clause**

On a proposal from the Commission, the Council shall re-examine this Regulation before 31 December 1999.

It shall act on the proposal in accordance with the procedure laid down in Article 130d of the Treaty.'

##### *Article 2*

##### **Entry into force**

This Regulation shall enter into force on the third day following its publication in the *Official Journal of the European Communities*.

*For the Council*

*The President*

W. CLAES

## ANNEX I

## Regions concerned by Objective 1

BELGIUM:	Hainaut
GERMANY:	Brandenburg, Mecklenburg-Western Pomerania, east-Berlin, Saxony, Saxony-Anhalt, Thuringia
GREECE:	the entire country
SPAIN:	Andalucía, Asturias, Cantabria, Castilla y León, Castilla-La Mancha, Ceuta y Melilla, Comunidad Valenciana, Extremadura, Galicia, Canary Islands, Murcia
FRANCE:	French overseas departments, Corsica, the 'arrondissements' of Avesnes, Douai and Valenciennes
IRELAND:	the entire country
ITALY:	Abruzzi (1994 to 1996), Basilicata, Calabria, Campania, Molise, Apulia, Sardinia, Sicily
NETHERLANDS:	Flevoland
PORTUGAL:	the entire country
UNITED KINGDOM:	Highlands and Islands Enterprise area, Merseyside, Northern Ireland

## ANNEX II

## Commitment appropriations for the period 1994 to 1999

(ECU million at 1992 prices)

	1994	1995	1996	1997	1998	1999	1994 to 1999
Structural Funds and FIGG	20 135	21 480	22 740	24 026	25 690	27 400	141 471
of which: Objective 1 regions	13 220	14 300	15 330	16 396	17 820	19 280	96 346