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COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 30.10.2009  
SEC(2009) 1495 final

**COMMISSION STAFF WORKING DOCUMENT**

**Accompanying the**

**20TH ANNUAL REPORT ON IMPLEMENTATION OF  
THE STRUCTURAL FUNDS (2008)**

**PARTS 1 - 3**

**{COM (2009) 617}**

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## Part 1: General analysis of activities

### 1. INTRODUCTION

As required by Article 45(2) of Council Regulation (EC) No 1260/1999, this report sets out to give an overview of the implementation of the Structural Funds (2000-2006) in 2008.

2008 was the ninth year in which Structural Funds programmes and projects for the 2000-2006 programming period were implemented. Altogether 226 Objective 1 and Objective 2, 47 Objective 3, 12 FIFG (outside Objective 1), 81 INTERREG, 71 URBAN, 27 EQUAL, 73 LEADER+ and 181 Innovative Action programmes were managed in 2008.

Even though no further commitments could be made in 2008, sums were disbursed in respect of 2000-2006 Structural Funds assistance. Implementation of the 2008 budget was very good. In terms of payment appropriations, 99.95% of ERDF, 98% of ESF, 97.2% of EAGGF and 97.8% of FIFG resources were used (compared to 99.9% ERDF, 99.9% ESF, 100% EAGGF and 97.5% FIFG in 2007).

Member States and regions with programmes of high execution rates were able to start preparing for closure. The general framework for the closure of 2000-2006 Structural Funds assistance was set out in Commission Decision C(2006)3424 in 2006.

In addition to implementation of 2000-2006 Structural Funds programmes and projects and preparation for their closure, the Commission was also heavily involved in planning and programming of 434 programmes (317 ERDF, 117 ESF)<sup>1</sup> of the 2007-2013 period in 2008.

Efforts were continued to improve the quality of programmes and projects co-financed by the Structural Funds, an objective which also covers reliable financial management of programmes. Better financial management, control and evaluation also made for good governance of co-funded programmes and projects.

The partnership model, set up between the Commission and the national and regional authorities in the Member States to implement the programmes, has produced very high quality results. The case of Ireland is a good example, where the national government decided to apply the same partnership structure used to implement ERDF-financed programmes in the execution of national development funds.

An ex post evaluation of Objectives 1 and 2 programmes for 2000-2006 was launched in 2007. This is carried out by way of 12 phased and interlinked evaluations, which will be completed by the end of 2009. First and interim results of the study continue to be used for the discussion of the next programming period of

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<sup>1</sup> See Communication on the results of negotiations on strategies and programmes for the programming period 2007-2013.

cohesion policy. The ex post evaluations for the ESF programmes were launched in 2008. They will be finalised early 2010. Furthermore, the ex post evaluations for Community initiatives URBAN and Interreg were launched in 2008. The ex post evaluation of the EQUAL Community Initiative was launched early 2009. (The EAGGF-Guidance Section and LEADER+ are evaluated separately.). Concerning the FIFG, the outsourcing of the ex post evaluations was launched at the end of 2008.

Exchange of experience was promoted, notably through interregional and urban networks and the conference "Regions for Economic Change" in February 2008, where for the first time "RegioStars" were awarded to good practice innovation projects.

As the biggest event ever organised in relation to the Cohesion Policy, with more than 7,500 participants, the OPEN DAYS "European week of regions and cities", was held together with the Committee of the Regions and 216 regions and cities across the EU with the headline "Regions and cities in a challenging world".

Both the Slovenian and the French presidencies acknowledged the importance of the ESF by organising high level conferences in relation to the ESF in 2008. The Slovenian EU presidency hosted a conference in Maribor in June 2008 on the "Contribution of the European Social Fund to the Inclusion of Young People into the Labour Market". The conference aimed at seeking the most appropriate solutions the ESF may deliver in order to address the acute problems the young are faced with nowadays. It brought together Member States, the European Commission, as well as stakeholders, non-governmental organisations and other relevant players to discuss achieving better employment of the young, higher level of education and qualification. The French EU presidency organised a conference in Le Havre in September 2008 with the title "Employment at all ages – what role can the European Social Fund play". The goal of this event was to focus on projects supported by the European Social Fund to explore new avenues that facilitate professional life transitions and promote employment at all ages. This conference brought together 500 participants from various Members States.

## **2. ANALYSIS OF IMPLEMENTATION**

### **2.1. Budget Implementation**

#### **2.1.1. ERDF**

2008 was another good year in terms of budgetary execution despite the worsening economic climate. The overall execution rate for payments reached 99.9% (the same result as in 2007 and 2006) with EUR 15.1 billion being disbursed to Member States for regional programmes and projects. The execution level of payment appropriations was higher than initially foreseen for all objectives: EUR 11.5 billion were paid on Objective 1, EUR 2.4 billion on Objective 2, EUR 1 billion on Interreg III and EUR 0.2 billion on other programmes (Urban, Innovative Actions, Peace).

The phasing out of ERDF operational programmes was different from expected due to the delay generated by the new requirement on compliance assessments of the period 2007-2013. The Member States opted to focus on the implementation of

2000-2006 operational programmes to balance the slow start of activities on the 2007-2013 operational programmes.

Consequently the 2008 execution of the 2000-2006 period has exceeded the initial forecasts (EUR 15.1 billion paid out instead of the budgeted EUR 9.2 billion).

The pace of interim payments has thus been frontloaded by the Member States with the consequence that the RAL is lower than expected at the end of 2008. At the end of 2008, commitments from previous years on which payments were still to be made (RAL) amounted to EUR 12.6 billion to compare with EUR 27.7 billion as at the end of 2007. This represents 9.7 % of total commitments for the period 2000-2006 and is equivalent to 7 months of commitments on the basis of an average EUR 20 billion being committed by year.

In 2008, the so-called "n+2" rule did not apply to the 2006 commitment tranche. Instead, the total amount to be de-committed under the n+2 rule for the programming period 2000-2006 will be finalised at the closure of the operational programmes (Article 105(3) of Regulation (EC) No 1083/2006).

For the whole period, as at the end of 2008, EUR 117.1 billion have been paid to Member States. This represents an absorption rate for all Member States of 90 % of the EUR 129.4 billion overall allocation.

According to the regulations, payments for the 2000-2006 period could continue until the end of 2008. However, in the context of the financial crisis and the recovery package proposed by the Commission, an extension of six (or twelve months) has been granted on a programme-by-programme basis for the Member States which opt for it. Out of 379 programmes, 281 (or 74 %) have chosen to extend their eligibility dates. In terms of value, 90 % of ERDF funds will benefit from the extension of the eligibility period. This flexibility will allow the implementation of more projects on the ground.

#### 2.1.2. *ESF*

In terms of budgetary execution, 2008 was a satisfactory year for the ESF, despite the exceptional circumstances due to the economic and financial crisis.

Concerning the 2000-2006 programming period, the payment credits consumption during 2008 reached EUR 6.386 billion. This corresponds to 97.99% of the annual payment credits allocation.

The 2008 consumption by objective ranges from 90.91% of annual payment credits for Objective 2 to 100% for Objective 1.

The total outstanding commitments at the end of 2008 stood at EUR 6.4 billion (compared to EUR 12.9 billion in 2007). This represents 9.3 % of total commitments for the period 2000-2006.

In 2008, the so-called "n+2" rule did not apply. The total amount to be de-committed under the "n+2" rule for the programming period 2000-2006 will be finalised at the closure of the operational programmes (in accordance with Article 105(3) of Regulation (EC) No 1083/2006).

For the whole period, as at the end of 2008, EUR 62.2 billion have been paid to Member States. This represents an absorption rate for all Member States of 90.7 % of the EUR 68.6 billion overall allocation.

In line with the regulatory framework, payments for the 2000-2006 period could continue until the end of 2008. However, in the context of the financial crisis and the recovery package proposed by the Commission, an extension of six (or twelve months) has been granted on a programme-by-programme basis for the Member States which opt for it. Out of 91 programmes where DG EMPL is "chef de file", 68 (or 75 %) have chosen to extend their eligibility dates.

#### 2.1.3. *EAGGF*

The total amount paid in 2008 from the EAGGF -Guidance Section was EUR 2.0 billion. The financial execution rate of EAGGF payment appropriations for rural development programmes for the period 2000-2006 reached 97.2% (taking into calculation all Community funds available on EAGGF budget lines, including an amount of EUR 0.19 billion transferred at the end of 2008 from other budget lines not related to the Structural Funds). If the execution rate were calculated using the initial budget for payment appropriations, the execution rate would attain 100%.

In 2008 there were no commitments for rural development programmes related to the 2000-2006 period, except an amount of EUR 0.14 million concerning one programme.

At the end of 2008 commitments from previous years on which payments were still to be made (RAL) totalled EUR 1.8 billion, compared with EUR 3.9 billion in 2007.

As stated above, the year 2006 was the last of the programming period and so the "n+2" rule regarding decommitments was not applied in 2008. The amount of any such decommitments will be calculated at closure in line with the Commission guidelines on closure of the 2000-2006 programmes.

#### 2.1.4. *FIFG*

The budgetary implementation in 2008 was highly satisfactory. The overall execution rate for payments was 97.8%, with EUR 320 million being disbursed to the Member States.

Concerning the execution level of payment appropriations, EUR 195.7 million were paid on Objective 1 and EUR 124.3 million outside Objective 1.

The 2008 execution of the 2000-2006 period is EUR 320 million compared to the initial forecast of 269 million.

The total RAL for the FIFG at the end of the year 2008 reached EUR 449.3 million (compared with EUR 812.5 million in 2007). This represents 11.3 % of total commitments for the period 2000-2006.

For the whole period, as at the end of 2008, EUR 3 515.2 million have been paid to Member States. This represents an absorption rate for all Member States of 89.3 % of the EUR 3 935.8 million overall allocation.

## **2.2. Programme Implementation**

### *2.2.1. Objective 1*

Expenditure on Objective 1 programmes followed much the same path as in 2007 (for details, see part 5). Objective 1 programmes focused on basic infrastructure projects (41.4%), with over half of all investment in this category spent on transport infrastructure (51.9%). More than a third (33.3%) of Objective 1 resources was invested in the productive environment, where the focus continues to be on assisting SMEs and the craft sector (28.3%). Projects geared to human resources account for 23.2% of resources in Objective 1 regions. The main areas of assistance in this field are almost equally split between labour market policies (31.3%) and education, and vocational training (30.9%).

### *2.2.2. Objective 2*

The main focus of programmes in Objective 2 regions continues to be on the productive investments, with over half of all financial resources devoted to this category (55.5%). Within this field, assistance to SMEs and the craft sector is the most dominant (55.8%). The second most supported field is basic infrastructure, with 29.7% of all Objective 2 resources. Unlike Objective 1 programmes, the most important areas in financial terms are planning and rehabilitation of areas (45.4%). In the category of human resources (10.2% of all investment in Objective 2 regions), workforce flexibility, entrepreneurial activity, innovation, information and communication technologies are the main fields of investment (30.5%).

### *2.2.3. Objective 3*

ESF programme implementation in 2008 continued to be focused on the European Employment Strategy, particularly on the measures aimed at improving employability in the labour market (31.3%), lifelong learning (actions developing educational and vocational training represented 22.3% of the expenditure), social inclusion (20.7%) and equal opportunities (6.4%). A marked difference still remained in concrete implementation of programmes as measured by financial implementation between the EU15, where long established programmes continued to be implemented, and EU10, where some Members States are experiencing considerable difficulties in getting some projects and measures under way.

### *2.2.4. Fisheries outside Objective 1*

Expenditure of the FIFG programmes outside Objective 1 focussed on processing and marketing (25.2%). The second most important measure was operations by members of the trade (15.4%), followed by aquaculture (12.4%). The expenditure dedicated to scrapping ships amounted to 11% in 2008.

### *2.2.5. Community Initiatives*

#### **2.2.5.1. INTERREG**

INTERREG supports cross-border, transnational and interregional co-operation intended to encourage the harmonious, balanced and sustainable development of the EU territory. By the end of 2008 the 81 INTERREG III/Neighbourhood programmes

had selected about 15.000 projects and networks aiming at reducing the effects of national borders, language barriers and cultural differences and developing border areas, supporting strategic development and territorial integration across larger zones of the Union and better integration with its neighbours. Effectiveness of regional development policies and instruments has also been supported through sharing of good practice and exchange of experience.

The first 54 INTERREG III programmes were adopted in 2001 and were followed by 15 programmes in 2002 and 3 in 2003. Enlargement increased the overall number of EU borders and resulted in 9 new programmes being adopted in 2004, many of which are Neighbourhood Programmes. In 2004 most programmes were modified to take into account results of the mid-term evaluations and the distribution of indexation funds. For some programmes changes were also necessary due to enlargement and/or integration of the Neighbourhood Programme concept. "N+2" de-commitments and results of the updates of the mid-term evaluations contributed to some further programme modifications during following years.

By end of 2008 the payment execution rate was about 85%. Due to the more specific and challenging nature of cooperation programmes and projects de-commitments due to the n+2 rule could not be avoided for some programmes. Between 2003 and 2008 a total of EUR 135 million was de-committed (none in 2008 since the final decommitments will be applied, if necessary, at the closure of the programmes).

In 2008, the implementation of 81 INTERREG III/Neighbourhood programmes continued to progress well. The Commission services continued active follow-up in close co-operation with the authorities responsible for programme implementation. The implementation of this year was partly overlapping with the start-up and implementation of the 2007-2013 cooperation programmes.

Programmes have been closely monitored in order to ensure efficient implementation, in particular as regards financial management. There have been regular contacts with the implementing authorities, including dissemination of good practice. In addition to this, the INTERACT support programme has continued to contribute to efficient and effective implementation of INTERREG III programmes by organising a large number of best practice events (and particularly a series of six seminars on the preparation of the closure of 2000-2006 programmes) and producing effective management manuals for co-operation for the benefit of bodies implementing cooperation programmes.

In order to ensure more efficient spending of funds, and given the particular economic and financial context at the end of 2008, the Commission considered extending the final date of eligibility of expenditure to 30 June 2009 for the 2000-2006 programmes affected by the financial crisis. Such an extension for an INTERREG III programme was requested from the programme's managing authority, on behalf of the participating Member States, for 49 programmes.

Due to the international character financial control and audit is challenging for INTERREG programmes. Audit findings have called for a few programmes to develop action plans on how to improve their financial control and audit systems. The implementation of these action plans has been closely monitored.



### 2.2.5.2. EQUAL

The EQUAL Community Initiative programmes were administratively closed in most Member States. Only a few asked for an extension of the final date of eligibility into 2009 in order to achieve a higher absorption rate and to continue mainstreaming actions.

Most Member States focused their actions under EQUAL on consolidating, documenting and synthesizing project results, on the dissemination actions such as final conferences on the lessons learnt as well as on the integration of the EQUAL *aquis* and approach into the ESF OPs 2007-2013, e.g. through the transfer of staff, the continuation of national thematic networks, the funding of transnational and innovative projects or the commitment to actively participate in learning networks of ESF managers.

As a result, EQUAL type actions started to be funded under the ESF 2007-2013 OPs, however, on a smaller scale but with an extended scope involving all levels of actors, all type of actions and a broad range of issues.

### 2.2.5.3. URBAN

Work continued in 2008 on the management of the 71 operational programmes implementing the URBAN Community Initiative by way of annual reports, monitoring committees and annual meetings. Programmes management meant not only the follow-up of financial implementation but also ensuring the continuity of the “URBAN” methodology and approach.

In 2008, work on the management of the URBACT I programme also continued by way of monitoring committees and reporting procedures. The programme management also included the close follow-up of the two Pilot Fast Track Networks. In 2008, the URBACT I programme was in its final phase of closure. Since 2002, the programme has promoted dialogue and knowledge-sharing between cities and towns benefiting from the URBAN programmes. In total, 274 partners – cities, Member States, regional authorities and universities – have been participating in 38 URBACT projects. These projects have brought together 217 cities from 29 countries and 57 other partners from universities, regions, member states and private and voluntary organisations.

The URBACT programme has become the framework for exchange and reflection on urban issues and problems not only for decision-makers in cities, but also for regional authorities, Member States, universities and research bodies. It has done this with a very small budget with the average cost of a network being 620.000 Euros.

The URBACT II programme is also one of the main instruments of the Regions for Economic Change initiative, aiming at bringing best practice and innovative concepts faster into implementation. In this framework, the Commission actively supports seven Fast Track Networks. Different Commission Services, led by DG REGIO (and one network led by DG SANCO), are involved in the Fast Track Network activities and support the project partners in implementing their Local Action Plans through regional or national Operational Programmes.

The creation of strong links between cities and their managing authorities is a guiding principle throughout the URBACT II programme. So far, 75% of all participating cities have associated their managing authorities as partners in the project.

The URBACT II programme, the Urban Development Network Programme under the European Territorial Cooperation Objective, is an exchange and learning programme for cities based on the good experiences with the URBACT I programme. After having launched the first call for proposals, the URBACT II programme had a successful first year in 2008: nineteen thematic networks and six working groups have been launched. Together with the two Pilot Fast Track Networks, the projects have gathered 253 partners (cities, Member States, regional authorities, universities, NGO). On the basis of the outcome of the first call for proposals, further calls will be launched in the near future. In total, the URBACT II programme will support 46 Thematic Networks and 14 Working Groups in 2007-2013.

#### 2.2.5.4. LEADER+

The Community Initiative Leader+ consists of three actions: implementation of local development strategies by public private partnerships, cooperation between rural territories and networking. 73 Leader+ programmes for the EU 15 have been approved for the period 2000-2006. Recently acceded EU Member States had the option of integrating Leader+ type measures into their EAGGF Objective 1 programmes.

##### *Local development strategies*

The most recent validated monitoring indicators for the implementation of local development strategies are related to 2007; they show that projects were mainly related to support to SMEs, rural tourism, village renewal and rural heritage.

##### *Co-operation*

Monitoring indicators for 2007 show that inter-territorial cooperation support (within a Member State) between local action groups was mainly used for rural tourism and to a lesser extent for business advisory services, village renewal and rural heritage. Trans-national cooperation was also used for rural tourism and to a lesser extent for business advisory services, village renovation and rural heritage as well as for environmental protection.

##### *Networking*

Most of the Leader+ National Networks ended their activity in 2008. The main activity at the end of the programming period was dissemination and know-how transfer. The European Leader+ Observatory issued in 2008 a second and third publication presenting a total of fifty examples of good practice.

## 2.2.6. *Innovative Actions*

### 2.2.6.1. ERDF

DG Regional Policy also managed 181 Regional Programmes of Innovative Actions (124 were closed up to 31.12.2008, of which 39 were closed during the year 2008), which help to promote strategic innovation in the regions, by experimenting with innovative methods and practices designed to improve the level of innovation and the quality of EU assistance under three themes: knowledge and technological innovation, information society and sustainable development.

### 2.2.6.2. ESF

During 2008, the remaining Innovative Actions for 2004 were closed and a considerable number of 2005 and 2006 projects were also finalised. DG Employment, Social Affairs and Equal Opportunities managed the remaining projects selected under the 2005 and 2006 rounds, together with two projects relating to dissemination activities. The DG also held a seminar for 2006 project promoters and cooperated with DG Regional Policy in the initiation of a follow-on network, involving earlier innovative project promoters, notably in Germany.

## **3. CONSISTENCY AND COORDINATION**

### **3.1. Consistency with other Community policies**

#### *3.1.1. Competition*

There were no major developments to be reported for State aid policy in the reporting period 2008.

#### *3.1.2. Internal market*

Regulation (EC) No 1083/2006 also requires Member States to ensure that operations co-financed by the Funds comply with Public Procurement Directives. Where the Commission learns of any breach of EC legislation or where audits demonstrate that this is the case, it will take appropriate action. In the programming context, the Commission requires information from the Member States in the form of annual reports on the programmes. The Directorates-General for Regional Policy and for Internal Market have helped to clarify the legal treatment of concessions dating before the accession of new Member States, on 1 May 2004, that were not in compliance with the EC *acquis*. A new regulatory framework for public procurement law and the awarding of works concessions has been introduced in order to provide greater legal certainty both for the private and for the public sector.

#### *3.1.3. Environment*

The focus with ongoing programmes continues to be on supporting compliance with the Community *acquis* in the field of urban wastewater, water supply, waste management and biodiversity. Other important areas of investment are in eco-innovation and rehabilitation of polluted soil. The promotion of sustainable development has continued through investments in

environmentally-friendly transport and energy and by pro-actively ensuring compliance of projects with environmental legislation.

#### *3.1.4. Transport*

Cohesion programmes continue to be the main source of Community support in transport, as introduced in the White Paper “European transport policy for 2010: time to decide” and the mid-term review published in 2006. Accordingly, Funds have been used both in TEN-T projects and in projects supporting co-modality, energy efficiency in transport, intelligent transport systems and urban transport mobility.

#### *3.1.5. Gender equality*

The Commission has worked to implement the “Roadmap for Equality between Women and Men”, reflecting the Commission’s commitment to this issue. In this context, gender equality and gender mainstreaming are cross-cutting issues linked to all programmes in the new Cohesion Policy Period 2007-2013. A meeting of the High Level Group on Gender Mainstreaming in the Structural Funds in June 2007 underlined the importance of involving gender bodies in the design and implementation of programmes.

### **3.2. Coordination of instruments**

#### *3.2.1. The Structural Funds and the Cohesion Fund*

Aid granted by the Cohesion Fund provides financing for transport infrastructure projects in the fields of trans-European networks and the environment. The Cohesion Fund enables the beneficiary Member States to channel significant public investment into these two fields of common interest, while meeting the objectives of reducing the budget deficits set out in the convergence and stability programmes drawn up as part of Economic and Monetary Union.

Following the enlargement of the European Union in May 2004, the ten new Member States are covered by the Cohesion Fund. In the period 2000-2006, before the latest enlargement on 1 January 2007 to include Romania and Bulgaria, there were 13 beneficiary Member States. As a result of its economic growth, Ireland has not been eligible for the Fund since 1 January 2004.

The principal instrument for coordinating funding under the Cohesion Fund and the Structural Funds is the strategic reference framework (SRF), which covers the whole of the 2000-2006 period. Council Regulation (EC) No 1265/1999 amending Annex II to Regulation (EC) No 1164/94 provides that “Member States shall also provide the results of the environmental impact assessment in conformity with Community legislation, and their consistency with a general environmental or transport strategy at administrative unit or sector level”.

The four “old” Member States benefiting from the Cohesion Fund presented their SRFs for the environment and transport sectors at the end of 2000. The ten new Member States submitted theirs during the first half of 2004. Since then, decisions to finance projects by the Cohesion Fund have been subject to a verification process to

avoid duplication with programmes adopted under the Structural Funds. In addition, SRFs improve the complementarity between the two instruments.

Thus, in certain cases, these SRFs form an integral part of the programmes approved under the Structural Funds for the period 2000-2006; this improves coordination between funding under the Cohesion Fund and the Structural Funds.

### 3.2.2. *The Structural Funds and the EIB/EIF*

#### *JESSICA*

Despite starting later than other initiatives, JESSICA (Joint European Support for Sustainable Investment in City Areas) is now in operation.

In order to present JESSICA locally and provide indications about its development, Kick-Off Meetings with the participation of representatives of the EIB and the Commission were organised in all interested Member States.

Until the end of 2008, meetings were held in twenty Member States (Bulgaria, Cyprus, Czech Republic, France, Germany, Greece, Hungary, Italy, Lithuania, Poland, Slovakia, Sweden, United Kingdom, Spain, Slovenia, Luxembourg, Portugal, Belgium, Estonia and Malta). Preparatory activities were also taking place in other Member States prior to a formal kick-off meeting.

As a first step, for Member States or regions genuinely interested in the initiative, JESSICA Evaluations Studies are carried out by the EIB and co-financed by the Commission (85%), to determine how best to organise urban investments in the countries concerned.

By 31 December 2008, 23 studies were launched in 14 Member States (Belgium, Bulgaria, Cyprus, France, Germany, Greece, Italy, Lithuania, Luxembourg, Poland, Portugal, Spain, Sweden and the United Kingdom).

A first Memorandum of Understanding was signed on May 2007 between the EIB, the Saxon Ministry of Interior (Managing Authority), the SAB (Sächsische Aufbaubank), and the City of Leipzig concerning the implementation of JESSICA in Saxony in cooperation with the Sächsische Aufbaubank (SAB).

In November and December 2008, six Memoranda of Understanding (MoUs) were signed between the EIB and: Wielkopolska (Poland), Galicia and Andalucía (Spain), Portugal, London (UK) and Greece which foresee that the bank will assume the task of JESSICA Holding Fund.

In addition to the above, ongoing discussions confirm a clear interest regarding a possible implementation of JESSICA at national or regional level in several other Member States.

During the early phases of the implementation of the initiative, a number of questions were raised relating both to the fact that these are new tools that are being used for the first time and to the profound cultural shift that the use of these instruments entails regarding the way in which assistance is provided.

Accordingly, the Commission took concrete steps to provide a coherent understanding of the underlying legal requirements, namely through the two interpretative notes submitted to the Committee for the Coordination of the Funds (COCOF) and the replies to a large list of questions submitted by the JESSICA Expert Working Group.

In its conclusions presented at the Marseille ministerial meeting, the JESSICA Expert Working Group stresses the essential contribution that urban development funds can make towards achieving the objectives of an integrated urban development highlights the benefits associated to the use JESSICA and underlines the significant role that the initiative may play as regards increasing the efficiency of public funding.

Building on this work, DG REGIO decided to set up jointly with the EIB and the CEB a Networking Platform in order to speed up the implementation of JESSICA in Member States and regions. The launch of the platform took place on 4 March 2009 in Brussels.

### *JASPERS*

JASPERS ('Joint Assistance to support Projects in European Regions') is a technical assistance facility for the twelve countries that joined the EU in 2004 and 2007 to help them to prepare major projects that will be assisted by EU funds.

JASPERS is a joint instrument that pools contributions from the European Commission in the form of funds to recruit expert staff and staff contributions from the European Investment Bank, the European Bank for Reconstruction and Development and, from mid-2008, from KfW, the German publicly owned development bank.

The basic concept of JASPERS was agreed by the partners in 2005. Throughout 2006 a core management team was established in Luxembourg and the process of recruiting new staff took place. The new experts began to arrive from early 2007 and by the end of 2008 JASPERS had a staff of 58 experts and 11 support staff. Most of these are based in three regional offices in Warsaw, Vienna and Bucharest, close to the beneficiaries. These offices opened in early 2007 and are now fully staffed.

2008 was the first full year of operation of JASPERS and this was reflected in a rapidly growing volume of expert reports for the Member States. At the end of the year, JASPERS had an active portfolio of 280 assignments and had completed 82 assignments in 2008, compared to 22 in 2007.

The Commission announced on 26 November 2008 as part of the Economic Recovery Package that the resources devoted to JASPERS would be increased by 25% from 2009 onwards to accelerate the development of major projects.

### *JEREMIE*

The new JEREMIE initiative to improve access to finance for SMEs in the regions was launched jointly by the Commission and the EIB group in 2006. It made a very successful entry in 2007, in the lives of the regions, the managing authorities, and the

business and banking sector. JEREMIE is now part of the new generation of operational programmes, and implementation has already been launched in several Member States and regions.

In 2007, Greece was the first Member State to sign a funding agreement with the EIF, followed in 2008 by Romania, Latvia, Lithuania, Slovakia, the region of Languedoc Roussillon-France, and the region of Campania, Italy. Hungary, the region of Wales –United Kingdom and the region of Andalucia – Spain opted to implement JEREMIE, signing funding agreements with national financial institutions. Overall, about twenty Member States are expected to implement JEREMIE, with the EIF or another financial institution acting as holding fund, at national or regional level. The EIF is certainly a key player in implementing JEREMIE. About fifteen Member States are expected to implement JEREMIE, working jointly with the EIF, the latter acting as a holding fund, either at national or at regional level. The Commission finances 85% of the cost of evaluation studies offered to regions and Member States, while the EIF co-finances the other 15%. A total of 55 JEREMIE evaluation studies, identifying gaps between supply and demand for access to finance by SMEs in Member States or regions, were completed by the EIF by the end of 2008.

Resources from about 85 ERDF operational programmes that envisage the possibility to implement the JEREMIE facility in the period 2007-2013 are estimated at around EUR 2.5 billion. The total public and private resources expected to be invested under JEREMIE to enhance SMEs' access to finance in the regions could reach EUR 15 billion for the period 2007-2013. This would be a considerable improvement on the estimated EUR 3 billion invested in the same objective by ERDF operational programmes for the period 2000-2006.

DG REGIO decided to launch the JEREMIE networking platform early in 2009. It will be a forum of exchange of information, experience and best practices, as well as of reporting by Member States and regions on the implementation of JEREMIE. The networking platform will be also a forum for new and innovative ideas and proposals to enhance efficiency of the public sector support for improving SME access to finance, new business creation and innovation.

The recent global financial crisis and the economic recession make access to finance for SME and for business creation more difficult. This makes JEREMIE much more useful and important for Member States and regions. That is why the Commission in its recovery package proposed at the end of 2008, includes specific proposals modifying the Structural Funds regulations in the field of financial engineering, with a view to simplification and facilitation of implementing JEREMIE by managing authorities.

#### *Micro-credit – JASMINE*

Pursuant to the Communication adopted by the Commission on 13 November 2007 "a European initiative for the development of micro-credit in support of growth and jobs", the Commission launched on 10th September 2008 a new initiative, JASMINE – Joint action to support micro-finance institutions in Europe. This initiative is developed in partnership with the EIB-Group to support the development of non-bank micro-credit providers in Europe and to channel various forms of

technical and financial support to selected applicants. Some EUR 50 million will be dedicated to the pilot phase of this initiative; it will start in 2009 and last three years.

The European initiative on micro-credit received a very positive opinion from the European Economic and Social Committee (18.09.2008) and gave rise to positive comments and to an extensive report of the European Parliament ("Becsey report") setting out recommendations to the Commission (adoption on 24 March 2009).

Under the 2008 JEREMIE contribution agreement, the Commission has co-financed with the European Investment Fund, (85%/15%) four studies (Bulgaria, Czech republic, Romania, Slovakia, Germany, Italy, Spain, United Kingdom) to examine how these Member States could improve their own micro-credit environment in the four areas highlighted in the micro-credit initiative.

#### 4. EVALUATIONS

In 2008, the Commission continued to carry out evaluations to support decision-making under the Cohesion Policy.

##### *ERDF*

In 2008, the Commission completed an analysis of ERDF co-financed innovation projects, putting emphasis on their success factors and the common constraints and obstacles. The study develops a more in-depth knowledge of the mechanisms supporting innovation on the basis of the evidence from selected ERDF co-financed projects from a diverse range of European regions. Equally, effort is devoted to designing and testing practical methods and tools, which can be used to undertake project analyses.

The Commission also continued to carry out the ex post evaluation of Objectives 1 and 2 for the 2000-2006 period, a set of a total of 12 interlinked phased "work packages" to explore different aspects of the effectiveness and efficiency of the Cohesion Policy. First and interim results of the study continue to be used for the discussion of the next programming period of cohesion policy.

Concerning the FIGG, the outsourcing of the ex post evaluations was launched at the end of 2008.

Furthermore, the ex post evaluations for Community initiatives URBAN and Interreg were launched in 2008. The ex post evaluation on URBAN will analyse its impact on economic and social cohesion and will draw lessons for future mainstream programmes. The evaluation on Interreg will measure the contribution and specificity of this Community Initiative according to its cross-border / transnational / interregional dimension.

The Commission also launched a study on gender equality, non-discrimination and accessibility for disabled persons in cohesion policy programmes co-financed by the ERDF and Cohesion Fund in 2007-2013, identifying and analysing examples of good practice across the Member States and policy areas.



Another important task of the Commission is to provide methodological guidance to the Member States and organize exchange of experience. In this respect, the online and interactive resource for the evaluation of socio-economic development EVALSED is currently being updated.

### *ESF*

The Commission continued to work on the ex post evaluation of the ESF in the programming period 2000-2006. A preparatory study geared to analyse the relevance and reliability of available information was finalised in the course of 2008. Building on this study, the main ex post evaluation and two ex post thematic evaluations were launched at the end of 2008. The final reports of these evaluations - assessing several aspects of ESF intervention in the programming period 2000-2006 - will be available between the second half of 2009 and early 2010. The ex post evaluation of the EQUAL Community Initiative was launched in early 2009.

In 2008, DG Employment, Social Affairs and Equal Opportunities continued to hold ESF Evaluation Partnership meetings to which it invited all Member States evaluation capacities. The main objective of these meetings is to steer and capitalise on evaluation work of actions supported by the ESF with a view to assess the contribution of these actions to objectives also pursued by other EU instruments. In 2008, the Evaluation Partnership met three times.

## **5. CONTROLS**

### **5.1. ERDF**

#### ***Closure of programme period 1994-1999***

Closure audits were carried out on a sample of 57 programmes (including one INTERREG programme, and 2 Objective 2 1994-96 programmes) covering all EU 15. The programmes audited give coverage of 20-60% of the ERDF contribution in all Member States, and an overall coverage of 35% of ERDF contribution for mainstream programmes. By the end of 2008, 40 out of the 55 procedures had been completed and financial corrections of an amount of approximately EUR 330 million have been applied. For the remaining 17 cases, a decision will be taken in 2009.

#### ***Programme period 2000-2006***

An audit enquiry was started in mid-2004 to examine the effective functioning of key elements of the management and control systems in Member States for mainstream programmes. The audits comprised two phases, a systems review and an audit of a sample of projects selected on a representative basis. The on-the-spot audit work initially planned was concluded by end 2006 for EU 15 and end 2007 for EU 10. Additional audits were carried out in 2007 and 2008 to extend coverage or address specific risks where this need had been identified from audit results, or to follow up implementation of action plans.

Since 2000 until the end of 2008, in total 207 audit missions on the 2000-2006 programmes (excluding INTERREG) were carried out examining the functioning of key elements of management and control systems in Member States, out of which 22

were performed in 2008. The programmes audited, represent 43% of the number of the mainstream programmes and 76% of the planned ERDF contribution.

Additionally in 2008, 21 missions for the reviews of winding-up bodies were performed in relation to ERDF in order to verify the preparation of Member States for closure and to identify and mitigate related risks. The 35 programme audits carried out under this enquiry together with work done on the winding-up body as part of systems audits, result in a coverage of winding-up bodies of approximately 83% of the decided amount of the 2000-2006 programmes at the end of 2008.

As regards INTERREG, a separate audit enquiry was launched in 2006. The particular challenge is that for most of the 81 INTERREG III programmes the management and control systems are distinct. The audit approach has been to select on a risk basis from the three strands the programmes to be audited on-the-spot, following a similar methodology to the mainstream programmes. This has been supplemented in 2007 by a self-assessment exercise and by a detailed assessment of the annual control reports in order to get an opinion on non-audited programmes. In 2008, following the reservations made in AAR 2007 on 51 INTERREG III programmes, an intensive audit plan has been carried out, raising the number of audited programmes from eight at the end of 2007 to 23 at the end of 2008, corresponding to 54.1% coverage of the decided amount. The follow-up work continued through desk review of replies prepared by the Member States to the audit reports, of reports submitted by the programme authorities on the execution of five agreed action plans, and of the annual control reports.

In conclusion, there has been intensive audit work over the last four years achieving a high audit coverage, and with the follow-up of action plans and the application of corrections. The risk remains that some management and control systems for the ERDF programmes are still affected by material weaknesses in certain Member States. However, where identified deficiencies in the systems remain, the Directorate General is in the process of concluding the follow-up of remedial action plans or has launched suspension and/or financial correction procedures which will be finalised in 2009.

Other audit work for the programming period 2000-2006 included the examination of the 150 annual control reports received under Article 13 of Regulation (EC) No 438/2001 (and Article 12 of Regulation No. 1386/2002). By the end of 2008, the majority of reports had been analysed, and replies sent to the Member States with observations and, where necessary, requests for additional information in order to be able to draw as much assurance as possible from the results of national audit work. Furthermore, 165 national system audit reports were received in 2008.

The last of the annual bilateral coordination meetings for the year 2007 was held in February 2008. As 2008 was a transitional year, falling between two programming periods, it was decided to reschedule the bilateral coordination meetings for 2008 to the first half of 2009. Bilateral meetings are held annually with national audit authorities to exchange information on the implementation of audit work and to discuss progress on sample checks and follow-up of audit findings. The meetings in 2009 will cover issues concerning both programming periods 2000-2006 and 2007-2013.

### *Impact of controls*

In the exercise of its supervisory role, DG Regional Policy has implemented a policy of launching a procedure for suspension of interim payments and the application of financial corrections as soon as it is established that there are serious deficiencies which put at risk the reimbursements of Funds made to Member States. It also established a revised manual of procedures to streamline the internal arrangements for the adoption of suspension and correction decisions.

In this context, during 2008 the Directorate General launched 34 procedures for the suspension of payments. For ERDF, five Commission decisions were adopted in relation to three INTERREG programmes (France/UK, Medoc and Italy/Albania), Operational programme Puglia and nine Intermediate Bodies in Spain affecting 23 programmes.

### *Action Plan*

The Action Plan to strengthen the Commission's supervisory role under shared management of structural actions was adopted on 19 February 2008 – COM (2008)97 ("the Action Plan"). The objective of the Action Plan is to reinforce actions by the Commission to address the high level of errors in reimbursements for structural actions and weaknesses in the Member States management and control systems. The Action Plan set out 37 actions under 10 main headings to be carried out by DG Regional Policy and DG Employment, Social Affairs and Equal Opportunities. The actions took account of the recommendations of the European Court of Auditors in its Annual Report for 2006, its Opinion No 6/2007, the recommendations during the discharge process for the financial year 2006 and ongoing actions under the DGs audit strategies.

The Commission has reported on a quarterly basis to the European Parliament on progress on the Action Plan by the transmission of monitoring tables. An interim progress report on the results of the first three quarters was presented to the Commission in November 2008 – SEC (2008) 2756. A report on the achievements for the year 2008 was adopted by the Commission in February 2009 – COM (2009) 42. Both reports were sent to the European Parliament, the Council and the European Court of Auditors.

By the end of 2008, 28 out of the 37 actions in the Action Plan had been completed. The remaining actions are by their nature ongoing and have been incorporated in the structural actions joint audit strategy.

### *Annual summaries*

2008 was the second year Member States were required to submit annual summaries as per Article 53b(3) of the amended Financial Regulation. These are assessed by the responsible Directorates General – "Regional Policy", "Employment, Social Affairs and Equal Opportunities", "Agriculture and Rural Development" and "Fisheries and Maritime Affairs". The formal submission by the Member States of the requested information reinforces the accountability of the Member States for the use of the Funds and contributes to the Commission's assurance.

A revised guidance note was made available to Member States on 12 November and the Directorate General sent a letter at the end of December 2008 reminding Member States of the Commission's expectations, with a view to increasing the summaries' added value.

As at the end of March 2009, 23 Member States had complied or mainly complied with the minimum requirements of the Financial Regulation regarding information to be provided, and as set out in the Commission's guidance note. Where necessary, Member States, which had not completely followed the recommendations in the Commission's guidance note, have been requested to provide the additional information. For 4 Member States, there were non-compliance issues and the Member States have been requested to send a revised annual summary. The non-compliance is mainly the result of missing information for the audit activity for the period 2000-2006 and in two cases information for the certified expenditure is also missing for the same period.

For those Member States which complied with the minimum requirements, but had not provided either an overall analysis or an assurance, the Commission has taken further action to encourage them to follow best practice in its assessment letters, even though these elements do not form a legal requirement. In the cases where the Member State has provided an overall analysis or declaration of assurance, the DG has used this to corroborate its own assessment of the national systems.

## **5.2. ESF**

### ***Closure of programming period 1994-1999***

The closure audits 1994-1999 were finalised with the audit of three projects in Germany (Brandenburg) and with the audit of the closure certificates in Belgium (Flanders).

As a result, the objectives – coverage of all Member States and a reasonable amount of programmes - concerning the closure audits 1994-1999 were accomplished. The results were made available to the Member States concerned and the follow-up to these audits is monitored by the geographical desks.

### ***Programming period 2000-2006***

The 113 audit missions carried out in 2008 involved all the Member States. The missions concerned (a) the audit of uncovered (in part or in full) operational programmes identified in the risk analysis for 2007, (b) follow-up missions on the implementation of action plans agreed in the framework of suspension procedures or, on the results of audits undertaken by the Court of Auditors of the European Union and (c) the audit of a sample of operations.

The detailed breakdown of the audits is as follows:

- Audit missions of uncovered operational programmes (or parts of operational programmes mainly in case of decentralised systems). All these missions concerned operational programmes implemented in the EU 15;
- 5 missions in preparation of the closure 2000-2006;

- 76 audits on substantive testing of operations (sample checks including desk review and visits on the spot);
- 18 follow-up missions.

#### *Integrated Internal Control Framework*

The Integrated Internal Control Framework contains several actions of which three in particular relate to the audit units. For all three actions, activities took place in 2008.

In the framework of Action 9 – *Assess potential actions necessary for enhancing the sharing of audit and control results and recording of their follow-up* - of the Integrated Internal Control Framework, the Structural Fund DGs have continued to indicate, on the cover page or executive summary of the audit report whether common bodies are concerned by the audit.

Secondly, in the framework of the same action, the required documentation and procedures for a joint audit enquiry on the preparation of winding-up bodies for the closure of the 2000-2006 programmes were developed by a joint REGIO-EMPL-MARE working group. The objective is to share the audit work and use each other's results for winding-up bodies which are common to several funds so as to avoid duplication of the audit work. In this respect, DG REGIO audit results on common winding up bodies were taken into account for the determination of the audit opinion for the countries concerned.

Procedures were put in place for the review of the compliance assessments and audit strategies common to both DG REGIO and DG EMPL. This resulted, in practice, from close co-operation between DG REGIO, DG EMPL and DG MARE through, where applicable, inter-service consultations and the allocation of the work by Member State/operational programme.

The analysis of Article 13 reports and national audit reports ensured reliance on a considerable number of programmes. Each report was analysed and replies were sent, after co-ordination with the other Structural Fund DGs, to the Member States.

In the framework of Action 11N – *examine the reliability of national monitoring and reporting systems* – and in addition to the analysis of Article 13 reports mentioned above, DG EMPL requested Member States to submit the cumulative results of their audits of operations (Art. 10-12 of Commission Regulation 438/2001). When the results indicated a high error rate the Member States were further requested by the geographical desk to detail the actions taken to ensure that the ESF is spent in a legal and regular manner and that only eligible expenditure is declared to the Commission.

As far as Action 14b – *provide in the context of the Structural Funds...2007-2013 guidelines for beneficiaries and/or intermediate levels of controls and responsibilities in the control chain* – is concerned, it can be noted that a further number of nine guidelines were issued.

### **5.3. EAGGF**

#### *Closure of programming period 1994-1999*

As regards the 1994-1999 period, the ex-post audit programme was already completed in 2006. A number of financial correction procedures are under way. Three financial correction decisions covering 15 programmes were adopted by the Commission during the year.

#### ***Programming period 2000-2006***

For the period 2000-2006 (EU-25), 26 programmes covering 45.3% of planned expenditure were audited in 2008. By the end of the year, a total of 92 programmes out of the 152 approved EAGGF-Guidance programmes had been subject to an audit. The programmes audited cover 94.3% of the planned EAGGF contribution and 60.6% of the number of programmes. Typical problems identified were: inadequate management controls, failure to verify eligibility criteria in accordance with the provisions of agricultural legislation and a low level of independent controls. These findings are being followed up with the Member States concerned and may lead to financial corrections. A number of financial correction procedures are under way. Three financial correction decisions covering three programmes were adopted by the Commission during the year.

### **5.4. FIFG**

#### ***Closure of programming period 1994-1999***

By the end of 2008, forty-seven out of fifty-two programmes were closed, two are in the process of being closed by a financial correction decision (adopted beginning 2009). Of the remaining three programmes, two will be subject to a financial correction procedure by the Commission under Article 24 of Regulation (EC) No 4253/1988 and one will be the subject to a revised closure proposal. The percentage of programmes closed, or in the process of being closed, represents 94.2% of the total.

The outstanding amount on commitment for the programmes not yet closed amounts to EUR 31.7 million and compared to 2007 was reduced by EUR 4.8 million. The outstanding amount represents 1.13% of the total amount allocated to FIFG programmes for the period. The financial corrections requested by the DG during the closure exercise were EUR 89.7 million, representing 3.22% of the total amount allocated to FIFG programmes. The corrections resulted either in reduced payments, recovery orders or de-commitments.

The amount, which is either subject to the issue of a recovery order, still under discussion, or which will be subject to financial correction procedures by Commission Decision, amounts to EUR 44 million representing 1.58% of the total amount allocated to FIFG programmes.

The following table shows the situation of programme closure at 31 December 2008:

<b>31/12/2008</b>	<b>Number of OPs</b>	<b>Share of total FIFG allocation (millions)</b>	<b>Corrections (millions)</b>
Programmes closed	47	1 627	45,7
Programmes not yet closed	5	1 155	44
Programmes for which final proposal to be made	0	0	n.a
<b>TOTAL</b>	<b>52</b>	<b>2 782</b>	<b>89,7</b>

#### ***Programming period 2000-2006***

The eight FIFG audits carried out in 2008, covering nine operational programmes, focused on the verification and follow-up of the effective functioning of management and control systems for the period 2000-06 and the preparation for the closure of the programmes. The audits tested key controls in place in the management and control systems, combined with sample checks of projects by desk review at the level of the managing authorities and on-the-spot visits to projects and beneficiaries. These audits indicate that of the programmes/systems audited by the DG in 2008, one functions well (category 1), seven function but need improvement (category 2a) and one does not work (category 3).

In total, 74 projects were checked by desk reviews and/or on-the spot for a total eligible amount checked of EUR 58.4 million with FIFG participation of EUR 24.8 million. An amount of EUR 4.08 million has been identified as potentially ineligible. This potentially ineligible amount represents 0.17% of the Community contribution of the audited programmes and 1.28% of the total amount paid out by the Directorate General in 2008 for the co-financing of FIFG programmes.

Since the beginning of the 2000-2006 programming period, DG MARE has carried out a total of 44 audit missions covering all its mono-fund programmes (18 programmes representing an initial budget contribution of EUR 3,608.73 million – 87.1% of the total 2000-2006 budget), as well as 14 multi-fund programmes representing a contribution of EUR 286.94 million - 6.92% of total 2000-06 initial budget. In total, DG MARE systems audits have covered programmes representing 94% of total FIFG initial contribution for 2000-2006. For the other programmes, the

assurance is gained from other Structural Fund DG's audit work and/or national audits.

The overall result shows that thirty six programmes (representing 82.78% of FIFG 2000-2006 contribution) are considered as working well or working with some improvements needed. The management and control systems of twenty programmes (representing 15.47% of FIFG 2000-06 contribution) work but need significant improvement. Of the four remaining programmes, two do not work (representing 1.66% of FIFG 2000-06 contribution) and for two (representing 0.09% of FIFG 2000-2006 contribution) no opinion can be issued as there is not sufficient audit evidence. For the two programmes which do not work, recommendations and actions plans have been issued and payments interrupted.

## 5.5. OLAF

During 2008, OLAF undertook 41 missions in the Member States relating to measures co-financed by the Structural Funds. Some 23 of these missions concerned on-the-spot checks<sup>2</sup> (during which 31 on the spot controls were carried out on economic operators) and 18 other types of missions were carried out to gather information or to assist either national administrations or judicial authorities. Typical problems identified by OLAF in the course of 2008 included false declarations, false invoicing and failure to abide by public procurement rules.

In 2008, Members States communicated to the Commission, in accordance with Regulation (EC) N° 1681/94<sup>3</sup> and Regulation (EC) N° 1828/2006<sup>4</sup>, some 3.869<sup>5</sup> notifications of irregularities involving EUR 528.647.682 affecting co-financed measures of the 1994-99, 2000-2006 and 2007-2013 programming periods. 62 notifications concern the 1994-99 programming period with a financial impact of approximately EUR 11 million. Member States have informed the Commission that administrative and/or judicial procedures have been concluded at national level for a number of cases and an amount of EUR 109.811.425 million has been recovered.

For the new programming period 2007-2013, 9 irregularities were reported, involving an irregular amount of EUR 901,294.

In 2008, both the number of notifications increased by around 26,7% and the involved amounts decreased by around 19.3% and about 17.9% respectively, as compared to the year before. The main explanations for this situation seem to be: 1) a higher number of irregularities from the new Member States (EU10) as a result of full implementation of the programmes and a better understanding and implementation of the reporting obligation; 2) a decrease, especially in terms of irregular amounts from the EU15, which, for the programming period 2000-2006 are managing the greatest part of the funds.

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<sup>2</sup> Regulation (EC) N° 2185/1996, OJ L 292, 15.10.1996, p. 2

<sup>3</sup> OJ L 178, 12.07.1994, p.43

<sup>4</sup> OJ L 371, 27.12.2006, p.1

<sup>5</sup> 2007: number of communicated cases 3 671; overall amount related to the communications € 694 362 858.



The most frequent types of irregularities reported are “non-eligible expenditure”, and secondary, “infringement of rules concerned with public procurement” and “Missing or incomplete supporting documents”.

The figures demonstrate an increased awareness and a better reporting by the Member States in conformity with their community law obligations.

## **6. COMMITTEES ASSISTING THE COMMISSION**

### **6.1. COCOF**

The activities of the COCOF Committee in 2008 can be classified according to its main roles, namely:

*A) Conventional comitology activities where the COCOF acted giving opinions on draft decisions of the Commission or where the opinion of the Committee was required in accordance with Regulation (EC) No 1083/2006.*

In 2008, following types of technical assistance measures were submitted and approved unanimously by the COCOF committee:

- Commission decision concerning the financing of the programme for the use of operational and non-operational technical assistance at the initiative of or on behalf of the European Commission under the European Social Fund for 2008 (written consultation);
- Commission decision amending Decision PH 2008/544 of 07/04/2008 concerning the financing of the programme for the use of operational and non-operational technical assistance at the initiative of or on behalf of the European Commission under the European Social Fund (ESF) for 2008;
- Commission decision concerning the financing of the programme for the use of operational and non-operational technical assistance at the initiative of or on behalf of the European Commission under the European Social Fund for 2009;
- Commission decision concerning the financing of the programme for the use of operational and administrative technical assistance at the initiative or on behalf of the European Commission under the European Regional Development Fund and the Cohesion Fund for 2009, and is considered the work programme for technical assistance for DG REGIO for grants and public procurement, as well as, award decision for the grants.

#### *B) Other roles besides comitology*

Like in the previous years, the COCOF Committee has continued to be active as the forum of discussion for issues of more general nature than those strictly required by Regulation.

For instance, with the aim of sharing the views with the Member States and seeking their opinions on the interpretations of Regulations, the COCOF committee presented

and discussed several interpretative documents covering the following issues in 2008:

- financial engineering (second, revised interpretative note on this subject was presented to the COCOF);
- major projects in the programming period 2007-2013: thresholds and contents of Commission decisions, aid schemes and the automatic decommitment rule;
- revenue-generating projects and projects subject to the rules on State aid in the context of Article 55(6) of the general Regulation (EC) 1083/2006;
- eligibility of energy efficiency and renewable energies interventions under the ERDF and the Cohesion Fund (2007-2013) in the building sector including housing (COCOF 08/0043/02-DE-EN-FR);
- closure of INTERREG III Programmes 2000-2006;
- amendment of decisions taken by the Commission for Cohesion Fund projects;
- state of play and work programme 2008 and 2009 for SFC2007;
- interpretation of the Lead beneficiary principle under Articles 19 and 20 of Regulation (EC) No 1080/2006, especially concerning joint bodies such as EGTCs;
- European Transparency Initiative: Implementation of the Financial Regulation regarding the publication of data on beneficiaries of Community Funds under the shared management mode;
- common methodology for the assessment of management and control systems in the Member States;
- functions of the certifying authority for the 2007-2013 programming period;
- good practices in relation to management verifications to be carried out by Member States on projects co-financed by the SF and CF.

## **6.2. ESF Committee**

The Committee pursuant to Article 147 of the Treaty (ESF Committee) met three times in Plenary Sessions and its Technical Working Group met on seven occasions.

Concerning the programming period 2007-2013, the ESF Committee was informed on the results of the negotiations in terms of cohesion policy strategies and programmes contents and on the Commission Action Plan to strengthen supervision under shared management for structural actions. It was also consulted on the ESF support to social partners in the period 2007-2013.

Among other points, the ESF Committee discussed the Lisbon package adopted by the 2008 Spring Council, the renewed social agenda adopted by the Commission in July 2008.

The ESF Committee adopted an opinion on the EU budget review with a particular focus on the aim to achieve full employment, quality of work and social cohesion and on the development of the European labour market and human capital formation.

The ESF committee was also consulted on the "Green Paper on Territorial Cohesion" and on the Commission's proposal, which aimed at maximising the contribution of Structural Funds, in particular the ESF, to address the crisis in the framework of the European Economic Recovery Plan.

Among others, the ESF Committee Technical Working Group (TWG) focused its discussions on audit and control issues, annual certifications. It examined management issues related to the implementation of Article 57.2 of Regulation (EC) No 1083/2006 on durability of operations and information in annual implementation reports, the evaluation of management and control systems, the management verifications to be carried out by Member States on projects co-financed by the Structural Funds and the Cohesion Fund for the 2007–13 programming period, the implementation of partial closure, the implementation of Article 11(3)b of ESF Regulation "flat rate rule for indirect costs" and the implementation of Article 55 of Regulation (EC) No 1083/2006 "Revenue generating projects" in the case of ESF. The Commission informed the ESF TWG of measures in preparation to reinforce the contribution of the ESF in addressing the economic and financial crisis and the action plan to strengthen the Commission's supervisory role under shared management of structural actions.

The ESF TWG pursued its programme of mutual learning concerning the use of public tendering for ESF operations, the closure of 2000-06 programmes, and examples of ESF human resources development programmes.

### **6.3. Committee on Agricultural Structures and Rural Development (STAR)**

The STAR Committee met seven times in 2008 and gave a favourable opinion on three amendments of the SAPARD rural development programmes for Bulgaria (2 amendments) and Croatia under Article 4 of Council Regulation (EC) No 1268/1999.

### **6.4. Committee on Structures for Fisheries and Aquaculture (CSFA)**

In 2008, the Committee was consulted on a number of issues, including the European Transparency Initiative and the guidelines for determining financial corrections to be made to expenditure co-financed by the Structural Funds or the Cohesion Fund for non-compliance with the rules on public procurement.

## Part 2: Analysis by Member State

### 1. BELGIUM

*2000-2006 programming period*

#### 1.1. Objective 1

For the unique Belgian programme (Hainaut) under Objective 1, almost the entire budget envisaged until the end of the period was allocated to projects.

An amended programming complement was adopted after the monitoring committee meeting of December 2008 to maximise the consumption of the programme.

Payments amounted to 94.62 % (EUR 404 575 930.95) of the ERDF appropriation at the end of 2008. Global execution for the EAGGF-Guidance amounted to 87.70 % (EUR 36 663 486) of EAGGF appropriations at the end of 2008. For the ESF, the payment claims transmitted to the Commission amounted to 93,16% (EUR 181 479 585.15 of the total ESF appropriation at the end of 2008).

#### 1.2. Objective 2

At the end of 2008, all managing authorities accepted the proposition of the Commission to extend the eligibility period by six months until June 2009.

For the seven programmes under Objective 2 from which Belgium benefits, the annual reports 2008 of each programme were approved by the corresponding monitoring committee, transmitted to the Commission and examined by the Commission. For each programme, two monitoring committee meetings were organised in June and December 2008 (only one monitoring committee meeting was organised for Wallonia in December 2008)

The main subjects dealt with by the monitoring committees were:

- the approval of the annual implementation reports 2007,
- the programme modifications mentioned above and below
- the follow-up of the n+2 situation.

The total of ERDF appropriations in the seven operational programmes (2 for Wallonia, 4 for Flanders, 1 for Bruxelles Capitale) – out of which five are multi-fund - amount to EUR 416 314 742. In total, all programmes received payments up to EUR 367 450 278.01, representing an execution rate of 88.26 %.

Total ESF appropriations, covering five programmes (3 for Flanders and 1 for Wallonia), amount to EUR 48.499.226. In total, all programmes received payments up to EUR 41.411.666,47, representing an execution rate of 85,39%.

For the four Objective 2 programmes for Flanders, total ERDF and ESF payments per programmes are respectively:

- Limburg: EUR 77 745 488.85 (ERDF) and EUR 8 814 851 (ESF) which correspond to 90.44% and 83% of the respective appropriations.
- Antwerpen: EUR 41 606 385.25 (ERDF) and EUR 4 424 437 (ESF) corresponding to 95% and 88% of the respective appropriations
- Westhoek: EUR 31 309 420.75 (ERDF) and EUR 1 384 762 (ESF) corresponding to 95% and 95% of the respective appropriations
- Oost-Vlaanderen: EUR 13 108 338.71 (ERDF only, no ESF) corresponding to 93% of the appropriations.

As for the two Walloon objective 2 programmes, execution rate is as follows :

- Liège: EUR 115 276 434.05 (ERDF) and EUR 21 918 464.51 (ESF) representing a respective execution rate of 83 % and 85 %
- Namur-Luxembourg: EUR 46 893 608.46 (ERDF) and 4 869 152.18 (ESF), representing a respective execution rate of 86 % for both Structural Funds.
- Bruxelles Capitale (ERDF only) realised an expenditure of EUR 41 510 601.94, or an execution rate of 90 %.

### **1.3. Objective 3**

There are five ESF-only operational programmes covering respectively Flanders, Belgium fédérale, French-speaking Wallonia, German-speaking Wallonia and Bruxelles Capitale) totalling appropriations of EUR 796 411 294.40. An execution rate of 93.56 % was achieved, representing EUR 745 124 715.40.

For the Federal SPD, the total ESF budget amounts to EUR 70.1 million. Payments at the end of 2008 amount to EUR 44 364 203 million (63 % of the total ESF appropriation). The Flemish programme has a total ESF budget of EUR 392.5 million. The entire budget was allocated to projects. Payments at the end of 2008 amounted to EUR 367.8 million. The Wallonia-French Community programme has a total ESF budget of EUR 297.9 million. Total payments at the end of 2008 amounted to EUR 283 million (95% of the total budget). The ESF budget for the Brussels region amounts to EUR 24.7 million, 95% of which was paid at the end of 2008. The German-speaking Community has a separate Objective 3 programme, with a total ESF budget of EUR 11.2 million. At the end of 2008, payments amounted to EUR 10.6 million or 95% of the total budget. The implementation of this programme is finalised since the end of 2006.

### **1.4. Fisheries outside Objective 1**

The initial FIG allocation was EUR 35.5 million with an current FIG allocation of EUR 21.3 million. There were several de-commitments (-40%) during the whole programming period. FIG payments did not reach the 95 % ceiling (only 75%).

The financial plan of the programming complement was modified and there has been no extension of the eligibility date. Total expenditure paid amounts to EUR 17.1 million which brings the execution rate less than 75 %.

## **1.5. Community Initiatives**

### *1.5.1. Equal*

The ESF appropriation for the two EQUAL programmes in Belgium - one for the French and German-speaking community, and one for the Dutch-speaking community – amounts to EUR 68 237 835. The programme covering the French-German speaking community proceeded without any major difficulty in 2008. In financial terms, the rate of execution of the ESF part of the programme at the end of 2008 was 86%. The rate of execution of the Dutch-speaking EQUAL programme was, at the end of 2008, 75%. In 2008 an automatic de-commitment of EUR 0.510 million under the “n+2” rule was carried out. The two EQUAL programmes supported around 125 projects, mainly in fields such as employability, adaptability, life-long learning and social economy.

### *1.5.2. Leader*

Belgium has two Leader+ programmes: one for Flanders, involving an EAGGF appropriation of EUR 4.0 million out of which EUR 3.8 million was paid and the Walloon program involving an EAGGF appropriation of EUR 10.3 million out of which EUR 8 million was paid..

### *1.5.3. Urban*

The three URBAN II programmes in Belgium totalling an appropriation of EUR 21.3 million concern the cities of Antwerp, Sambreville and Brussels. Each programme originally received EUR 7.17 million from ERDF, but due to the "n+2" rule the contribution was reduced to EUR 7.13 million for Antwerp and to EUR 7.0 million for Brussels. Total expenditure rate for all URBAN programmes reach EUR 18.7 million, or 88 % execution rate (Brussels 95%, Antwerp 86%, Sambreville 82%).

Annual reports for 2007 were submitted by all three programmes and approved.

All URBAN programmes reached the "n+2" targets for 2008. For Bruxelles-Capitale, there was a decommitment of less than EUR 95 000 in 2007. A new decision was adopted in 2008.

## **2. CYPRUS**

*2000-2006 programming period*

### **2.1. Objective 2**

The payments made by the Commission (including the advance payment) amount to approximately EUR 26.6million (absorption rate of 96%). In particular during the year 2008, three payments amounting to EUR 10 030 568 were processed.

Following the application submitted by the Cypriot authorities by the end of December 2008 for the extension of the final eligibility date of expenditure in the framework of the financial crisis, the decision C(2009)1132 was adopted on 18 February 2009 and therefore it is expected that no loss of credits will occur for Cyprus for the programming period 2004-2006.

The annual implementation report for the year 2007, transmitted by the Cypriot authorities, was assessed and accepted by the Commission services without any comments.

In view of contributing to an efficient and effective implementation of the ERDF interventions, the Commission services actively participated in the monitoring committee meeting in June 2008. In the framework of this meeting, a seminar on the closure of the 2004-2006 SPD was organized in Cyprus with the participation of the financial and legal services of the Commission. In addition, technical meetings with the Cypriot authorities were held in June and December 2008 in order to follow closely the implementation progress of the SPD.

### **2.2. Objective 3**

Payments made by the Commission (including the advance payment) amount to approximately EUR 15,993,368 (absorption rate of 72.88 %). An intermediary payment claim of EUR 996,933.92 was submitted by the Cypriot authorities on 5 November 2008.

The 2007 Annual Implementation Report for the Single Programming Document (SPD) for 2004–2006 was approved by the Monitoring Committee as well as received and approved by the Commission. An amended Programme Complement was received in the second half of 2008 and was accepted by letter of 12 December 2008.

A Monitoring Committee meeting for the SPD took place in June 2008 in which the Commission services actively participated. In addition, two technical meetings with the Cypriot authorities were held in June and in September, and an Annual Review meeting took place in December in Brussels.

The extension of the eligibility period until 30 June 2009 for the two 2004-2006 programmes, Objective 3 and EQUAL, was adopted by Commission decision (2009)1132 of 18 February 2009. The extension of the eligibility period should allow reaching the full absorption of the ESF allocation while easing the closure process.

### **2.3. Fisheries outside Objective 1**

The Fisheries Operational Programme for Cyprus, adopted by the Commission in 2004, entered its fifth year of implementation. At the end of 2008, in practice all the resources of the programme had been allocated by the managing authority and payments reached nearly 95% of the total FIFG available funds. The Monitoring Committee met in 2008, covering mainly monitoring and evaluation of progress.

### **2.4. Community Initiatives**

#### *2.4.1. Equal*

Payments made by the Commission (including the advance payment) amount to approximately EUR 1,131,138 (absorption rate of 62.54 %). In 2008, EUR 548,446.48 of ESF payments were made for the CI EQUAL.



### 3. CZECH REPUBLIC

#### *2000-2006 programming period*

During 2008, the implementation of all operational programmes has improved substantially and the absorption accelerated compared to previous years. For most operational programmes, the budget realised on the ground reached 100%. The payment rate (paid out/decided by the Commission) by the end of 2008 corresponds to 91% of the total 2004-2006 budget.

The 2007 annual implementation reports were submitted for each operational programme in due time. All of them were deemed admissible and thus accepted by the Commission without significant objections.

As a reaction to the global economic crisis, all Czech operational programmes, except from the Agriculture and Rural Development Operational Programme, expressed their request to extend the eligibility period until 30 June 2009. The Commission adopted the relevant decision on 18 February 2009. The Czech Republic has clearly demonstrated the effect of the unprecedented financial crisis in the socio-economic situation and the labour market as well as its consequences in the slow down on the implementation of the interventions covered by the request.

#### 3.1. Objective 1

*The Community Support Framework for the period 2004-2006* covers a total budget of EUR 1 954 million, of which EUR 1 454 million is contributed by the Structural Funds (63% ERDF, 25% ESF, 11.5% EAGGF and 0.5% FIFG). Five Operational Programmes are implemented under the CSF.

The CSF Managing Authority, at the Ministry for Regional Development, is responsible for the effectiveness, correct management and delivery of the support provided by the Structural Funds in the Czech Republic.

Two monitoring committees for the CSF met in 2008: one on 12 June 2008 and one on 11 December 2008. The annual report for 2007 was discussed during the meeting in June. This meeting also concentrated on the physical progress reached on the ground including fulfilment of physical indicators. The second meeting focused on the possibility to extend the eligibility period. Other important topic discussed was the preparation of individual operational programmes for the closure exercise. The need for an efficient management and coordination at the CSF level was also stressed.

*The Joint Regional Operational Programme (JROP)*, the largest Czech OP with a share of 31.2% (EUR 454 million) of the total Objective 1 allocation (28% ERDF and 3.2% ESF), held two monitoring committee meetings in 2008: one on 5 June 2008 and one on 20 November 2008. Implementation of the JROP measures has progressed significantly compared to 2007: 130% of the budget was approved by the end of 2008, 119% of that amount was executed, of which 90% was certified. The best performing JROP measures are the schemes supporting regional infrastructure (transport and urban development) and the development of services in tourism.

*The Human Resource Development Operational Programme* accounts for a share of 21.2% (EUR 318.8 million ESF contribution) of the total Objective 1 allocation. Two monitoring committee meetings took place on 5 February 2008 and on 19 June 2008. The annual meeting was organised on 19 September 2008. Implementation has come to its final phase, with more than 100% of the total budget of the OP being contracted, although in terms of (certified) spending the OP is still lagging behind. The best performing measures are 3.2 (Promoting Tertiary education, Research and Development) and 2.3 (Enhancing the Capacity of Social Services Providers). The slowest measure is 1.2 (Public Employment Services Modernisation). Interim payment claims totalling EUR 204.99 million were submitted by the end of 2008, which covers only 64.29% of the total budget for 2004–2006.

*The Operational Programme Industry and Enterprise* is the third largest programme with 17.9% (only ERDF) of the total Objective 1 allocation. Two monitoring committee meetings were organised for this programme in 2008: one on 26 May 2008 and one on 13-14 November 2008 held in Liberec (Region South East). This operational programme experienced an important slow down that occurred already at the beginning of the year. Only 72% was certified and 103% of the budget was realised on the ground. The most popular measures remain schemes supporting small and medium-sized enterprises, innovation schemes and two loan schemes aimed at starting entrepreneurs and firms in the initial development stage, whereas schemes targeting energy saving and renewable sources of energy are slightly lagging behind for the moment. Finally, it seems that the measures with the slowest absorption are those realised under the technical assistance priority axis.

*The Operational Programme Infrastructure (OPI)* is the fourth largest OP, with almost 16.9% (only ERDF) of the Objective 1 budget allocation. Two monitoring committee meetings were held for this programme in 2008: one on 3 June 2008 and one on 4 December 2008. Implementation of the OPI measures has progressed significantly compared to 2007: 121% of the budget was approved by the end of 2008, in favour of 398 operations, payments on the ground cover 118% of the total budget and 86% of the total budget was certified. The best performing measures of OPI are those relating to transport infrastructure.

The Monitoring Committee of the *Agriculture and Rural Development Operational Programme* was held in June 2008 and the Community Support Framework Monitoring Committee met in December 2008. (This latter meeting examined absorption of the Structural Funds.) It was concluded that implementation of the EAGGF programme was progressing in a satisfactory manner.

The 2007 Annual Implementation Report was submitted to the Commission in July 2008 and approved in April 2009. One interim payment request amounting to EUR 24 146 851 was submitted to DG AGRI during 2008. With this payment, the 95% threshold - as described in Art.32.3 of Regulation (EC) No 1260/1999 - has been reached. No programme modification was made in 2008.

#### *Fisheries*

The 2006 allocation was re-allocated in favour of the EAGGF measures under the Rural Development and Multifunctional Agriculture Operational Programme. The level of commitments was 92 %, some small amount remained uncommitted. The

last interim payment of EUR 964.211,34 reached the 95 % ceiling of the Commission payments during the implementation period, and the last operational programme commitment (2005) will be honoured at the closure which should begin soon since the Czech authorities did not choose to apply for a prolongation of the final date of eligibility of expenditure. The closure documents are to be submitted to the Commission by 31 March 2010.

### **3.2. Objective 2**

*The Single Programming Document Prague Objective 2* receives support of EUR 71.3 million from the Structural Funds (only ERDF, 50% of total allocation). Two monitoring committee meetings were organised for this programme in 2008 (in June 2008, when the annual report for 2007 was approved, and November 2008). Programme implementation in 2008 run well, catching up some delays from 2007. The best performing priority axes were the ones for the public infrastructure improving the quality of life in housing estates and the transport systems supporting the transformation of the city environment. A preparation for the closure procedures started in 2008. Implementation on the ground overreached 100%, certified expenditures attained 92%.

### **3.3. Objective 3**

The Single Programming Document Prague Objective 3 receives EUR 58.79 million from the Structural Funds (ESF only). Two monitoring committee meetings took place in 2008: on 6 February 2008 and on 2 June 2008. The annual meeting was organised on 19 September 2008. Implementation came to its final stage during 2008, with more than 100% of the total budget contracted to projects, although in terms of (certified) spending the SPD is still lagging behind somewhat. The best performing measures are 2.2 (Reconciliation of family and work life) and 2.3 (Global grant – Strengthening the capacity of social services providers). The slowest measure is 1.1 (Development of active employment policy). Interim payment claims totalling EUR 45.57 million were submitted by the end of the year 2008, which covers 77.51% of the total budget for 2004–2006.

### **3.4. Community Initiatives**

#### *3.4.1. Equal*

The Czech EQUAL programme receives support of EUR 32.1 million from the ESF. Two monitoring committee meetings took place on 20 June 2008 and on 19 November 2008. Financial implementation improved during 2008 with interim payment claims totalling EUR 26.31 million, which covers 81.96% of the total budget. The programme has achieved 95% payment threshold in the end 2008 and has reached the final stage of implementation.

The Czech authorities are working intensively to mainstream the results of this initiative. There are six thematic networks established in the Czech Republic:

- Integration of people with difficulties into the labour market
- Entrepreneurship

- Social economy and community services
- Adaptability and lifelong learning
- Equal opportunities for men and women
- Integration of foreigners and racially discriminated persons into the labour market.

The extension of the eligibility period until 30 June 2009 will help to reduce partly the remaining financial resources on the technical assistance priority and will permit the managing authority to be better prepared for the closure. The 2007 annual report approved by the monitoring committee arrived on time, followed the structure agreed with the European Commission and contained all the necessary elements.

#### 4. GERMANY

##### *2000-2006 programming period*

The overall performance of programme implementation in German regions was good and, in general, the core targets can be expected to have been globally attained though in a number of programmes, finally not all target values set for the programmes will be attained. Managing authorities regularly informed the monitoring committees about programme execution in physical terms, with respect to the targets set for each (sub-) period, and the development of key indicators such as jobs created and investment volume co-financed, as compared to the targets set for the programme. Apart from issues concerning programme execution, discussions in the monitoring committee meetings often concerned audits and questions with respect to closure due in 2009/2010. The focus of programme execution was therefore also laid on optimizing the use of funds with a view to programme closure. To this end, Managing authorities took the opportunity of modifying the financial plans of their programme complements. Certain modifications of the programme however without changing the financial plans were undertaken in four cases. However, while the majority of regions expect a financial execution on schedule, a couple of other regions are likely not to use all funds allocated to them. A larger number of regions are going to make use of the flexibility clause on priority level at closure according to point 8 of the Commission Guidelines relating thereto. One priority for all German ERDF programmes was to verify whether all projects have been terminated as planned.

In October, an annual meeting was held with the Commission (DG REGIO) and all managing authorities including the co-ordinating Federal Ministry of Economy. The focus of this meeting was laid on questions pertaining to financial execution and closure. DG EMPL held individual annual meetings for each programme with ESF contribution. The meetings followed a common agenda and, combined both the 2000-2006 and 2007-2013 periods. For the 2000-2006 period, the main emphasis was put on the state of play of the programme implementation, the preparation of closure and the follow-up of audit recommendations.

Following the Commission's initiative of December 2008 to allow for a prolongation of eligibility of expenditure by six months until 30 June 2009, due to the financial and economic crisis, fourteen out of eighteen managing authorities submitted an application for such extension for their programmes before 31 December 2008. Applications were also received for three out of twelve Urban Community initiatives programmes. The Commission decided on these applications in an accelerated procedure by Decision of 18 February 2009, whereby authorities were enabled to (re-)allocate funds still available at the end of the year for new financing. The date for submission of closure documents in 2010 was extended accordingly. The extension will inter alia enable the regions to (re-) use funds which due to the crisis could not be spent or which had to be recovered from projects for which initial investment volumes or job creation targets had not be fully realized.

#### **4.1. Objective 1**

Overall, financial absorption of ERDF contributions in German Objective 1 regions was very satisfactory in 2008. Cumulated payments attained 95% of total commitments for the 2000-2006 programming period which is the maximum amount which can be paid prior to closure according to Article 32(4) of Regulation No 1260/1999. The Objective 1 programme for Berlin did, by various reasons, not fully meet the 95% target for the ERDF by end of 2008, though no decommitment will be made for this last year of execution. All ESF programmes also reached the 95% threshold until the end of March 2009.

For each of the programmes one or two amendments of the programme complement were undertaken and the Commission was accordingly informed and accepted these changes. In the majority of the cases, these changes aimed to fine-tune the financial endowment at measure level so as to avoid financial losses at programme closure. A certain number of programme complements were adapted in view of the shortage of appropriate projects in certain measures, funds being shifted to other measures with more promising projects.

Contrary to most German programmes, Mecklenburg-Vorpommern, Berlin and the Federal Transport programme did not apply for an extension of eligibility of expenditure until 30 June 2009. For the Federal ESF Programme, an extension until 30 April 2009 of eligibility of expenditure was already agreed in 2008.

The overall performance of physical and financial programme implementation in the German Objective 1 regions was good and, in general, the core targets as set in the programmes can be expected to have been globally attained.

Since the beginning of the period, more than 2.7 million people participated in ESF measures in Objective 1 regions. More than 40% were young people (17-24 years) and around 10% were start-ups. Within the different priorities around 40% were spent for "Active and preventive Labour Market Policy", 21% for "Society without Exclusion", 8% for "Vocational Training, Systems and Infrastructure", 20% for "Adaptability and Entrepreneurship", 10% for "Equal Opportunities" and around 1% for "Local Social Capital".

Six German regions benefit from the EAGGF Guidance through Objective 1 programmes. The payments made in 2008 by the Commission to the German regions Berlin, Thuringia, Saxony-Anhalt, Mecklenburg-Western Pomerania, Brandenburg and Saxony amount to EUR 36.585 million. All regional operational programmes have reached the maximum level of 95% of the total Community contribution for the period 2000-2006, amounting to total payments of EUR 3,246.834 million.

The FIG Programme for Germany under Objective 1 did not require any decommitment. By the end of 2008, legally binding commitments amounted to EUR 91 495 213, payments to final beneficiaries to EUR 86 920 452.

#### **4.2. Objective 2**

At the end of 2008, financial absorption of ERDF assistance in German Objective 2 regions was satisfactory overall and attained more than 94% on an accumulated basis

though marginally less than in Objective 1 regions. While the majority of regions met the target of 95%, a number of other programmes (Baden-Württemberg, Saarland, Bremen and Hamburg) had not been able to absorb 95% of total commitments by the end of 2008. As these programmes are the smallest ones in Germany, their impact on general financial performance in Objective 2 is relatively low. Some ESF programmes did not reach the 95% threshold at the end of the year, but by the end of March 2009, only the Objective 2 Programmes for Rheinland-Pfalz and Schleswig-Holstein did not reach this threshold.

For most of the programmes one or two changes to programme complements were made, which in some cases concerned adapting financial plans to the “n+2” losses incurred in 2005 (Baden-Württemberg and Rheinland-Pfalz), and updating information contained in the programming documents in others. In a number of cases (for example in Baden-Württemberg, Nordrhein-Westfalen), changes had become necessary to respond to a shortage of good projects in certain areas, with funds being shifted to measures where more promising projects could be expected, also with a view to a satisfactory programme closure in 2009/2010. In the case of the financial tables for the ESF, these changes aimed to fine-tune the financial endowment at measure level so as to avoid financial losses at programme closure. In the monitoring committee meetings, the main focus was laid on question regarding audits and closure.

Baden-Württemberg is the only Objective 2 region which did not apply for an extension of the final date for eligibility of expenditure.

Overall, the outlook regarding programme implementation is positive since no fundamental problems have been noticed in 2008 and the regions will generally meet the targets set in the programmes.

### **4.3. Objective 3**

The Objective 3 programme is the largest in Germany, covering ESF support for the West German Länder and Berlin. It is partly managed by the Federal level (Bund) and partly by the Länder. With the implementation of the Labour Market reforms in Germany, an increasing share of the programme was shifted to the Länder. Support is granted to six priorities: i) "Active and preventive Labour Market Policy", ii) "Society without Exclusion", iii) "Vocational and general Education, Lifelong Learning", iv) "Adaptability and Entrepreneurship", v) "Equal Opportunities", vi) "Local Social Capital". More than 2.5 million people have already participated in projects co-financed by the ESF. About one third of all participants are young people, which reflects the particular attention given to this group. In 2007, about 58% of all unemployed young people living in the Objective 3 area were supported by the ESF.

Contrary to most German programmes, the Federal Objective 3 programme did not apply for an extension of eligibility of expenditure until 30 June 2009, as an extension until 30 April was already agreed in 2008. A modification of the programme complement was also made so that the programme could be fine-tuned before closure.

One meeting of the Monitoring Committee was organised in which DG EMPL participated. During the meeting, particular emphasis was given to a potential under consumption of the programme at closure. Until the end of 2008, however, the programme reached the 95% threshold and an absorption rate of nearly 98% was announced by the managing authority.

#### **4.4. Fisheries outside Objective 1**

In the Fisheries Programme for Germany outside Objective 1, the accumulated payments amounted to EUR 48 850 567 at the end of 2008, i.e. 72% of the commitments of EUR 62 992 330.

#### **4.5. Community Initiatives**

##### *4.5.1. Equal*

The German EQUAL programme proceeded without difficulties in 2008. The development partnership's activities came to an end. Attention is now given to the verification of the expenditure declarations and to the preparation of the closure. In financial terms the rate of execution of the ESF part of the programme at the end of 2008 was only 91.2% (including payments on account). One monitoring committee meeting for the programme was held in February 2008, which mainly discussed the main results of EQUAL and the mainstreaming of the activities in the new programming period.

Contrary to most German programmes, the EQUAL programme did not apply for an extension of eligibility of expenditure until 30 June 2009, as an extension of eligibility of expenditure was agreed on already in 2008 until 30 April 2009.

##### *4.5.2. Leader*

13 German regions (Bundesländer) and the national network are participating in the Community Initiative Leader+.

In 2008, EUR 35.584 million was paid, bringing total payments to EUR 243.021 million. Except for Baden-Württemberg and Saarland, all regions reached the maximum level of 95% of the total Community contribution.

##### *4.5.3. Urban*

There are twelve URBAN II programmes in Germany with a total ERDF contribution of EUR 150.9 million (Berlin, Bremerhaven, Dessau, Dortmund, Gera, Kassel, Kiel, Leipzig, Luckenwalde, Mannheim/Ludwigshafen, Neubrandenburg and Saarbrücken). The six programmes in the new Länder receive each EUR 15.1 million each with the exception of Leipzig which receives EUR 14.9 million. The six programmes in the Western part of Germany each receive an ERDF contribution of EUR 10.1 million. The total eligible cost of the twelve programmes is EUR 276.8 million. For nine programmes, the managing authority is at the level of the "Bundesland" in which they are situated. In the case of three cities, the managing authority has been transferred from the Land to the city during the programming period.



All German and Austrian URBAN II cities met regularly as part of the German/Austrian URBAN II Network. In 2008, three Network meetings took place: 14th-15th February in Luckenwalde, 29th-30th May in Dortmund and 11-12 September in Berlin. The programme managements, the Federal Ministry for Economy and Technology and the Commission used these occasions to meet and discuss programme management issues.

The performance of the German URBAN II Programmes can be described as “very successful”, both in implementation and in management. The main focus of the programmes was an improvement in the economic performance of distressed urban areas. Taking an applied integrated approach towards sustainable urban development, these economic measures were successfully combined with social, environmental and cultural activities. In addition, new forms of governance and the active involvement of citizens in the implementation of the programmes help to meet the (in part very) ambitious goals of the programmes. In this last year of programme execution, eleven out of twelve programmes had presented declarations of certified expenditure allowing them to receive 95% of the full ERDF contribution by the end of 2008 with the only exception of Kassel for which the 95% absorption target was not attained. The balance will be paid out by the Commission after the adoption of the closure reports for each programme.

#### **4.6. Closure of the 1994-1999 programming period**

##### *ERDF*

As to the programming period 1994-1999, the Commission closed eight out of seventeen German programmes which were still open at the beginning of 2008, either by sending a definitive closure proposal which was agreed to by Germany or in cases where a closure proposal had not been accepted by the national authorities, by adopting a formal Decision based on Article 24 of Regulation (EEC) No 4253/88. One programme was closed by a recovery order. The Commission thus achieved a considerable reduction of open commitments, with a view to closing the remaining open programmes in 2009. Out of the remaining nine programmes, closure proposals had been sent for seven by the end of the year (including for six Saxony Community Initiative programmes), an Article 24 decision was being finalised for one more and a closure proposal was being finalised for the remaining one. In 2008, the Court of First instance reconfirmed all six Article 24 decisions, which were contested by the German Authorities. In the three cases where the Article 24 decisions contained financial corrections (flat rate corrections), the German Authorities appealed at the Court of First instance. The appeal procedure is currently going on.

##### *ESF*

Out of the original 48 ESF mainstream operational programmes for 1994-1999, 28 are now fully closed. Six further ESF programmes were closed in 2008 and the RAL for the mainstream programmes is now EUR 34.5 million. Fifteen Community Initiatives programmes are not fully closed with a RAL of EUR 13.0 million. For some programmes, where the German authorities did not accept the closure proposal, procedures based on Article 24 of Regulation (EEC) No 4253/88 were started. For one programme, a formal decision was adopted in 2008. For three programmes, the closure proposal was finally accepted by the managing authority. Furthermore,

several programmes have a high number of "irregularities" (open cases) declared. This increases considerably the RAL as the total amount for these cases summed up to EUR 19,3 million at the end of 2008. For many cases, the German authorities declared the amounts unrecoverable and requested the participation of the Commission.

#### *EAGGF*

All German programmes for the period 1994-1999 are closed. Recoveries have been made for several programmes (Objective 1 and Leader II) due to irregularities and OLAF cases. These amount to EUR 3.103 million.

## **5. DENMARK**

*2000-2006 programming period*

### **5.1. Objective 2**

For the programming period 2000-2006, there was one Objective 2 Programme for Denmark.

The funding for the programme initially totalled EUR 617 million, of which EUR 197 million from the Structural Funds (EUR 29 million is for phasing-out regions), EUR 217 million from the national public sector (an increase of EUR 9 million compared to the initial allocation) and EUR 194 million from the private sector (a decrease of EUR 30 million).

The programme aimed to create the conditions for self-sustained growth in the regions of Denmark facing structural problems. It combined actions under the European Regional Development Fund (ERDF) (71%) and the European Social Fund (ESF) (29%).

The eligible areas consisted of five geographical sub-regions: Bornholm (Objective 2), Lolland, Falster and Møn (Objective 2), Nordjylland (Objective 2 and phasing-out), parts of the counties of Viborg, Århus, Ringkøbing and Sønderjylland (Objective 2 and phasing-out) and Sydfyn and islands not covered by the above regions (Objective 2).

There were no meetings in the Programme (PMC) in 2008. There were one hearing organised in 2008 regarding the annual report for 2007, and regarding correction of the financial tables.

Work in 2008 was dominated by two major tasks. One was the closure of the 2000-2006 programme. The other task was, within the remaining of community funding, to issue grants to projects under priority 1.

#### *ERDF*

By the end of 2008, the Commission had paid out EUR 124.5 million, approximately 88% of the total allocation. In addition, around EUR 8.9 million was in the pipeline for payment.

The actual execution of the ERDF part of the programme was as follows: A total of 1347 ERDF projects received grants amounting to approximately EUR 133 million, including technical assistance, accounting for around 94% of the total ERDF allocation to the programme. Payments to projects amounted to approximately EUR 127 million, including technical assistance, accounting for around 96 % of total grants. Almost a third of all projects concerned support for investment in businesses. The measure that has absorbed the largest amount of money is infrastructure investment in the development of the regions.

## *ESF*

By the end of 2008, the Commission had paid out EUR 44 million, approximately 80% of the total allocation. The ESF has in the programming period, in total, supported 843 projects, under which almost 22 700 persons (47% of them women) have participated in competence development.

The ESF part of the programme has helped to create new education and training courses and bolstered cooperation between education institutions in the regions. Furthermore, the ESF projects have helped to make company training planning more systematic and to develop new courses and new ways of cooperation between education institutions and enterprises.

In 2008 the monitoring committee approved a change in financial tables due to the decommitment on ESF regarding 2007 (budget year 2005).

### **5.2. Objective 3**

For the programming period 2000-2006, there is one Objective 3 programme for Denmark. Funding initially totalled EUR 757.9 million, with EUR 378.9 from the ESF. After allocation of the performance reserve, the Structural Fund contribution amounts to EUR 394.8 million, plus EUR 294.3 million from the national public sector (an increase of EUR 9.5 million compared to the initial allocation) and EUR 100.9 million from the private sector (an increase of EUR 6.7 million).

The programme supports active labour market measures, the labour market integration of vulnerable unemployed persons, the development of employee competencies and entrepreneurship.

There were no meetings of the Programme Monitoring Committee (PMC) in 2008. The annual report for 2007 was processed in written procedure and the annual meeting between the managing authority and the Commission was carried out through an exchange of letters.

By the end of 2008, the Commission had paid out EUR 320 million from the ESF, which was 81% of the total allocation. In 2007 expenditure was not sufficient to meet the requirements under the "n+2" rule. A de-commitment of EUR 14.9 million was accordingly carried out. The ESF Objective 3 programme has supported 4112 projects with 139 000 participants, 50% of them women. Priorities absorbing the largest shares of funding are support for competence development and support for entrepreneurship.

### **5.3. Fisheries outside Objective 1**

The total FIFG allocation, including the reserve, to the country-wide Danish fisheries programme is EUR 213.3 million. The main measures have been scrapping of vessels, processing and marketing, collective investments and innovative measures. Implementation has been rather slow and decommitments in application of the "n+2" rule had to be done in 2004, 2005 and 2007. In total, the programme has so far been reduced by EUR 30.7 million. Financial execution has reached 90.40% (EUR 165.1 million out of EUR 182.5 million).

## **5.4. Community Initiatives**

### *5.4.1. Equal*

The Danish EQUAL programme has supported 82 projects in total, with 11.100 participants (62% of them women). By the end of 2008, the Commission had paid out EUR 22.5 million, which was 74% of the total allocation. In 2007, expenditure was not sufficient to meet the requirements under the “n+2” rule. A de-commitment of EUR 0.4 million was carried out accordingly. The National Thematic Networks are all in place. The two most active networks are Integration of Immigrants and Refugees and Adaptability.

### *5.4.2. Leader*

Denmark implements the Leader+ initiative through a single national programme, with a planned contribution for 2000-2006 of EUR 34.6 million (EU contribution of EUR 17.3 million).

Cumulative payments in 2008 amounted to EUR 15.3 million, accounting for 88.22% of the total budget of the programme.

### *5.4.3. Urban*

The Århus URBAN II programme is the only one in Denmark. The ERDF will contribute a total of EUR 5.38 million to this programme, for which the total eligible costs amount to EUR 12.1 million.

The managing authority for the programme is the Danish Enterprise and Construction Authority, while the functional day-to-day management in 2008 was delegated to the mayors department in the Municipality of Aarhus. There were no meetings in the monitoring committee during 2008.

#### *Overall comments concerning the 2000-2006 period*

The URBAN programme successfully contributes to all three dimensions of the Lisbon Strategy. On the economic side, it has helped to initiate and stimulate entrepreneurial culture, education and IT development. Along the social dimension, the programme contributes to employment efforts, equality, social protection through citizen involvement, empowerment and crime prevention. Its environmental contribution is exemplified by the project —Hasle Bakkelandskab“.

## **5.5. Closure of the period 1994-1999**

All programmes were closed before the end of 2004.

## **6. GREECE**

*2000-2006 programming period*

### **6.1. Objective 1**

In the 2000–2006 period, the thirteen regions of Greece were all under Objective 1.

As a direct result of the disastrous wildfires that marked many of the Greek regions in the summer of 2007, the Greek authorities requested a one-year extension on the eligibility of certain programmes in accordance with Articles 14(2) and 30(2) of Council Regulation (EC) No 1260/1999. The extension was granted in June 2008 [C(2008) 3102 of 20 June 2008] to the four regional operational programmes covering the regions where the wildfires occurred (Western Greece, Peloponnesus, Continental Greece and Attica) and to certain national operational programmes, provided that some of the interventions of the programmes concerned have been directly and significantly affected by the wildfires.

Further to this first exercise of revision, a second one covered both the Community Support Framework (CSF) and the 25 operational programmes for Community structural assistance in Greece without, however, making significant changes or modifying the indicators.

Additionally, the Greek authorities utilised the possibility, granted by the Commission to all Member States in December 2008, of requesting a justified extension of the final date of eligibility until 30 June 2009. On 23 December 2008, the Greek authorities submitted a justified request for all of the operational programmes of the third CSF whose eligibility had not already been extended until 31 December 2009. This will also provide some additional time necessary for the Greek managing authorities and final beneficiaries to fully complete implementation of the available budgets.

In terms of financial management of the programmes, payment requests have been processed timely and according the regulatory deadlines for Greece in 2008. In total, 70 payment requests amounting to EUR 2.767.035.859, 86 were processed for the ERDF in 2008. As far as the ESF is concerned, the respective amount paid in 2008 was EUR 972.346.042,95. There were no recoveries made in 2008 for the ESF.

As far as it concerns the URBAN initiative, there was a decommitment of an amount of EUR 1.327.554 by decisions C(2008)8174 and C(2008)6928. In addition, in 2008, financial corrections totalling EUR 53.244.671,85 were applied to the Greek operational programmes, in conformity with the Commission Decision C(2005)1731 by which part the community assistance (ERDF) for Greece has been cancelled. Moreover, in the context of the aforementioned decision, a recovery order amounting to EUR 168.0000.000 was also issued.

All monitoring committees for the 20 ERDF and 3 ESF programmes took place in February and March 2008. In November 2008, the Commission organised four annual review meetings for the 2000-2006 ERDF operational programmes "Environment", "Roads", "Rails" and "Information Society" in Greece. The objective

of the meetings was to boost further these programmes and ensure that they would not face any loss of funds by the closing date, which is for them December 2009 (their final eligibility deadline has been extended due to the fires of summer 2007). Annual review meetings for the three ESF operational programmes were organised by the Commission in December 2008. However, due to the extensive riots in Athens in December 2008, only the annual review meeting for one of the programmes ("Education and Initial Vocational Training") was held. It was agreed with the Greek authorities that the annual review meetings for the other two programmes would be held early in 2009.

Annual reports for all operational programmes have also been processed.

### *EAGGF*

The national monofund EAGGF Guidance Section programme for Greece was approved by the Commission on 6 April 2001. The Community contribution to this programme is EUR 1 233.4 million for a total cost of EUR 3 010.2 million. On 24 November 2004, the Commission approved the decision for the mid-term revision of this programme, which included an additional amount of EUR 250 000 coming from the programming and performance reserves. An additional modification of the programme took place on 7 December 2006, without however any impact on total EU co-funding.

The thirteen regional multi-fund programmes approved during the first half of 2001 and last amended on 7 December 2006 represent a total EAGGF contribution of EUR 1 069 million. All programming complements were adopted by the monitoring committees by written procedure.

Due to the extensive fires that took place in Greece in the summer of 2007 which affected - amongst other things - rural infrastructures, forestry and private investments in rural areas, Greece submitted to the Commission in autumn 2007 a request to extend to 31 December 2009 the date of eligibility of the national monofund EAGGF Guidance programme as well as the four pluri-fund regional OPs of the affected areas of Attica, Continental Greece, Peloponnese and Western Greece mentioned above. The extension of the final date of eligibility of expenditure until 30 June 2009 was requested in December 2008 for the remaining nine regional multi-fund OPs, due to the impact of the 2008 financial crisis.

In 2008 payments reached EUR 324 million. Cumulative payments from the EAGGF Guidance Section since the start of the 2000-2006 programming period (EUR 2.345 million) account for 91.9 % of the planned budget.

### *Fisheries*

Implementation of the FIFG Objective 1 "Fisheries" Operational Programme for Greece continued in 2008. Payments have been regularly submitted. The operational programme had in 2008 an "n+2" decommitment of EUR 9.718.535 (FIFG), by Commission Decision C(6927) of 13 November 2008, because of unspent FIFG commitments of the year 2005.

The Monitoring Committee met twice in 2008. During these meetings, the Monitoring Committee discussed relevant aspects of the programme, examined problems and proposed appropriate measures. The deadline of the final eligibility of expenditure of this operational programme was extended to the end of 2009 by Decision C (2008) 3102 of 20 June 2008 of the Commission.

Generally speaking, the pace of implementation, as in previous years, remained slow. According to the monitoring data as at the end of 2008 provided by the Greek authorities, the financial implementation of the OP had reached nearly 100% in terms of commitments on total eligible expenditure and 76% in terms of payments on total eligible expenditure of the operational programme.

## **6.2. Community Initiatives**

### *6.2.1. Equal*

The Greek EQUAL programme proceeded without difficulties in 2007.

104 Development Partnerships were funded under the EQUAL Community Initiative, of which 40 were implemented in the first round and 64 in the second round. At the end of 2008, the rate of financial execution of the ESF was 92% of the total budget (EUR 105.9 million). The extension of the eligibility period to 30 June 2009 should allow reaching the full absorption of the ESF allocation while easing the closure process. The EQUAL closure conference and the annual review meeting were held in Athens in December 2008.

### *6.2.2. Leader*

There is only one Leader+ programme for Greece which was approved on 19 November 2001 with a total cost, following the 2004 indexation exercise, of EUR 368.700 million, EUR 186.130 million of which represents the contribution of the EAGGF Guidance Section. The programme was last amended in November 2006. A request for extension of the date of eligibility was also submitted for Leader+ following the extensive fires that affected Greece during the summer of 2007. For 2008, payments amount to EUR 39.9 million. Cumulative EAGGF payments from the start of the 2000-2006 programming period (EUR 172.5 million) account for 92.7 % of the total EAGGF contribution for the programme.

### *6.2.3. Urban*

There are three URBAN II programmes in Greece. The programmes for Perama, Komotini and Iraklio were approved at the end of 2001. Following the application of "n+2" rule, two modifications were made in 2008: Perama and Irakleio programmes. Consequently, the ERDF contribution for Perama is now EUR 8 million, while the total budget is EUR 10.7 million. The ERDF contribution for Irakleio is EUR 7.8 million while the total budget is EUR 10.5 million. The budget for the Komotini programme remained the same (EUR 10.8 million, ERDF contribution EUR 8.15 million). The total budget for all three programmes is approximately EUR 32 million. All three programs obtained a six months' extension –until 30 June 2009.



Annual reports on implementation during 2007 were submitted in accordance with Council Regulation (EC) No 1260/1999. For all three programmes, the managing authority is the national government (Ministry for Environment, Town Planning and Public Works).

### **6.3. Closure of the period 1994-1999**

The main objective was to resolve the closure of the 1994-1999 Operational Programme "Access and road axes".

The Commission, by its Decision C(2008) 8573 dated 15 December 2008, reduced the ERDF assistance granted to the Operational Programme "Access and Road axes" for the period 1994-1999 in Greece by an amount of EUR 30.104.470,47. The relevant amount was effectively decommitted on 22 December 2008.

## 7. SPAIN

*2000-2006 programming period*

### 7.1. Objective 1

The average financial execution for the whole Objective 1 remains positive. The current execution rate, compared with respect to the amount programmed for 2000-2006, is 90,21% (88,93% for ERDF, only), including the advance payments and the ERDF amount executed has already reached EUR 22 544 million out of the EUR 25.359 million committed for this Objective in Spain for the period.

The ESF amount executed (including advance payments) has reached out EUR 8 397 million of the EUR 9 080 million (92.5%) committed by the ESF for this objective in Spain for the period 2000-2006.

Looking at the level of performance by priority axe, “Infrastructures for human resources development”, “Transport and energy”, “Local and urban development” and “Competitiveness” show an execution rate higher than the whole programmes average, while “R&D and Information society”, “Environment and natural resources”, and “Rural development” priority axes are slightly below the average execution rate.

As far as major projects are concerned, a total of 100 decisions confirming the Community participation rate were already approved by the end 2006. Three out of six modification requests for major projects were approved by the Commission during 2008.

Concerning decommitment rules, Spain faced the possibility of losing funds at closure because of the automatic de-commitment of funds not duly covered by certified expenses before 31.12.2008. The operational programmes concerned were the Operational Programme Research, Development and Innovation (EUR 7,36 million) and the Urban Programme for Orense (EUR 100,23 thousand). The losses are limited as a result of a series of measures proactively taken in those programmes where a risk situation had been observed following the midterm reviews carried out and the subsequent measures taken by the managing authority to minimise the risks of losses by decommitments. Four modifications of Operational Programmes and three modifications of Programme Complements were approved during 2008. As for the ESF, there was automatic decommitment under the “n+2” rule concerning the 2005 annual commitment of the OP I+D, for a total amount of EUR 15 121 832.29.

However, as a vast operation of controls have been launched for many Intermediate Bodies, following the findings of the Commission's audits, there were de-certification of important amounts from several Intermediate Bodies (IB), and a "hold" practiced by the Certifying Authority, which avoided to certify expenses from IB which were not complying at 100% with the regulatory requirements. Generally, this is the reason, as well, why the overall target of making payments for EUR 2.618 million had not been possible to meet and it was limited to EUR 1.908 million (including Objective 1, Objective 2 and Urban for the period 2000-2006, or 72,60% of the revised target).

Regarding the situation of the suspended payments for the ESF OP, the situation has considerably improved during 2008. At the beginning of the year, EUR 628 million were blocked (27 operational programmes), whereas at the end of the year, payments for 18 operational programmes remained blocked amounting to EUR 280 million.

As in previous years, a total of three monitoring committees met in 2008. These meetings have been essential to discuss on the relevant aspects of each programme, to exam the potential problems and to take the appropriate measures, including some financial transfers within the same priority axes.

A total of 17 annual reports (with ERDF participation) have been submitted by the managing authority in 2008. In many cases, the Commission made comments in order to improve the quality of the initial versions. After analysing their contents, the Commission accepted them all.

In 2008, no annual meeting concerning 2007 was held. This took place in January 2009.

Looking at the global impact of Community Support Framework since 2000 and according to the results of recent evaluations, its contribution to the real growth is estimated in 0.28 per cent points per year, equivalent to 2.03% for the whole period 2000-2006. In terms of employment, the CSF would have contributed to the creation or the maintenance of about 255 thousand persons for the same period. Within this context, the ERDF, which represents 60.84% of the CSF, contributes with 62.14% of the increase in the real growth and 58.04% of the impact on employment.

#### *EAGGF*

The execution of the seven EAGGF-Guidance section programmes of the 2000-2006 programming period will carry on beyond 31 December 2008 as the Member State asked for a prolongation of the final date of eligibility until 30 June 2009.

At the end of 2008, no automatic decommitment procedures were initiated as following the Decision C(2006)3424 (Closure Guidelines), the "n+2" threshold for the EAGGF will be calculated at programme closure.

#### *Fisheries inside Objective 1 regions*

The total FIFG allocation to the fisheries programme is EUR 1,571 million. The programme shows a satisfactory execution. Following the last payment claim received in early 2008 a reimbursement level of 95% was reached. The main share of expenditure continued to be for investments in processing and marketing, but also the construction of vessels, although this measure was discontinued under FIFG after 2004.

The Monitoring Committee met only once in early 2008 to anticipate the preparation for closure of this programme.

## **7.2. Objective 2**

The average financial execution for the Objective 2 is positive as well. For the ERDF, the current execution rate, compared with respect to the amount programmed

for 2000-2006, is 86,92% (including the advance payment) and the amount executed has already reached EUR 2.219 million out of the EUR 2.554 million committed for this Objective in Spain for the period. The current execution rate for the ESF is 86.34% and the financial execution rate is 75.83% corresponding to EUR 235.3 million out of a total amount of EUR 310.3 million committed for the ESF in Spain under this objective for the period 2000-2006.

The Monitoring Committees of the seven SPDs were consulted during 2008, by written procedure, in particular in view of the modifications of SPDs and Programming complements. Annual reports for the seven interventions have been submitted in time and have been examined by the Commission and the Monitoring Committees. As for the Objective 1 reports, the quality of the initial reports was acceptable, but the Commission services made comments in order to complete their content in the final versions. Two modifications of SPDs and three modifications of Programme Complements were approved during 2008.

### **7.3. Objective 3**

The CSF Objective 3 entails twelve operational programmes, with a total Community contribution of EUR 2.308.473.268,4 (of which 919.201.191 for the regional programmes and EUR 1.389.272.077,4 for the thematic national programmes). Five of these programmes are thematic and managed at central level, designed to support the development and improvement of the systems of vocational training, the insertion and reinsertion of unemployed people in the labour market, the promotion of the participation of women in the labour market, the fight against sexual discrimination, the insertion in the labour market of disadvantaged people, and the promotion of entrepreneurship and lifelong learning for employed people. These programmes are complemented by seven regional programmes (one by autonomous community) which are managed by the regional governments and which cover all the fields.

The global balance of implementation in 2008 was quite positive; however, the AAR 2008 has qualified under reserve 5 Objective 3 operational programmes. Following this reserve, an amount of EUR 64,3 million was blocked because of the launching of the suspension procedures.

The financial execution rate reached 91.39% for the twelve programmes, which amounts to EUR 2.109.647.685,2 out of a total amount programmed for 2000-2006 for this objective in Spain of 2.308.473.268,4. The current execution rate for the Objective 3 OP is 94.18% (93.09% for the regional and 94.90 % for the multiregional programmes).

The monitoring committees for each of the five thematic programmes met in 2008, in particular to examine the annual implementation reports. The monitoring committees for the regional OP were conducted by written procedure. As concerns the annual implementation reports, 12 annual reports have been submitted by the managing authority in 2008 on due time after its approval by the monitoring committee concerned. The Commission accepted all of them.

A joint 2008 annual review meeting (for the OP of the programming periods 2000-2006 and 2007-2013) took place in March 2009.

#### **7.4. Fisheries outside Objective 1**

The total FIFG allocation to the fisheries programme is EUR 216,6 million. In terms of payments, the most important measures for the single programming document were investments in processing and marketing, the construction of new vessels (discontinued after 2004) and permanent cessation. Implementation continued at a satisfactory level. As a result, at the end of 2008, budget execution reached a reimbursement level of 94%.

The Monitoring Committee met only once in early 2008 to anticipate the preparation for closure of this programme.

#### **7.5. Community Initiatives**

##### *7.5.1. Equal*

The activities of the second phase projects of Spanish EQUAL ended in 2007 and thus the programme focussed its implementation on some limited mainstreaming and evaluation activities during 2008. The Monitoring Committee meeting was held in written procedure. The financial execution rate has reached 86.70% of the total ESF amount allocated to the programme.

##### *7.5.2. Leader*

By the end of 2002, the Commission had approved 18 Leader+ programmes (one horizontal programme and 17 regional programmes) with an EU contribution of EUR 502.06 million expenditure planned for 2000-2006 (after indexation exercise).

17 programmes are currently implemented under global grants and one (Basque Country) in the form of a common operational programme with a programme complement. 145 Local Action Groups (LAGs) have been created. The total area covered by the LAGs is of 251.186 km<sup>2</sup>, which represents 14% of the whole national population.

On the basis of official monitoring data available at end 2008, the level of interim payment is 73.5% of forecast expenditure.

Eighteen annual reports were submitted in 2008 and examined by the relevant Monitoring Committees and by the Commission. The quality of the reports was considered acceptable.

In 2008 the Commission amended eight programmes in order to de-commit that part of the funds committed in 2005 and not settled by end 2007 ("n+2" rule). The main reason behind these de-commitments comes from the late start of the programmes. Seven financial plans were adjusted (changes in the same axis in order to improve efficiency) during 2008.

##### *7.5.3. Urban*

There are 10 Community Initiative Programmes in Spain with a EU contribution of EUR 114.1 million which represents 15% of the total URBAN II budget for the period 2000-2006.

The Spanish URBAN II CI programmes are being implemented steadily according to the original programming. All 10 programmes submitted acceptable annual implementation reports for 2008 in June 2008.

The Managing Authority for the programmes is the Ministry of Finance. Management and implementation has been delegated to the local authorities.

*Overall comments for the 2000-2006 period*

The focus on a single area has produced a very targeted approach, the strong local partnership and presence of several agencies in the decision-making procedure has ensured the smooth running and sustainability of URBAN projects.

Project monitoring is being carried out effectively.

**7.6. Closure of the 1994-1999 programming period**

At the end of 2008, the RAL was diminished dramatically as four operational programmes have been closed and only SPD 5b País Vasco (RAL: EUR 114.120,04) is still pending for closure.

As for the ESF, the remaining outstanding commitments of EUR 5.1 million were awaiting a ruling by the Spanish courts at the end of 2008. This concerns the three programmes of INEM Objective 3, Catalonia Objective 2 and Catalonia Objective 3, which were suspended by decision under Article 24 of Regulation (EC) No 4253/88.

The last final payments or recoveries for programmes under the EAGGF-Guidance Fund were executed during 2007. For nine programmes, the final de-commitment is awaiting a Commission Decision on financial corrections. Several programmes are also affected by irregularities reported by the Member State to OLAF. Those cases are currently under analysis and depending on the outcome a recovery by the Commission might be possible.

## **8. ESTONIA**

*2000-2006 programming period*

### **8.1. Objective 1**

Estonia is implementing a Single Programming Document with an ERDF participation of EUR 226 million and ESF participation of EUR 69 million out of EUR 371 million in total. At the beginning of 2008, 7406 co-funded projects have been completed under the programme. In 2008, the payments from the Commission have reached 95% ceiling. In order to ensure the best exploitation of the funds, the national authorities proposed three amendments to the Programme Complement in 2008.

2008 was the year of parallel implementation of 2004-2006 and 2007-2013 programmes. This has required a lot of resources as the same people attend to both periods in most of the authorities. Despite this difficulty, already by the beginning of year 2008, costs incurred amount to 85% of the funding made available for the programme and applications were accepted to the extent of 106% (ERDF) and 107% (ESF). The commission was able to pay EUR 32 million (ERDF) and EUR 22 million (ESF) in relation to this programme in 2008. As regards ERDF, payments reached 95% of the total commitment and no further payment before closure is possible. As far as the ESF is concerned, payments reached 94.75% of the total commitment.

According to the monitoring data, the progress made so far in implementing the SPD has been good. The target levels foreseen for the main indicators used have been attained to a great extent, including the impact indicators at the priority level.

SPD is aiming for “fast socially and regionally balanced sustainable economic development” mainly by shifting into higher value-added production. The SPD strategy is based on four priorities (excluding technical assistance): (i) Human Resource Development, (ii) Enterprise Competitiveness, (iii) Agriculture, Fisheries and Rural Development and (iv) Infrastructure and Local Development.

The Estonian 2004-2006 Objective 1 programme has partly contributed to the high growth rate and declining unemployment rate in Estonia until the end of 2008. On negative side, the growth was accompanied with high price and wage growth, leading to overheated situation where competitiveness started to decline.

In 2008, the economic situation deteriorated significantly in Estonia. Estonia had reached the peak of internal cycle and was also suffering from the effects of global financial crises. GDP growth stalled, exports and imports started to decline and unemployment increased. Number of unemployed people doubled during 2008. GDP declined 3.6%.

Nevertheless, Cohesion policy has facilitated the transfer towards a more knowledge-intensive economy and provided the necessary infrastructures for the economy. The program is also contributing heavily towards the recovery of Estonian economy through training and business support. 8 500 new jobs have been created, 21,500

unemployed persons have received training, 20 500 workers have received training on-job and 650 new enterprises have been created with the support of the funds. In addition, 9 000 modern student places have been created in vocational training centres. It is estimated that up to 240 000 persons benefit from improved local government services in their neighbourhood.

In addition, the programmes have had an effect on softer issues such as: introduction of evaluation culture, raised level of audit quality (evidenced also through the signature of the contract of confidence between the Commission and the Estonian Authorities), increased management and project planning capacity, increase levels of administrative capacity for the sub-national level.

The quality of implementation and the administrative capacity of the Estonian management authority as well as implementing bodies have been monitored regularly, while also being the subject of several technical discussions. Issues such as financial, technical and administrative capacity for preparing for larger projects and mobility of staff have been discussed.

One monitoring committee meeting were held in 2008. The Committees include participants from all involved state institutions but also from civil society. The annual meeting between the Commission and the Estonian Managing authority for 2008 will be organised in April 2009. The annual meeting covered the progress of programme implementation and management and audit issues. No major problems in the implementation have been detected, with the exception of first material findings by OLAF regarding breach of procurement rules in two projects.

While Estonia requested the extension of eligibility end date until 30th June 2009, the Preparations for the closure of the 2004-2006 programming period have begun actively. A pilot exercise was carried out to test the procedures and the results of this have been discussed with the Commission.

FIFG measures continue their successful implementation: in April 2008, with the 12th interim payment, 95% of a total of EUR 12.5 million of Community allocations were reached. The Estonian authorities have altogether certified EUR 10.9 million of the FIFG allocations.

## **8.2. Community Initiatives**

### *8.2.1. Equal*

The Estonian EQUAL programme proceeded without any difficulties in 2008. All development partnerships completed their activities by end 2008. The main focus is on closure of the programme now. At the end of 2008, the rate of financial execution of the community funding for the programme was 95%. No amendments were made to the programme. The closing seminar was held in June 2008. EQUAL media campaign was launched in 2008 for spreading the results of EQUAL projects in wider public.

The evaluation of 2008 concentrated on mainstreaming processes and impacts of mainstreaming activities. It was concluded that the projects achieved the objectives set for mainstreaming. Equal principles (e.g. partnership, gender mainstreaming,



transnational cooperation and innovation) have been transferred to the new programming period 2007-2013.

### 8.2.2. *Leader*

Estonia has implemented Leader-approach through the measure “Local initiative based development projects – LEADER” within the framework of the Estonian National Development Plan 2004–2006 (Single Programming Document 2004-2006). The measure was implemented by two options: acquisition of skills (local development strategies were prepared); integrated rural area development strategy (the strategies were implemented). Activities financed under the first scheme "Acquisition of skills" included: establishment and development of local initiative groups (information activities, training of the population, technical support for building the partnership etc.); development of local territorial integrated development strategies (technical support for studies, territorial diagnosis, drawing-up of the integrated development strategies, preparation of the applications for support etc.); and inter-territorial and international co-operation between different operators in rural areas (transfer of knowledge). Under the second scheme "Implementation of a development strategy", LAGs received support for the implementation of local development strategies, as well as inter-territorial and transnational co-operation between rural areas, and participation in European rural development networks.

As a support structure for the Groups a Leader-information centre was established in June 2005 and run by a private consultancy Rural Development Institute along with an NGO. The main tasks of the centre involved: disseminating information about Leader; consultation and expertise for potential applicants; managing the Leader website for Estonia; organising trainings and seminars; and being responsible for national and cross-border networking. The Leader information center finished its operation in May 2007. Since then the Estonian National Rural Network Unit within the Rural Economy Research Centre in Jäneda has been representing existing Estonian LAGs. Its activities include: organising meetings and trainings; being responsible for networking; managing website and databases; disseminating information and experience related to rural development. The implementation of Leader under the Single Programming Document ended in summer 2008 and continues under the EU Rural Development Programme 2007-2013 (separate from cohesion policy).

## **9. FRANCE**

*2000-2006 programming period*

### **9.1. Objective 1 and 2**

The 2000-2006 Objective 1 in France covers the four French outermost regions<sup>6</sup> and, under transitory support, Corsica and three districts of the North/Pas de Calais region.

Objective 2 concerns 21 of the 22 regions from metropolitan France. Four national programmes concerning technical assistance and IT management add to the 27 regional programmes.

The year 2008 was important in terms of final reprogramming, spurred mainly by the need to optimise the allocation of funds in order to eliminate any losses at the end of the period and to prepare the operational programmes for closure. Thus, several modifications of the programme complements were made in accordance. All regions worked with the objective of zero losses at closure, and the Commission organised meetings in all regions during 2008 with the objective of explaining closure rules.

The average programming (ERDF) was 100.0% for Objective 1 regions and increased up to 99.3 % for Objective 2 regions at the end of December 2008.

The executed payments rate under Objective 1 was 89.4 % from the ERDF and 93% from the EAGGF. 92,7% was paid from the ERDF under Objective 2.

At the end of 2008, 88.7% (EUR 840 198 940) of the ESF programming amounts had been paid out by the Commission under Objective 1 and 89.6 % (EUR 717 287 277) under Objective 2.

At the end of 2008, the global execution of FIFG within the five multi-funds programmes concerned was very advanced, with La Réunion, Guyane and Martinique having reached the reimbursement ceiling of 95% and Corsica (87.2%) and Guadeloupe (88.2%) being close to it.

All the 31 annual implementation reports were received in 2008. Qualitative analyses of the several programmes should be improved, in particular, as regards quantified indicators.

The 2008 annual meeting between the Commission and the French managing authorities took place on 3 June 2008.

### **9.2. Objective 3**

The French Objective 3 programme is a national programme but implementation is highly devolved to all the regions. The total appropriation for Objective 3 is EUR 4 918 million.

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<sup>6</sup> Guadeloupe, Guyane, Martinique, Réunion.

The year 2008 was important in terms of final reprogramming, spurred mainly by the need to optimise the allocation of funds in order to eliminate any decommitment risks at the end of the period.

Total programming of the ESF part of the programme on 16.12.2008 is 114.5 % or EUR 5 630 million. The rate of execution of the ESF part is 85 % or EUR 4 209 million.

At the end of 2008, 87.94% (EUR 4 324 826 532) of the programming amounts had been paid out by the Commission. However, large consumption disparities existed between regions.

### **9.3. Fisheries outside Objective 1**

The total FIFG allocation to the fisheries programme is EUR 243,8 million. The most important measures are operations by members of the trade, scrapping, fishing port facilities, processing and marketing. Implementation continued at a satisfactory pace. As a result, at the end of 2008, budget execution has reached the ceiling of 95% and EUR 215.25 million have been reimbursed. The Monitoring Committee met once in early 2008 covering mainly the evaluation of implementation progress and preparation for closure.

### **9.4. Community Initiatives**

#### *9.4.1. Urban*

The URBAN II programme in France consists of nine programmes being carried out in the following cities/group of cities: Bastia, Bordeaux/Cenon/Floirac, Clichy-sous-Bois/Montfermeuil, Grenoble, Grigny/Viry-Chatillon, Le Havre, Le Mantois, Les Mureaux/Val-de-Seine, Strasbourg. Four of the nine programmes (Clichy, Le Mantois, Grigny and Val-de-Seine) are located in the Ile de France region, with an ERDF contribution of EUR 51 million. In total, nine programmes received an amount of EUR 284.6 million, of which EUR 102 million from the ERDF.

The annual reports for 2007 were submitted to the Commission on all the nine programmes.

In the majority of cases, the mayor or the president of the inter-commune (four programmes) cooperation structure fulfils the role of the managing authority, while the regional prefect plays this role for three programmes. The latter two cases concern both a public corporation and a public interest grouping chaired either by the mayor or by the prefect. In each case, the paying authority is the "Caisse des Dépôts et Consignations".

#### *9.4.2. Equal*

Following several decommitments since 2001, the total appropriation for EQUAL is now EUR 287.438 101 million. 78.05% of this budget had been paid out by the Commission at the end of 2008. The programming of the ESF part of the programme was 112.7% in December 2008 and the rate of execution was 74.8%.

#### 9.4.3. *Leader*

The French National Programme on Community Initiative Leader+ was adopted on 7 August 2001 C(2001)2094, taking the form of a global grant. Accordingly, the National Centre for Setting-up of Farming Structures (CNASEA) was designated as the managing authority.

The total Community contribution initially amounting to EUR 272 834 444 was finally fixed at EUR 259 909 081 by Commission Decision C(2007) 3542 of 17 July 2007.

The implementation of this programme is carried out by 140 Local Action Groups (LAGs), selected in 2002. Their action plans were set up in 2003, after signature of bilateral conventions with CNASEA.

Global execution at the end of 2008 amounted to EUR 246 913 626 which represents 95 % of the EAGGF Community contribution to the programme.

#### **9.5. Closure of the 1994-1999 programming period**

The only remaining French programme with EAGGF (Guidance) assistance could not yet be closed because of an ongoing judicial procedure.

## **10. ITALY**

*2000-2006 programming period*

### **10.1. Objective 1**

*Budgetary execution*

The full commitment of SF has been achieved. According to the financial data as at 31 December 2008, the average payment rate on total eligible expenditure amounted to 83.6% (all Structural Funds together).

The ERDF payment rate is 86.6%. As regards the EAGGF Guidance Section, the payment rate achieved 83.5%, for ESF the payment rate is 77% while for FIFG payments attained 82.1% of the total allocation.

All Programmes 2000-2006 requested and obtained the extension of the final eligibility date to the 30th of June 2009.

ERDF programmes performing the best in financial terms are the national programmes for “Transport” and “Education” (95% threshold attained – clearing of prefinancing on-going). At regional level, the best performing programmes in financial terms are “Molise” (94%) and “Basilicata” (92%). The programmes performing the poorest in financial terms are the regional programmes for “Campania” (79%) and “Sicilia” (76%) and the national programme for “Research” (86%). According to the payment request data at the end of year 2008, the best performing EAGGF programmes are the two regional programmes of Molise (89%) and Campania (90%); in contrast, the poorest performing programme is Basilicata (78%).

As far as the FIFG is concerned, at the end of 2008, financial implementation of the national fisheries programme (PON Pesca) reached 89% in terms of payments on total eligible expenditure. At regional level, the best performing programmes in terms of FIFG payments are “Molise” (that reached the 95% threshold), and “Campania” (93%). The programmes performing the poorest in financial (payments) terms are the regional programmes for “Sicilia” (55%) and “Sardegna” (56%).

ESF shows a payment rate of 77% in objective 1. On average, national programmes perform better than regional ones. Two national OPs (PON ATAS, PON Scuola) attained the 95% threshold. Major problems due to ineligible expenditure concern Regional OP for Calabria, where only 22% of the allocation has been reimbursed as at 31.12.2008 following a suspension of payments.

With respect to the “n+2” rule at the end of 2007 for ERDF, the decommitment envisaged for the “Sardegna” programme has been withdrawn by the Commission following an internal examination of the case.

As regards the “n+2” rule at the end of 2007 for the FIFG, a decommitment of EUR 10.367.437 (FIFG) took place by Commission Decision C(2008) 8405 of 10 December 2008, in relation with the National Operational Programme for fisheries

("PON Pesca"), and another decommitment of EUR 279.450, took place for the FIFG section of the Regional Operational Programme (POR) for the region of Molise, (Decision C(2008) 7835 of 3 December 2008). These two decommitments are due to the late transmission of respective payment requests for these two Operational Programmes, i.e. beyond the 31 December 2007 deadline.

Further decommitment for FIFG commitments of PORs are foreseen to take place in the year 2009, with approximately EUR 2.4 million for POR "Puglia", EUR 4.1 million for POR "Sardegna", and EUR 0.7 million for POR "Calabria". The FIFG decommitment for the PORs "Puglia" and "Sardegna" is due to insufficient expenditure by the end of the year. For POR "Calabria", the decommitment is due to the late transmission (i.e. beyond the 31 December deadline) of the payment request.

*Overall results of programme implementation throughout the programming period*

Although information on results and impacts is still scarce, outputs are becoming closer to definitive values and can provide evidence of the effort and effects of the use of Structural Funds. In particular:

- Separate waste collection: 9,000,000 people more have access to it thanks to ERDF assistance and 63 new waste treatment plants have been put into operation.
- Wastewater treatment capacity has increased by about 7.200.000 inhabitants (equivalent), with the upgrade of sewage networks (890 km of new pipelines).
- Sustainable energy: more than 5.839 plants for Renewable Energy Sources received contributions, mostly in the solar field (5.821); in addition, 1.028 operations concerning energy efficiency were funded.
- The water cycle has also been boosted through action on primary water (3.097 km of new aqueducts).
- A huge effort in soil protection has been made: the hydro-geological risk has been reduced over an area of 876.526 km<sup>2</sup> and 438 hectares have been reclaimed by decontamination.
- R&D and competitiveness: the productive sector has largely benefited from ERDF assistance: 19.983 enterprises received support (including 202 start-ups). In addition, R&D projects involving 931 enterprises were funded, along with 769 cooperation projects between research centres and enterprises.
- Transport infrastructure was further developed, priority being given to sustainable modes of transport, with the construction of 2.401 km of railways, 692 km of roads, and 4 km of new docks.
- Information Society: 588 municipalities were connected to broadband, 425 e-government tools for enterprises were put into practice and 7.255 enterprises took advantage of new IT services/tools.
- Some improvements in the public employment services.

As regards the EAGGF Guidance section, substantial progress has been made in investments in agricultural holdings to improve the processing and marketing of agricultural products.

Another significant overall result concerns the progress made in Objective 1 regions in the field of administrative capacity and governance, which is a pre-condition for effective results in other sectors.

*Programme amendments, subjects covered at the annual meeting and the meetings of the monitoring committees*

*Programme modifications*

Four proposals for programme amendments have been submitted by Italy for Objective 1 programmes (“Molise”, “Technical Assistance”, “Calabria” and “Pesca”). Two decisions have been adopted to date. The main reason for amending programmes was sound management at the end of the programming period. The allocation between funds and programmes was left unchanged.

*Annual meeting*

In 2008, a single annual meeting was held in Venezia for Objectives 1 and 2. The agenda included (for the programming period 2000-2006) the annual implementation reports 2007, financial progress of EU programmes and perspectives for the closure, EC Audits on OP and follow-up, irregularities follow up (OLAF); and (for the programming period 2007-2013) audit strategies and management and control system, OP start up, impact and result indicators on OP and NSRF, annual implementation reports 2007, communication plans (including best practices), evaluation plans, Lisbon Strategy and Regional strategy.

*Meetings of monitoring committees*

Monitoring committee meetings for all programmes, took place once or twice during the year: while they all examined the usual issues linked to implementation, the main issue was the amendment of programmes (financial reprogramming) for sound management reasons (complete absorption of funds at the end of programming period). More emphasis was placed on the results of Structural Funds assistance.

## **10.2. Objective 2**

*Budgetary execution*

According to the official data as at 31 December 2008 the average payment rate on total eligible expenditure is 92% (91.9%).

Six SPDs have by far reached the 95% of total payment – they are “Lombardia”, “Piemonte” “Valle d’Aosta”, “Emilia Romagna”, “Trento” and “Veneto”, which are virtually closed. The SPD performing the poorest in financial terms is “Umbria” (88%).

Nevertheless all Programmes 2000-2006 requested an extension of the final eligibility date, except for the SPD Valle d’Aosta.

*Overall results of programme implementation throughout the programming period*

Although information on results and impact is still scarce, outputs can provide evidence of the effort and effects of the use of the structural funds. In particular:

- Separate waste collection: 372.000 people more have access to it.
- Wastewater treatment capacity has increased by about 260.000 inhabitants (equivalent), with the upgrade of sewage networks (620 km of new pipelines).

- Energy: 1.043 operations concerning renewable sources of energy have been carried out (of which 923 solar, 51 hydroelectric 59 biomass, 6 geothermal and 4 wind).
- R&D projects involving 2.192 enterprises were funded, along with 299 cooperation projects between research centres and enterprises.
- Competitiveness: 94.000 enterprises have received support for their investments.
- Transport infrastructure was further developed, priority being given to sustainable modes of transport, with 53 operations on multimodal platforms (680.000 m<sup>2</sup>), 54 operations in ports and 782 m of new docks.

The Information Society was extended: 79 municipalities were connected to broadband, and 14.000 enterprises took advantage of new IT services/tools.

*Programme amendments, subjects covered at the annual meeting and the meetings of the monitoring committees.*

#### *Programme amendments*

Seven proposals for programme amendments have been submitted by Italy for Objective 2 SPDs (“Toscana” (3), “Abruzzo”, “Emilia-Romagna”, “Marche” and “Friuli-Venezia Giulia”); 5 decisions have been adopted to date. The main reason for amending programmes for Objective 2 was also sound management at the end of the programming period. The allocation between programmes was left unchanged.

#### *Annual meeting*

In 2008, a single Annual Meeting was held in Venezia for Objectives 1 and 2.

#### *Meetings of monitoring committees*

Monitoring committee meetings for all programmes, took place once or twice during the year: while they all examined the usual issues linked to implementation, the main issue was the amendment of programmes (financial reprogramming) for sound management reasons (complete absorption of funds at the end of programming period). More emphasis was placed on the results of Structural Funds assistance.

### **10.3. Objective 3**

#### *Budgetary execution*

According to the official monitoring data as of 31 December 2008 provided by the Italian Authorities, the overall payment rate on total eligible expenditure is 93%.

All OPs, with the exception of the OP "Trento", asked for a prolongation of the eligibility date of expenditure up to 30 June 2009. Remarkably, seven OPs ("Trento", “Friuli Venezia Giulia”, "Liguria", "Bolzano", “Lombardia”, “Emilia Romagna” and “Toscana”) record payment rates of 95%.

#### *Overall results of the programme implementation through the programming period*

In the 2000-2006, the ESF has played an essential role in



- modernising the Public Employment Services, which in most Objective 3 areas can provide advanced and quality services;
- promoting the exchange of good practices;
- implementing active labour market policies for long-term unemployment, and
- improving training systems, also via the setting up of a certification system for training bodies.

The implementation of the 2000-2006 OP has also fostered a new approach towards evaluation, which is now generally seen as a management tool for all public interventions, not only for co-funded ones. ESF has also pursued and favoured the development of the partnership principle at different levels.

#### *Programme modifications*

No programme modification was submitted in 2008.

#### *Annual meeting*

The Annual Meeting was held in Rimini in November. Given the smooth implementation of the 2000-2006 OPs, it mainly focused on the 2007-2013 programming period.

#### *Meetings of monitoring committees*

Monitoring committee meetings for all programmes took place once or twice during the year, for most of the OP jointly with the monitoring committees for the 2007-2013 programming period.

### **10.4. Fisheries outside Objective 1**

According to the monitoring data provided by the Italian authorities on 31 December 2008, the financial implementation of the FIFG mono-fund Single Programming Document (SPD) total payments amounted to 93% of total eligible expenditure. With respect to the “n+2” rule, a decommitment took place at the end of 2008. The de-committed amount was EUR 4.265.969 FIFG (Decision C(2008)8282 of 11.12.2008). This decommitment is not due to poor financial absorption, but to the late transmission of a payment request, i.e. beyond the 31 December 2007 deadline.

The FIFG SPD has been slightly amended in order to take into account the above mentioned loss of credits.

### **10.5. Community Initiatives**

#### *10.5.1. Equal*

Payments in year 2008 equalled about EUR 15 million, bringing total payments to a total of about EUR 352 million (87.8% of the overall ESF contribution).

Implementation of the final activities is progressing, also based on the prolongation of the eligibility period.

#### 10.5.2. *Leader*

There are 22 LEADER+ programmes in Italy, of which 21 regional programmes and one national programme for the LEADER network, amounting to a Community contribution of EUR 289.1 million for the period 2000-2006.

On the basis of financial execution on 31 December 2008, the payments executed amounted to 82.9% of forecast expenditure. The Sardegna, Emilia Romagna Lombardia and Campania programmes were the best performing programmes in terms of financial execution reaching a level of payments of 95%.

In 2008, one de-commitment decision in line with the "n+2" rule was taken on the Abruzzo Leader+ programme amounting to EUR104,563

The 2008 annual reports for all programmes were received. The main achievements in implementing the programmes were reviewed by the Commission with the managing authorities in the framework of the 2008 annual review.

Concerning implementation of the measures, all programmes showed significant progress, particularly in relation to implementation of Axis 1 (support to rural development strategies, integrated and pilot actions) which demonstrated almost complete achievement. As for Axis 2 (inter-territorial and trans-national cooperation) some progress was made, but implementation still lagged behind due to some complex technical issues.

Monitoring Committees (MC) for the programmes convened regularly. During the MC meetings the programming complements were reviewed and updated, thus ensuring correct implementation of the programmes.

#### 10.5.3. *Urban*

The implementation of ERDF co-financed measures progressed in the course of 2008 and the ratios of payments to projects to the total allocation (ERDF and national) 88% (EC commitments are 100% but national commitments in terms of contracts signed still lags behind at 97%).

The following specific activities were undertaken:

- Taranto: Programme modification following "n+2" decommitment of 31 December 2007 (ongoing);
- Misterbianco: Programme modification following "n+2" decommitment of 31 December 2007 (ongoing).

It is to be noted that the municipality of Taranto was declared insolvent in 2006. The municipality of Taranto presented two payment claims in 2008. Both were interrupted: supporting documents were requested to the managing authority in order to have sufficient guarantees on the financial management of the OP.

All URBAN II Programmes requested an extension of the final eligibility date, except for the URBAN II Programme in Torino.

#### **10.6. Closure of the 1994-1999 programming period**

All 106 programmes have been either totally or partially closed. The original RAL before closure (EUR 1.232.765.082,75) has been reduced to around EUR 5.828.896,40 as of December 2008.

The current RAL refers to seven programmes 1994-1999 and one programme 1989-1993 for which a commitment has been kept as it is linked to projects subject to judiciary proceedings.

Three decommitment decision procedures (ex Article 24 of Council Regulation (EEC) No 4253/88) concerning the CIP PMI, the OP Energia Objective 1 and SG FICEI were launched in December 2008.

Article 24 decisions have been taken for the following programmes:

- SPD Piemonte Objective 2 (97-99) – Judgment of the Court of First Instance (Recourse rejected);
- SG Area di crisi di Siracusa – *Decision* of the *European Ombudsman* in favour of the Commission;
- SG BIC Basilicata – case T-176/06 Judgment of the Court of First Instance of 8 July 2008 in favour to the Commission;
- SG Centro antico di Napoli – Agreement of Member State – case closed.

##### *Recent decommitment*

Napoli Pianura OP: Agreement of Member State and decommitment procedure closed for an unspent commitment balance of EUR 1.750.000,00 (closed in August 2008).

All 59 ESF files were processed. Currently, the RAL (outstanding commitments) amounts to approximately EUR 40 million and is entirely due to legal and/or administrative disputes at national level, which also considerably delayed the winding-up process. It will be possible to reduce this RAL gradually as soon as the legal action is resolved.

As regards EAGGF programmes, the eight remaining open at the end of 2007 have been closed and “Article 24” decisions have been taken for all of these programmes.

## **11. IRELAND**

*2000-2006 programming period*

### **11.1. Objective 1**

The ERDF provided a total of EUR 1 946 million to Objective 1 programmes in Ireland during the programming period. Implementation of the ERDF in the five Irish Objective 1 programmes — Economic & Social Infrastructure, Productive Sector (PSOP), Technical Assistance (TAOP), Border, Midland & Western (BMW) Region and Southern & Eastern (S&E) Region — and of the ESF-funded programmes — Employment and Human Resources Development, the ESF-funded childcare measures in the two regional programmes — continued at a satisfactory pace in 2008.

The impact of the Structural Funds contribution in the first two CSFs (1989-1993 and 1994-1999) is estimated to have raised GNP by 3% to 4%. The Structural Funds for 2000-2006 have played an important role in Ireland, both in the S&E and in the BMW regions, fostering of research, development and innovation and boosting information society capacity. In the period 2000-2006, the ERDF will have spent an estimated EUR 260 million on research, technical development and innovation and the information society. During the 2000-2006 period, Irish research and innovation capacity increased significantly, in particular in the S&E region, setting the basis for technology-based economy developments in the years to come.

Similarly strong impacts can be observed in the field of human resources, which has been a vital area of ESF assistance since 1989. While, in the years preceding 2000, investment boosted education and skills levels with a strong focus on young people while at the same time enhancing the employment prospects of the unemployed, funding in the 2000-2006 programming period has placed increased emphasis on responding to shortages through targeted supply-side initiatives in education and training. A good example of this development is the emphasis on in-company training and support for a number of lifelong learning schemes.

ERDF payments were submitted with a peak towards the beginning of the year. Temporary interruptions linked to the non-receipt of complements to the Annual Interruption Reports were lifted following receipt of the requested information. Use of the funds has been, generally speaking, fluid. A temporary interruption on the BMW payment claim of 21 December 2007, the processing of which had been delayed while awaiting the Commission's determination on its eligibility under the N+2 rule, was lifted in 2008.

ERDF payments amounted to EUR 106.2 million in 2008, and have reached the ceiling of 95% for four of the programmes, i.e. PSOP, TA, BMW and S&E. Payments represent 93.89% of commitments for ESIOP.

ESF payments amounted to EUR 22.2 million in 2008, and have reached the ceiling of 95% for the Employment and Human Resources Development programme and for the ESF-funded childcare measure in the Border, Midland & Western (BMW)

Region. ESF payments represent 90.74% of commitments for the Southern & Eastern (S&E) Region programme.

In general terms, the management does deliver on the projects and the concomitant spending, although certain significant cost overruns have been identified over this period and certain measures - Waste Management, E-Commerce (Local Infrastructure Priority) and Tourism (all ERDF co-funded) - for the regional programmes have been progressing more slowly than other measures. However, even these measures are now performing much more satisfactorily than was previously the case.

### *PEACE II*

The “PEACE II” programme covers Northern Ireland and the border regions of Ireland. It builds on the experience of the special support programme “PEACE I” (1995–1999) and exemplifies the practical support given by the EU to the peace process after the Belfast Agreement. Initially PEACE II covered the period 2000–2004 but in 2004 it was decided to provide additional funding and extend the programme to 2006, bringing it in line with the other Structural Funds programmes in the rest of the European Union.

For the PEACE II programme, the ERDF provided EUR 368 million, the ESF allocation is EUR 193 million. The total ERDF amount paid in 2008 was EUR 42 million. The total ESF payments amounted to EUR 8.8 million, of which EUR 5.3 million were paid to Ireland.

### *EAGGF*

The revised EAGGF-Guidance section amounts to EUR 153.6 million. Cumulative EAGGF (Guidance) payments to the end of 2008 amount to EUR 148.9 million or 95% of the amount foreseen for the programming period 2000–2006.

EAGGF Guidance will not contribute to the two year extension of the PEACE II operational programme, jointly managed with Northern Ireland. Therefore the EUR 12.6 million EU-contribution to the programme was not increased. Up to the end of 2008, total expenditure for the PEACE II programme was EUR 12.3 million, 98% of the amount foreseen.

### *FIFG*

The three Objective 1 programmes contain a total FIFG assistance of EUR 67.7 million. The Productive Sector OP with a total FIFG allocation of EUR 39.8 million reached the ceiling of 95% at the end of 2008. The same is the case for the Southern & Eastern Operational Programme with a FIFG allocation of EUR 10.1 million. Border, Midlands, Western Operational Programme availing of a FIFG allocation of EUR 17.8 million reached an execution level of 91% at the end of 2008.

The Total FIFG allocation to the Irish part of the PEACE II programmes is EUR 2.7 million. No execution took place in 2008 as the 95% ceiling had already been reached before.

## **11.2. Community Initiatives**

### *11.2.1. Equal*

The Irish EQUAL programme proceeded without any major difficulties in 2008. There are 43 Development Partnerships funded under the Equal Community Initiative in Ireland, of which 21 Development Partnerships are Round 1 and 22 Development Partnerships are Round 2. In financial terms, at the end of 2008, the rate of execution of the ESF represented 95 % of the total. ESF payments amounted to EUR 4 million in 2008.

On 5 June 2008, a meeting of the Programme Monitoring Committee took place in Wexford.

### *11.2.2. Leader*

The EU contribution for 2000-2006 amounts to EUR 45.9 million. At the end of 2008, expenditure amounted to EUR 42.8 million, 93% of the initial programme budget. The "n+2" target was not reached in 2007 and EUR 2.8 million were decommitted (Commission Decision C(2008) 8104).

### *11.2.3. Urban*

The Dublin-Ballyfermot URBAN II programme is the only URBAN II Programme in Ireland. It was approved in December 2001, and amended in 2004 as a result of indexation. The ERDF will contribute a total of EUR 5.38 million to this programme, whose total cost amounts to EUR 11.58 million. In 2006, there was an amendment to the Programme Complement with no changes to the financial tables. The monitoring committee met in September 2008. As the programme is winding down towards closure, the MA offices were closed at the end of 2008, retaining minimum staff to complete the final report and supporting documents. The annual review was conducted together with the other ERDF programmes.

#### *Overall comments concerning the 2000-2006 period in Ireland*

The Ballyfermot URBAN II programme has been very successful, both in its achievements and management. There were no problems with meeting the programme outputs and yearly "n+2" targets. The success and legacy of the URBAN II programme provided a sound basis for the planning of the next structural Funding period in Ireland, and integrated urban development will figure strongly in future operational programmes.

## **11.3. Closure of the 1994-1999 programming period**

The RAL is zero for ERDF 94-99. At the end of 2008, the ESF 94-99 was closed and the RAL was zero. All EAGGF programmes were closed by the end of 2007. The C.I. PESCA programme was closed at the end of 2008.

## **12. LATVIA**

*2000-2006 programming period*

### **12.1. Objective 1**

Latvia is implementing a Single Programming Document (SPD) with an ERDF participation of EUR 382 million and an ESF allocation of EUR 127 million out of EUR 626 million in total. In 2008, the Latvian authorities submitted six ERDF payment claims and the Commission was able to pay EUR 107 million in total of ERDF funding in the relation to this programme in 2008, thereby the payments reached almost 95% of the total commitment and no further payment before closure is possible. EUR 26 million were paid for the ESF, also reaching the 95% threshold. Large part of the projects implemented under the SPD on the ground were completed in the first two quarters of 2008 and only for 21 projects (20 ERDF and 1 ESF) the completion end date was postponed to the 3rd and 4th quarters of 2008. Nevertheless, the Latvian authorities used the offered possibility to extend the end of eligibility for the SPD for six more months in order to ensure almost complete absorption of funding.

In order to ensure the best exploitation of the funds, the national authorities proposed more amendment to the Programme Complement at the end of in 2008.

2008 was the year of parallel implementation of the two periods' programmes. This has required a lot of resources as the same people attend to both periods in most of the authorities. Despite this difficulty, implementation progress of the Latvian SPD for 2004-2006 period in 2008 can be considered as very good.

According to the monitoring data, the progress made so far in implementing the SPD has been good. The target levels foreseen for the main indicators used have been attained to a great extent, including the impact indicators at the priority level.

SPD is aiming for “fast and regionally balanced sustainable economic development” mainly by shifting into higher value-added production. Managing authority for the SPD is located in the Ministry of Finance. The Paying Authority is the Treasury of Latvia and the Audit Body is a department in the Ministry of Finance. There is one Monitoring Committee.

The Latvia 2004-2006 Objective 1 programme has partly contributed to the high growth rate and employment in Latvia until the end of 2007. On negative side, the growth was accompanied with supply side constraints leading to high price and wage growth and overheating. As a result, competitiveness started to decline. In the second half of 2008 the growth reinversed and in the last quarter of 2008 the economy started to shrink drastically. The countries biggest private bank had to be nationalised and the IMF and the European Commission with others had to provide an emergency loan in order to avoid payment disruptions and devaluation of the national currency.

Nevertheless, Cohesion policy has facilitated the transfer towards a more knowledge-intensive economy and provided the necessary infrastructures for the economy. In particular the transport and environment infrastructure and the scientific sector

benefitted from EU support. The programme is also contributing heavily towards training and business support. 8 500 new jobs have been created, 54 000 persons have received training. 1 400 enterprises have been assisted for investments with the support of the funds. 137 water services have been improved which is three times more than planned. Emergency health care has been improved across the country.

In addition, the programme has had an effect on immaterial issues such as: boosting the evaluation culture and increased management and project planning capacity. The quality of implementation and the administrative capacity of the Latvian Managing Authority as well as Implementing Bodies have been monitored regularly, several audits have confirmed the good quality of controls.

In 2008 two Monitoring Committee meetings were held – on 18 June and on 10 December 2008. The Committees include participants from all involved state institutions and representatives from social and economic partners, planning regions and civil society. The Annual Review Meeting between the Commission and the Latvian Managing Authority for 2008 will be organised as written procedure because the main issues on the progress of programme implementation, its management and audit were covered in PMC meetings. No major problems in the implementation of the SPD have been detected.

While Latvia requested the extension of eligibility end date until 30th June 2009, the preparations for the closure of the 2004-2006 programming period have begun already in 2007 and closure will be ready by June 2010.

The implementation of the FIFG measures has progressed well in 2008 and the programme has met its "n+2" target. By the end of 2008, Latvia has reached the 95% ceiling for the FIFG payments (11 interim payments and 15% in two pre-financing: EUR 23.12 million paid by the Commission), while commitments at national level are 108%. Therefore, payments in 2008 amounted to only EUR 1 million. The agreed targets for the FIFG measures have already been reached in most cases.

## **12.2. Community Initiatives**

### *12.2.1. Equal*

EQUAL Latvia has been a well performing programme with regard to reaching the set targets and the financial performance. On 01.06.2008 the programme reported 99.5% commitments, 98% payments to the beneficiaries made and 96% declared to the Commission.

The actual implementation of the Latvian EQUAL programme was concluded in 2007, except the technical assistance which continued into 2008. No payments were executed in 2008 as 95% of the programme expenditure was paid in 2007.

One monitoring committee meeting was held on 12 June 2008 – to mainly approve the Annual Implementation Report for 2007. The latter was submitted timely and approved. No annual review meeting was held in 2008.

The EQUAL Latvia closure package is expected to be submitted at the Commission by 30 June 2009.



### *12.2.2. Leader*

Leader+ type measures were included in the Objective 1 programme under Priority 4: "Promotion of Development of Rural Areas and Fisheries". The EU contribution for 2004-2006 amounts to EUR 2.283 million. The start of Leader+ type measures was delayed due to administrative and legal difficulties.

In December 2006, seventeen Local Action Groups were selected and selection of projects finished in October 2007 with contracts covering 100% of the finances available. In total 433 contracts were concluded during two rounds of selection. Implementation of the projects commenced in May 2008 and continued until September 2008. The implementation of Leader under the Single Programming Document ended in summer 2008 and continues under the EU Rural Development Programme 2007-2013 (separate from cohesion policy).

### **13. LITHUANIA**

*2000-2006 programming period*

#### **13.1. Objective 1**

*General*

The Lithuanian Objective 1 Programme (Single Programming Document of Lithuania for 2004-2006) covers the whole of Lithuania as an eligible area. The programme was adopted by Commission Decision C(2004)2120 of 18 June 2004 and is co-financed by the ERDF (EUR 583.9 million), the ESF (EUR 176.2 million), the EAGGF (EUR 122.9 million), and the FIFG (EUR 12.1 million). The national counterpart consists of EUR 309.5 million of public funding and EUR 2.3 million of private financing. Thus, the Structural Funds provide EUR 895 million out of a total budget of EUR 1207 million. The managing authority of the programme is the Ministry of Finance of the Republic of Lithuania.

The global objective of the programme is to strengthen the preconditions for long-term national economic competitiveness and to facilitate the transition to a knowledge-based economy. The programme consists of five priorities: Socio-economic Infrastructure (EUR 347.1 million, ERDF), Human Resources Development (EUR 163.8 million, ESF), Productive Sector and Services (EUR 222.4 million, ERDF), Rural and Fisheries Development (EUR 122.9 million, EAGGF and EUR 12.1 million, FIFG), and Technical Assistance (EUR 14.5 million, ERDF and EUR 12.4 million, ESF).

*Monitoring and annual review*

Two programme monitoring committee meetings were held in 2008 (on 29 May and 13 November) for the purpose of adjusting the programme complement, reviewing the progress made towards achieving the specific objectives of the assistance, examining the results of implementation (in particular the achievement of the targets set for the different measures) as well as discussing and approving the annual implementation report for 2007.

The 2007 annual implementation report was duly submitted by Lithuania and accepted by the Commission. An annual review meeting between the Commission and the Managing Authority was held on 4 December 2008. In addition, a specific meeting on the closure of 2004-2006 Structural Funds assistance was organised in the context of the annual review meeting.

*Information and publicity*

Lithuania has continued to implement a variety of Structural Funds publicity and information activities, including a national information and publicity event in Vilnius on 29 May 2008 presenting best examples of projects benefiting from Community co-financing under the Single Programming Document for 2004-2006. A public internet portal [www.esparama.lt](http://www.esparama.lt), maintained by the Lithuanian Ministry of Finance,

has developed into a central tool for providing the stakeholders with timely information on programme implementation.

#### *Payments and programme results*

By the end of 2008, 95% (EUR 554.7 million) of the total ERDF allocation (EUR 583.9 million) and 95% (EUR 167.4 million) of the total ESF allocation (EUR 176.2 million) had been paid out to Lithuania by the Commission.

With regard to the FIFG measures, already by mid 2008 the Commission had paid 95% of the total FIFG allocations (EUR 12.1 million).

At the end of 2008, the absorption rate of the total EAGGF-Guidance allocation (including the advance) reached 95 %.

### **13.2. Community Initiatives**

#### *13.2.1. Equal*

At the end of 2008, the rate of execution of the Lithuanian EQUAL programme was approximately 95% of the total, including a 16% advance. In 2008, the managing authority held two monitoring committee meetings.

#### *13.2.2. Leader*

Leader+ type measures are mainstreamed in the Objective 1 programme under priority 4: Rural and Fisheries Development.

## **14. LUXEMBOURG**

### *2000-2006 programming period*

At the end of 2008, all managing authorities, except those of the Leader+ programme, accepted the proposition of the Commission to extend the eligibility period by six months until June 2009.

### **14.1. Objective 2**

2008 concentrated on best consumption of the allocation of appropriations in an effort to avoid any decommitment at closure.

Overall, 100% of the programme budget was allocated through grant agreements.

The programme monitoring committee met once in 2008, at the initiative of the Ministry of Economy and Transport, the managing authority of the programme. The Commission played an active part in the work of the committee.

At this meeting of the monitoring committee, the annual report was adopted. Two amendments of the programming complement were submitted at the end of 2008.

The level of the expenditure submitted for payment from the ERDF amounted to EUR 39.385.645,02, i.e. 89,71% of the ERDF allocation at the end of 2008.

### **14.2. Objective 3**

The Objective 3 programme involves a total ESF contribution of EUR 31.68 million ("n+2" rule already deducted). The absorption capacity remained a problem and, under the "n+2" rule, EUR 3.89 million were decommitted at the end of 2007.

Due to the decision of suspension of the interim payments following the audit mission in June-July 2007, which detected serious deficiencies with regard to Articles 3, 4, 7 and 9 of Regulation 438/2001. five requests for payment were not executed (two requests in 2007 and 3 requests in 2008). At the end of 2008, the rate of execution amounted to 73.99% of the total ESF contribution.

The annual meeting took place on 29 February 2008 and the monitoring committee met on 17 June 2008. The annual report for 2007 was adopted by the monitoring committee in June 2008 and commented by the Commission in September 2008, subject to a number of reservations regarding the lack of evaluation concerning older workers and the lack of results indicators. It was finally approved by the Commission in November 2008.

### **14.3. Community Initiatives**

#### *14.3.1. Equal*

The Luxembourg programme still runs smoothly.

The audit mission held in June-July 2007 brought serious deficiencies to light (with regard to Art. 3, 4, 7 and 9 of Regulation 438/2001), which are still being discussed with the national authorities.

Due to the decision of suspension of the interim payments following the above mentioned mission, 3 requests of intermediary payments were not executed in 2007 and 4 others in 2008.

At the end of 2008, the rate of execution amounted to 73.1%.

A monitoring committee meeting and a bilateral meeting have been organised on 17 June 2008.

The 2007 annual implementation report, approved by the monitoring committee has been received and analyzed by the Commission services. The managing authority provided to integrate all the complementary information requested by the Commission who accepted the final version of this report.

#### *14.3.2. Leader*

The programme involves total public expenditure of EUR 8.42 million of which EUR 2.14 million from the EAGGF.

In Luxembourg, 4 LAGs were selected, covering 90 000 inhabitants, with a fifth LAG financed by national funds.

Global execution at the end of 2008 amounted to EUR 1.9 million or 93.2 % of the EAGGF allocation.

Implementation of the programme is finished. The final declaration of expenditure (including a final payment claim) was sent to the Commission in December 2008.

## 15. HUNGARY

*2000-2006 programming period*

### 15.1. Objective 1

The Hungarian Community Support Framework for 2004-2006 consists of five operational programmes covering the whole country, since all the seven Hungarian NUTS II level regions correspond to Objective 1 in the 2004-2006 period. The Structural Funds contribution to the CSF is EUR 1.995 billion at current prices. Assistance from the Structural Funds breaks down as follows: ERDF 62.1%, ESF 22%; EAGGF Guidance Section 15.68%; FIFG 0.22%.

In terms of ERDF expenditure, the 2004-2006 Hungarian Community Support Framework achieved good results. The payment rate reached 95% of the community funding for all programmes (including 16% of advance payments). In terms of ESF expenditure, the payment rate amounted to 90.87% of the community funding (including 16% of advance payments). The “n+2” targets for 2008 were met by all operational programmes and Funds.

Preliminary results suggest that GDP growth was almost 1% point higher than without EU intervention. 19.236 project applications have been supported, more than 70.000 jobs have been created, and the training of 107.000 people was supported from the CSF until the end of 2008.

Data show that territorial cohesion in Hungary was promoted by EU Funds. The average per capita support in the less developed regions of North-Hungary, North Great Plain, South Great Plain and South Transdanubia was significantly higher than in the developed regions of Central Hungary and Central- and West Transdanubia.

The Hungarian authorities requested the prolongation of the final date of eligibility for all operational programmes except for the OP for Regional Development. The time will be used to minimize potential losses due to irregular expenditure and prepare for the closure process.

#### *Economic Competitiveness OP*

The overall ECOP payment rate was 96.8% by the end of 2008. Also by the end of 2008, in 88% of the projects the payment was over 90%. Hence, by that time, the majority of ECOP projects had closed implementation. Across the ECOP's four priorities, payment rates by the end of 2008 varied little (between 96 and 98%; the actual amounts ready to be settled were partly even higher), which means that over the course of that year, the R&D and Innovation Priority as well as the Information Society Priority were catching up in that respect towards the absorption rates experienced by the two entrepreneurship- and SME-related priorities. During 2008, the MA and the IB took various measures preparing for the closure of the ECOP. For instance, they organised road shows and information days and published press releases and newspaper articles to inform applicants and beneficiaries e.g. about the deadline for payment requests.

### *Human Resources Development Operational Programmes (HRD OP)*

The ESF co-finances the majority of the priorities of the HRD OP ("Supporting active labour market policies"; "Fighting social exclusion by promoting access to the labour market" and "Promoting life-long learning policies"). The "n+2" target was reached for 2008 and the payment rate was 90.47% of the total ESF allocation by the end of the year. Due to the relatively low absorption rate reported by the managing authority in the beginning of 2008, COM re-enforced its regular monitoring of the OP implementation, through bi-monthly Action Plans (with built-in 'milestones' to achieve 90-95% absorption) and dedicated visits to the line ministries and the intermediary bodies. As an outcome, important steps have been undertaken in order to raise the staffing level in the intermediary bodies, to launch new calls for proposals and to accelerate payments towards the final beneficiaries. Up to 31 December 2008, 74.47% of the ESF allocation has been certified. Payments to beneficiaries varied from 49.93% to 95.26% of the allocation to the measures.

The final date of eligibility was requested to be extended for the HRD OP, in order to secure a higher absorption rate.

The ERDF co-finances Priority 4 of the HRD OP, aimed at the "Development of Education, Social and Health Infrastructure" via four measures. The implementation accelerated during 2008, the majority of projects were in the process of closure at the end of year. Up to date, 82% of the ERDF allocation has been certified to the Commission. In order to secure the full absorption resources, the total cost of projects supported amounts to 107.9% of the total ERDF allocation. Payments to beneficiaries varied from 90% to 102% of the allocation to the measures.

Though the final date of eligibility was requested to be extended for the HRDOP, Priority 4 is expected to undergo partial closure, the necessary documents are foreseen to be prepared by the end of 2009.

### *Environmental Protection and Infrastructure Operational Programme (EIOP)*

The Operational Programme for the Environment and Infrastructure progressed well in 2008. Satisfactory progress was noted in both the environmental protection and the transport infrastructure axes. The absorption level of this programme was exceptionally good (overall payments at 94.7%) and the overbooking guaranteed the full absorption capabilities (altogether contracted amount is at 108.5%). Challenges with regard to the programme closure include: the minimisation of eventual losses of resources following controls; achieving full absorption; ensuring indicator consistency and appropriate measuring. Apart from some EUR 1.3 million, the entire technical assistance amount was used up compared to the end of last year when payments were at 36% of the technical assistance resources.

On the project level, preparation for the controls of the Government Control Office ("KEHI") and the Commission services is necessary. Special attention is to be given to ensure full project documentation. Closure documents for submission to the Commission will be prepared in due time.

### *Operational Programme for Regional Development (OPRD)*

The overall payment rate by the Member State for the OPRD reached 98.56% of the total public cost at the end of the year. An additional 10-12% overbooking of projects is in place in order to cover any potential loss of resources during the closure process as well as to handle exchange rate variations. The “n+2” target for 2008 was reached for both the ERDF and the ESF-financed priority ("Strengthening the regional dimension of human resource development", the implementation of which significantly accelerated, following a slow start in 2006). The payment rate reached 95% of the total ESF allocation by the end of the year. In the light of the progress of implementation on project level, the managing authority did not request the extension of the final date of eligibility. The programme is preparing for closure, internal checks and audits are ongoing. This might be the first Hungarian programme to be closed.

#### *The Operational Programme for Agriculture and Rural Development (ARDOP)*

Contracting and payment under the ARDOP reached its final phase in 2008. As of 31 December 2008, total payments made under measures co-financed by the EAGGF-Guidance Section (including the advance) amounted to EUR 297 million or 95% of the total Fund allocation for the period 2004-2006.

In 2008, the implementation of FIFG measures under the Agriculture and Rural Development Operational Programme continued. As regards the financial execution, commitments to the projects exceeded 105% of the total FIFG allocation. Three interim payments were made in 2008 amounting to EUR 919.755,84, which, together with the subsequent payment, reached 91% of the total Community contribution. Due to the prolongation of the final date of eligibility of expenditure, additional certified statements of expenditure are likely in 2009. The closure documents are to be submitted by 30 September 2010.

## **15.2. Community Initiatives**

### *15.2.1. Equal*

The Hungarian EQUAL Community Initiative Programme (CIP) supports innovative projects in the field of employability, life-long learning, equality between women and men, as well as support to asylum seekers. The ESF contribution amounts to EUR 30 292 135. There was no "n+2" de-commitment, while the payment rate reached 88.7 % of the total ESF allocation by the end of 2008.

The final date of eligibility was requested to be extended for the EQUAL CIP, in order to secure a higher absorption rate, as well as better mainstreaming of the results achieved under the programme.

### *15.2.2. Leader*

Hungary has included a Leader+ type measure in the ARDOP under priority 3 'development of rural areas'. The objective of the measure is to strengthen the LEADER+ type of approach in local development through the implementation of integrated regional development strategies organized and realized at local levels in the form of partnerships. Overall, 70 local action groups have been selected. The total Community contribution for this measure amounts to EUR 14 366 887.



Considering the commitment of resources the measure has been outstandingly successful, as the amount contracted for the submitted applications (EUR 23.2 million) has exceeded the initial amount planned for the programming period 2004-2006.

## 16. MALTA

*2000-2006 programming period*

### 16.1. Objective 1

Malta has one Single Programming Document (SPD) for the period 2004-2006, jointly co-financed by ERDF (6 measures), ESF (5 measures), EAGGF (2 measures) and FIFG (1 measure). The total Structural Funds' allocation amounts to EUR 63,2 million (EUR 46,7 million from ERDF, EUR 9,5 million from ESF, EUR 4,2 million from EAGGF and EUR 2,8 million from FIFG), supplemented by EUR 23,3 million of national contribution.

The implementation of ERDF and ESF co-financed measures was progressing well in the course of 2008, aiming at reaching full absorption before the end of the eligibility of the expenditure, which has now been extended by additional 6 months until 30 June 2009:

- Ratios of commitments and payments to projects to the total allocation (ERDF + national) reached 98,66% and 84,30% respectively;
- For the ERDF, the ratio of the total amount of payments by the Commission (EUR 44,4 million) to the total amount decided (EUR 46,7 million) reached the ceiling of 95%.
- The ESF co-financed measures did not present any problems with N+2 Rule in 2008; total payments reached already the ceiling of 95%.

As regards implementation of the EAGGF, as at 31 December 2008, total payments made under measures co-financed by the EAGGF-Guidance Section amounted to EUR 4 427 915.24 (interim payments of EUR 3 755 915.24 and advance payments of EUR 672 000, including national co-financing). Interim payments executed in 2008 amounted to EUR 1 368 869.

A regular Monitoring Committee meeting was held in May and October 2008 reviewing the progress in implementation of the programme and approving modifications to the programme complement (budgetary transfers between measures).

An annual meeting for the programme was organised in December 2008, covering a seminar concerning the upcoming closure of the Single Programming Document, a public procurement training session as well as a kick off meeting for the JESSICA initiative (a financial engineering instrument that might be used during the 2007-2013 programming period).

The total FIFG allocation committed to the sub-measures “Fleet” and “Structures” within the SPD for structural assistance in Malta under Objective 1 (2004-2006) amounts to EUR 2,837,500, of which an amount of EUR 2,367,804.88 was certified before the end of 2008. Legally binding commitments were reported to have covered

EUR 2,821,866.84 of the FIG allocation. The payment limit of 95% was reached; payments to the Member State amounted to EUR 2,695,625.

## **16.2. Community Initiatives**

### *16.2.1. Equal*

All EQUAL projects finalised their training activities by the end of December 2007. During 2008, the Monitoring Committee (MC) on the EQUAL Community Initiative Programme met twice in May and October.

The EQUAL Programme did not have any problems with the "n+2" rule in 2008 and reached the ceiling of 95%.

## **17. NETHERLANDS**

*2000-2006 programming period*

### **17.1. Objective 1**

The Flevoland province receives phasing-out support under Objective 1 amounting to EUR 131.9 million (of which EUR 81.7 million ERDF and EUR 33.6 million ESF). The final date of eligibility was extended until 30 June 2009. Minor final adjustments have been made to the financial plan of the programming complement to assure optimal use of the funding. The Flevoland province organised an excellent event on 12 November 2008 presenting the achievements of 15 years' Structural Fund programmes.

Global execution of the EAGGF-Guidance section at the end of 2008 amounted to EUR 8.2 million or 78% of the EAGGF allocation.

Global execution of the FIFG Section at the end of 2008 reached the 95% of the FIFG allocation.

### **17.2. Objective 2**

Implementation of the 4 Objective 2 programmes: North, South, East, and Urban Areas, remained more or less on schedule although the financial crisis did have some adverse impact in the last months of 2008. All 4 programmes requested and received an extension of the final eligibility date until 30 June 2009. The Dutch authorities finalised the national action plan that was agreed upon following the 2005 and 2006 audits. The Annual Review Meeting (covering the 2000-2006 Objectives 1 and 2 and also the new 2007-2013 operational programmes) was held on 13 November in Lelystad.

### **17.3. Objective 3**

The total available ESF allocation for the SPD amounts to EUR 1.5 billion, which had been committed by the end of October 2005. No de-commitment is envisaged. The programme was modified in 2008 as the Agency SZW of the Ministry of Social Affairs and Employment became the Managing Authority. To ensure optimal use of funding, final adjustments were made to the Financial Plan of the Programming Complement. As all projects were terminated by the end of 2007, activities focussed on preparing closure of the programme. No request was received for extending the final date of eligibility.

### **17.4. Fisheries outside Objective 1**

The 95 % ceiling was not reached at the end of 2008 (initial total FIFG allocation was EURO 33.5 million). Several minor adjustments to the financial plan of the programming complement were done and there was no extension of the final eligibility date. A last payment claim of EUR 871.065,12 was sent to the Commission. A system audit was carried out by the auditors of DG MARE in the week of 27 - 31 October 2008.

## **17.5. Community Initiatives**

### *17.5.1. Urban*

Three URBAN II programmes are being implemented in the Netherlands in Amsterdam, Heerlen and Rotterdam. In the same way as for the other Dutch programmes their eligibility was extended until 30 June 2009. The ERDF contribution for the programmes in Amsterdam and Rotterdam is some EUR 9 million each and in Heerlen some EUR 12 million. The total eligible cost of the three programmes is some EUR 84 million. The cities themselves are both managing authority and paying authority. The Ministry of the Interior provides informal co-ordination.

Annual reports for 2007 were received and accepted in 2008. They all gave account of satisfactory programme implementation.

### *17.5.2. Equal*

The programme was modified in 2008 as the Agency SZW of the Ministry of Social Affairs and Employment became the Managing Authority. To ensure optimal use of funding, final adjustments have been made to the financial plan of the programming complement. As all projects had ended by the end of 2007, activities focussed on preparing closure of the programme. No request was received for extending the final eligibility date.

The electronic database containing products and methodologies developed by EQUAL projects for guiding people (back) to work was launched successfully. Many applicants of EQUAL projects have been able to transform their projects in line with mainstream policies or have obtained further financing.

### *17.5.3. Leader*

Four Leader+ programmes are being implemented in the Netherlands in the 2000-2006 programming period (Randstad, Noord, Zuid and Oost). The EAGGF-Guidance section contribution to these programmes amounts to EUR 82.6 million. At the end of 2008, global execution amounted to EUR 68.3 million or 83.6 % of the EAGGF allocation.

For the programme Leader+ Zuid-Nederland a de-commitment under the "n+2" rule, amounting to EUR 801 425, was enacted by Commission Decision C(2008)3339. For the programme Leader+ Randstad, an adjustment of the financing plan of the programming complement was submitted on 25 March 2008.

## **17.6. Closure of the 1994-1999 programming period**

The Commission decided to close partially the remaining Dutch programme in application of Article 24 of Regulation (EC) No 4253/88.

As regards the Community Initiative Programmes, three programmes are still to be closed due to ongoing judicial proceedings.

## **18. AUSTRIA**

### *2000-2006 programming period*

Austria received a total Structural Fund contribution of EUR 1 782 million between 2000 and 2006 from the ERDF, ESF, EAGGF and FIFG.

### **18.1. Objective 1**

For the only 'Objective 1' region in Austria, Burgenland, the entire amount of € 181,5 Mio from the ERDF has been committed from 2000 to 2006. In 2008, the Commission reimbursed certified expenditures of € 21,8 Mio to the Paying Authority, which represents 12 % of the total ERDF contribution of the entire programming period. The total payments by the Commission between 2000 and 2008 amount to € 172,4 Mio representing 95 % of the total ERDF contribution. The Programme complement was modified once whereas the Single Programming Document was not modified anymore.

Following the last monitoring committee meeting in June 2006, necessary exchanges usually subject to monitoring Committees were carried out by written procedures.

The 2007 annual implementation report for the programme was formally submitted to the Commission in June 2008 and approved in August 2008.

In 2008, EAGGF-Guidance Section payments made by the Commission for the Objective 1 priority for Burgenland amounted to EUR 0.350 million. An amount of EUR 2.807 million was not accepted as the cumulative EAGGF contribution for the period 2000-2006 reached 95% of total commitments, amounting to EUR 41.5 million.

As for the ESF, EUR 6 million was paid in 2008. No commitments of ESF funds were made in 2008, as the total ESF amount was already committed up to 2006. In the period 2000-2006, a total of EUR 57.4 million was committed and EUR 54.5 million was paid by the Commission (i.e. 95% of the total ESF contribution).

For the FIFG, for Burgenland as an Objective 1 region no payments were made in 2008, as the remaining programme cover have been transferred to other Funds respectively decommitted after 31 December 2004.

### **18.2. Objective 2**

The eight Austrian Objective 2 regions (Upper Austria, Lower Austria, Styria, Carinthia, Salzburg, Tyrol, Vorarlberg and Vienna), have committed the entire amount of EUR 703,7 million ERDF contributions already in the years 2001 to 2006. An amount of EUR 1,2 million had to be de-committed in 2008.

The Commission reimbursed in 2008 certified expenditure of EUR 61,4 million to the Paying Authority, which represents 8,7 % of the total ERDF contribution of the entire programming period. The total payments by the Commission between 2000

and 2008 amount to EUR 667 million or in other words to 94,8 % of the total ERDF contribution.

In 2008, one Single Programming Documents has been modified and one further version of a Programme complement has been accepted by the Commission.

No monitoring committee meeting was evoked in 2008 and all necessary decisions were carried out by written procedures, accordingly. The 2007 annual implementation reports for the programmes were formally submitted to the Commission in June 2008 and approved in August 2008.

At the annual meeting in Brussels on 12 November 2008, the state of play of all Structural Funds programmes (Objective 2 and Objective 1 programmes) was presented and discussed.

With regard to the programme in Vienna an amount of EUR 1,2 million had to be de-committed due to the non-fulfilment of n+2 requirements.

As far as the three programmes containing an ESF component (Carinthia, Styria and Vienna) are concerned, no commitments were made in 2008, as the total ESF amount of EUR 27.5 million was already committed up to 2006. EUR 1.1 million was paid in 2008. In the period 2000-2006, a total of EUR 27.5 million was committed and EUR 26 million was paid (i.e. 95% of the total ESF contribution).

### **18.3. Objective 3**

In 2008, no commitment for the ESF programme was made, as the total ESF amount of EUR 571.97 million was already committed up to 2006. As 95% (i.e. 543.37 million) was already paid, no further payment was executed in 2008.

A Monitoring Committee meeting was held on 17 June 2008. The Annual Report 2007 and the state of implementation were discussed. The audit follow-up to a previous EMPL audit at the BMSK (Ministry for Social Affairs constituted a further important issue.

The 2007 annual implementation report for the programme was formally submitted to the Commission in June 2008 and approved in August 2008.

An Annual Meeting (joint annual meeting OPs Phasing out Burgenland and AT Employment) took place in Vienna on 9th December 2008. Preparatory work for the closure is quite advanced. Implementation was carried out without problems.

The Conference "EU Cohesion Policy 2014+: Did the future already start?" in Vienna on 18th June 2008 constituted a platform for different players (including European Commission, European Parliament, scientific institutions and ministries) to exchange views on past developments, progress made so far and the outlook for the future of Structural Funds beyond 2013. The creation of an additional added value was generally recognised.

The Conference "STRAT.AT: 12 years of EU SF support in Austria-an assessment", organised in Vienna on 29th October 2008, was part of the monitoring process for SF implementation in Austria. The impact of the ESF was highlighted in the following

areas: the introduction and further development of a labour market policy close to enterprises, in measures tailored to target groups with specific needs and specific approaches with a view to integrating groups distant to the labour market. The positive role of Territorial Employment Pacts, which have created and supported partnerships on regional and local level, was equally emphasised.

#### **18.4. Fisheries outside Objective 1**

Within the Fisheries Operational Programme for Austria outside Objective 1, two priority axes have been co-financed by the FIFG, "Aquatic resources, aquaculture, fishing ports, processing and marketing, inland fisheries" and "Other measures". Their respective share of the programme are EUR 4 489 000 and EUR 11 000. The financial execution has reached 93.99 % of the total (EUR 4.229.726 out of EUR 4.500.000). There have been no decommitments.

#### **18.5. Community Initiatives**

##### *18.5.1. Urban*

There are two URBAN II programmes for Austria. The Vienna programme received EUR 4.2 million and the Graz programme EUR 4.3 million from the ERDF. The total budget for Vienna was EUR 13.9 million and for Graz EUR 20.7 million. For both programmes, annual reports were received each year which we found to be satisfactory and which we have adopted.

The managing authority for both programmes was the city. The cities coordinated their monitoring committees and both were represented in the monitoring committee of the other programme. Since 2007 no physical monitoring committee was organised anymore; however all necessary actions were carried out by written procedures.

In November 2008 an annual meeting with both managing authorities was organised in Graz.

Both programmes have consistently met the "n+2" targets.

##### *Overall comments concerning the 2000-2006 period*

The programmes have contributed to the economic regeneration of inner-city areas, where old industrial sites have been provided with new infrastructure, facilities and access links, thus creating the basic conditions for a new cycle of post-industrial economic activity, particularly in the area of technological innovation.

##### *18.5.2. Equal*

Austria had decided to close down EQUAL a year earlier than the other Member States. Neither Monitoring Committee Meeting nor annual meeting were held in 2008. No amendments were made to the programme in 2008. No commitment was made in 2008. 4.47 million EUR was paid in 2008.



### 18.5.3. *Leader*

The Leader+ programme for Austria was approved by Decision C(2001) 820 of 26 March 2001 and amended by Decision C(2006) 4830 of 6 December 2006. For the period 2001-2006, total expenditure under the programme is EUR 164.30 million. This includes an EU contribution of EUR 76.80 million and a contribution of EUR 59 million from the private sector (these figures already include the indexation amounts).

The Austrian Leader+ programme covers 8 regions of Austria with the exception of the urban area of Vienna.

The EAGGF contribution paid for the Leader+ programme amounted to EUR 12.582 million in 2008 and rose to EUR 72.992 million in total, which corresponds to 95% of the amount for the period 2000-2006.

## **18.6. Closure of the 1994-1999 programming period**

Concerning the ERDF contribution to the Austrian 1995-1999 programmes, all the Objective 2, Objective 5b and Community initiatives (except one INTERREG programme) were closed before 2006. For the INTERREG programme CADSES the final decision procedure based on Article 24 has been launched end of 2008 for the final decision to be adopted by the Commission beginning of 2009.

All ESF programmes have been closed since the last recovery from the Austrian authorities was effected. Some requests for contribution of unrecoverable amounts have still to be treated.

## **19. POLAND**

*2000-2006 programming period*

### **19.1. Objective 1**

In 2004-2006, Poland received more than EUR 12.8 billion. Implementation of Structural Funds in Poland was on track and operational programmes were heading towards closure. Specific meetings in Poland were organised to familiarise all institutions with the challenge of closure. Polish Authorities attended also a seminar on the preparation for closures, which was organised in Brussels. At the end of 2008, payments for ERDF, ESF, FIFG and EAGGF taken together accounted for 93.05% of the total allocation for 2004-2006 or 7.82 billion EUR.

For ERDF 93.96% (4.67 billion EUR) has been paid. Three ERDF-financed operational programmes – ERDF priorities of Integrated Regional Operational Programme, Transport-Maritime Economy and Technical Assistance payments, including advances, reached the level of 95%. Implementation of the programme Improvement of Competitiveness was a bit slower – at the end of 2008 the payments accounted for 90.88% of allocation. ERDF programmes bear no risk for underspending, although the exchange rate fluctuations caused unexpected need for additional contracting.

As far as financial execution of ESF is concerned, the overall rate of execution in terms of payments at the end of 2008 reached the level of 94%. The Sectoral Operational Programme Human Resources Development demonstrated very good progress, without any risk of underspending.

However, the financial progress of the ESF Priority under the Integrated Regional Operational Programme continued to raise concerns due to slower pace of implementation in some regions. The financial crisis posed also an unexpected challenge: fluctuations of the exchange rate of the Polish currency, which complicated management of contracts under the Priority. In result, the overall rate of execution under this Priority was below 90% by the end of 2008.

As far as other funds are concerned, payments in EAGGF programme reached as well 95%. The situation was less positive for FIFG, where only 78.79% of allocation was paid out to final beneficiaries.

The Polish authorities requested an extension of the final date of eligibility of expenditure for all operational programmes save Technical Assistance and Equal. This step should facilitate the liquidity problems of Member States linked to the economic crisis. The final date of eligibility was extended up to 30 June 2009.

Evaluations showed positive funds' impact on the Polish economy. The investments financed by the Structural Funds and Cohesion Fund contributed to the creation of 319 thousand jobs and faster economic growth. The record of evaluations of ESF programmes is quite impressive. The ESF demonstrated a valuable return, having a remarkable contribution to the improvement of the situation on the Labour Market

through support addressed directly to about 2 million individuals and significant improvement of the systems of Labour Market and Education and Training.

## **19.2. Community Initiatives**

### *19.2.1. Equal*

The Polish programme proceeded without difficulties in 2008. At the end of 2008, the rate of financial execution (including advance payments) of the ESF was approximately 95% of the total. Innovative operations developed under EQUAL are mainstreamed in the new ESF 2007-2013 operational programme and relevant policies.

### *19.2.2. Leader*

As with other recently acceded Member States, a Leader+ type measure is mainstreamed in the EAGGF Objective 1 programme “Restructuring and modernisation of the agri-food sector and rural development”.

## **20. PORTUGAL**

*2000-2006 programming period*

### **20.1. Objective 1**

The Portuguese Community Support Framework III (2000-2006) received financial support under Objective 1 (with Lisbon and Tejo valley region as a phasing out region) and consisted of twenty operational programmes. Out of the twenty operational programmes, seven cover individually each of the Portuguese regions and thirteen are of a horizontal nature.

For operations included in the CSF III, 2008 was originally the last year of eligibility for expenditure (for interventions involving state aid, the deadline was originally 30 April 2009). However, as part of the response to the financial crisis an extension of date of eligibility for expenditure to 30 June 2009 was agreed for all OPs.

Throughout the year 2008, various reprogramming exercises of the OPs and modifications of the programme complements were carried out with a view to optimise the use of financing within the priorities and measures agreed.

The 2007 annual reports for each operational programme were submitted and accepted by the Commission in some cases with observations or requests for additional information.

In November 2008, the 7th annual review meeting relative to the year 2008, between the European Commission and the Managing Authorities of Portuguese operational programmes for the period 2000-2006, took place in Brussels. The main items on the agenda were the state of play on implementation, information systems, closure of 2000-2006 programmes, audit issues and progress on action plans regarding specific operational programmes, state of play on approval of major projects, issues relating to the transition from the 2000-2006 period to the 2007-2013 period.

It was jointly decided that the annual horizontal level monitoring committee meeting for the CSF III was not necessary in 2008 and it was agreed at the 7th annual review meeting, mentioned above, that the final monitoring committee meetings for all OPs and for the CSF III itself, would take place in Portugal in 2009.

As usual, the majority of Portuguese programmes held monitoring committee meetings in the first half of 2008. The second round of monitoring committee meetings was not considered necessary and written procedures were used where needed.

The general implementation in Portugal continued at a satisfactory pace with the vast majority of payments concentrated towards the end of the year. In 2008, total payment claims for the CSF III transmitted to the Commission amounted to 96% of the payment claims forecast by the national authorities in April 2008. In nominal terms, for all Funds together, this means that EUR 1 794 million were paid out by the Commission in 2008. ESF payments in 2008 reached 49% of the total forecast for the year, which amounts to spending of around EUR 113.5 million, but EUR 92 million

could not be paid out because the 95% limit was reached for 15 operational programmes. For the same year, the EAGGF-Guidance Section reached 74.1% of forecast expenditure, i.e. EUR 218 million. Concerning the FIFG, at the end of 2008, the reimbursement amounted to EUR 202 million out of EUR 237 million, corresponding to 85% of total FIFG appropriations to the eight operational programmes.

As regards ERDF, one programme (POSC-Information Society) did not respect the "n+2" rule at the end of 2007 and the corresponding automatic decommitment was applied. For the Regional Operational Programmes Alentejo, Algarve, Centro and Norte the application of the "n+2" rule resulted in some decommitments for the EAGGF.

As regards the EAGGF-Guidance Section, five decommitment amending decisions were necessary in 2008, following application of the "n+2" rule at the end of 2007 for the OPs Agriculture and Rural Development, Algarve, Alentejo, Centro and Norte. At the end of 2008, no automatic decommitment procedures were initiated as in line with Commission Decision C(2006)3424 (Closure Guidelines) the "n+2" threshold as regards the EAGGF will be calculated at programme closure.

During 2008, eight new major project decisions were adopted by the Commission which were part of the Operational Programme "Economia".

## **20.2. Community Initiatives**

### *20.2.1. Equal*

The Portuguese EQUAL programme proceeded efficiently during 2008. The total interim payments executed in 2008 is EUR 10.5 million, reaching 94.7% of the programme budget.

The Monitoring Committee meeting, held on 24 June 2008, approved the implementation annual report for 2007. After the Commission's analysis of this report, the managing authority provided all the complementary information requested.

A closure conference "Powering a new future" was organized in Lisbon (10-12 December 2008) that highlighted the EQUAL lessons learnt and permitted to share ideas and methodologies for transnational exchanges.

The managing authority multiplies its efforts to mainstream the EQUAL best practices and using the extension period of eligibility till the 30 June 2009 to reach the 100% of payments. Efforts are particularly made on empowerment and technical assistance priorities.

### *20.2.2. Leader*

Portugal has one single national Leader+ programme. The total costs are set at EUR 272.625 million for the period 2001-2006. This includes a contribution from the EAGGF Guidance Section, of EUR 164.454 million. At the end of 2008, payments amounted to EUR 156.231 million, which represents 95 % of the planned EAGGF Guidance amount over the whole programming period. For the year 2008,

EAGGF payments have reached 100% of the forecast expenditure for that year, which means that EUR 18.342 million were spent.

### 20.2.3. *Urban*

There are three URBAN II Programmes in Portugal: Amadora, Lisboa and Porto-Gondomar. Overall, these programmes tackle serious socio-economic and environment problems in inner-city areas. The managing authorities for the programmes are at regional level. The related monitoring committees met once in July 2008 when they analysed the evolution of the programmes and approved the 2007 annual reports taking account of comments from the Commission. Along with the other Portuguese operational programmes, the annual review meeting took place in November 2008, and a six-month extension of the eligibility period was agreed in early 2009. In 2008, total payments made for the three URBAN II Programmes amounted to EUR 3 million.

### **20.3. Closure of 1994-1999 programming period**

As regards the closure of 1994-1999 programming period for CSF II, all the interventions are closed, although two programmes still have on-going audit procedures which may result in financial corrections.

## 21. SLOVAKIA

### *2000-2006 programming period*

Slovakia received a total EU contribution of over EUR 1 145 million for the programming period (2004 to 2006) under the CSF (i.e. funding from the ERDF, ESF, EAGGF and FIFG). This is split into three mono-fund operational programmes (2 ERDF – 1 ESF) and one operational programme funded from the EAGGF and the FIFG, as described below. There are also Objective 2 and Objective 3 single programming documents for the Bratislava Region.

Ten meetings of the CSF monitoring committee were held in total (two meetings in 2008) to address horizontal issues in implementation of the Structural Funds in Slovakia. The discussion focused on horizontal themes - coordination, administrative capacities and use of technical assistance, Roma issues, evaluation, simplification of procedures and regional aspects in thematic OPs. A 2007 annual report has also been issued for CSF. Twelve meetings of the CSF Working Commission for the Development of Roma Communities were held in total (one meeting in 2008) to monitor the implementation of seven ERDF and ESF measures with the increased co-financing by the EC (80 % instead of 75%) intended for the projects with the direct or indirect impact on the Roma communities.

DG EMPL interrupted the treatment of payments for all three Slovak ESF interventions: Obj. 1 OP Human Resources, SPD 3 Bratislava and EQUAL initiative in February 2008 on the basis of delays in the implementation of the agreed Action Plan which addressed findings of 2006-2007 EMPL audits. Implementation of the Action Plan was completed on 31 July 2008 and confirmed by two follow-up audit missions of EMPL auditors. The total financial self-correction of EUR 1 067 521.37 was applied and the treatment of payment requests restarted in October 2008.

### 21.1. Objective 1

Three monitoring committee meetings on the *Basic Infrastructure OP* took place in 2008 (eleven in the period 2004-2006). The 2007 annual implementation report was formally submitted to the Commission in June 2008 and approved. The full amount of EUR 422.3 million (ERDF) had already been committed in the previous period. EUR 92.6 million was paid in 2008, (including the EUR 44.1 million requested in 2007 but paid in 2008). In total, EUR 401.2 million had been paid out up to the end of 2008 and, this comes to 95% of overall commitments. The OP has met the “n+2” rule so far. Approximately 1 100 projects have been financed under the OP, including large environmental, road and railway projects, schools, social infrastructure, information technologies and village renewals.

The *Industry and Services OP* held four monitoring committee meetings to evaluate progress. The 2007 annual implementation report was formally submitted to the Commission in June 2008 and approved. The full amount of EUR 151.2 million (ERDF) had already been committed in the previous period. EUR 51.8 million was paid in 2008 (including EUR 19.6 million requested in 2007 but paid in 2008). In total, EUR 140.7 million had been paid out up to the end of 2008 and, this comes to 93.05% of overall commitments. Approximately 400 projects have been financed

under the OP, including investments in private companies and public infrastructure to support innovation, business incubators, industrial parks, research and development, energy efficiency and tourism.

The *Agriculture and Rural Development OP* had two meetings of its Monitoring Committee, one in May and one in October 2008. The 2007 annual implementation report was submitted to the Commission in June and subsequently approved. Implementation of the programme progressed in a satisfactory manner, the most popular measure being investment in agricultural holdings (53% of funds). No programme modification proposal was submitted in 2008. One interim payment request amounting to EUR 15 712 030.63 was submitted to DG AGRI in 2008, of which EUR 12 299 158 could be paid as equivalent to the allowable 95% threshold.

The level of contracting was 99.3% from the FIG contribution to the Agriculture and Rural Development Operational Programme and the Commission made payments of EUR 506.961,12 in 2008 reaching the 95% threshold for interim payments. All projects have been finished by the end of 2008. Slovakia requested a prolongation of the final date of eligibility of expenditure under the Agriculture and Rural Development Operational Programme until 30 June 2009. The closure documents are expected by 30 September 2010.

The *ESF Human Resources OP* held four monitoring committee meetings in 2008. The Commission took part in two of them. The annual implementation report for 2007 was formally delivered in June 2008 and found satisfactory by the Commission in October 2008. The Commission paid EUR 65 412 215 following the submission of two payment requests in 2008. In total (advance and interim payments) EUR 262 212 164 million has been paid to the Paying Authority; this represents 92.17% of the total 2004-2006 allocation. Financial resources were reallocated in March 2008 between the measures of one priority in order to react to implementation needs - the change to the financial plan of the complement was approved by the Monitoring Committee. Projects financed include an active labour market policy development, improving the qualification and adaptability of employees and job seekers, and increasing social inclusion and equal opportunities in the labour market.

## **21.2. Objective 2**

The monitoring committee for the SPD 2 programme Bratislava held three meetings. Two amendments to the programme complement were approved in 2008. The 2007 annual implementation report was submitted to the Commission in June 2008 and was approved. The full amount of EUR 37 million (ERDF) had already been committed in the previous period. In total, EUR 35.2 million had been paid out up to the end of 2008, of which EUR 14.1 million in 2008. This amounts to 95% of overall commitments. More than 200 projects have been financed under the OP, including investments in private companies, public infrastructure in support of innovation and tourism.

## **21.3. Objective 3**

The *Single Programming Document Bratislava Objective 3* held two Monitoring Committee meetings in 2008. The annual implementation report for 2007 was formally delivered in June 2007 and found satisfactory by the Commission in



October 2008. The annual meeting took place in April 2009. The Paying Authority received EUR 12 119 973 following the submission of two payment requests in 2008. In total (advance and interim payments) EUR 27 431 516 has been paid to the paying authority; this represents 73.9% of the total 2004-2006 allocation. An amending Commission Decision C 2008 (5732) was adopted following the de-commitment of EUR 6.5 million of 2005 financial allocation for this programme. Financial plans of the programming document and programming complement were revised accordingly. Projects financed include demand-driven and national projects for the active labour market policy development, life-long learning development and support to R&D.

## **21.4. Community Initiatives**

### *21.4.1. Equal*

The *Community Initiative EQUAL* held two Monitoring Committee meetings in 2008. The annual implementation report for 2007 was formally delivered in July 2008 and found satisfactory by the Commission in October 2008. The paying authority received EUR 8 001 035 following the submission of four payment requests in 2008. In total (advance and interim payments) EUR 19 101 661 has been paid to the paying authority; this represents 85.79% of the total 2004-2006 allocation.

## **22. SLOVENIA**

*2000-2006 programming period*

### **22.1. Objective 1**

Slovenia is considered as a single Objective 1 region for the programming period 2004-2006. During this period the multi-fund Single Programming Document (SPD) formed the legal basis for the use of structural funds in Slovenia and, more importantly, defined the strategic objectives to be achieved in the framework of Cohesion Policy. The total financial contribution from the structural funds to the SPD amounts to EUR 237.5 million, of which approximately 57% are covered by the ERDF (i.e. EUR 136.5 million), 32% by the ESF, 10% by the EAGGF and 1% by the FIFG.

- One of the core objectives of the Slovene SPD was to achieve further convergence with the EU in terms of economic and social development and to mitigate internal imbalances within Slovenia. The overall implementation of the multi-fund SPD progressed steadily in 2008. The ERDF interventions remained Lisbon oriented and focused on key areas such as improving the business environment for entrepreneurship, enhancing public economic infrastructure and related public services necessary for investment, transfer of knowledge and the promotion of entrepreneurship as well as fostering innovation & research.

The payments authorised by the Commission up to the end of 2008 amounted to 95% of the total ERDF contribution to the programme (incl. advance payments). This means that the Commission's payment ceiling for the ERDF has been reached in 2008 and that the remaining balance will be paid at closure of the programme provided that the final report and its accompanying documents will be deemed acceptable. The cumulative amount of payments actually paid out by the end of 2008 (incl. advance payments) for all four funds amounted to around EUR 218 million, which corresponds to approximately 92% of the total structural funds contribution to the SPD. No cases of automatic decommitment under the “n+2” rule arose during the implementation of the programme.

The payments for the ESF share of the programme reached 95% (including advance payments). The level of reimbursement is expected to reach 99% at closure. The management and control system for the ESF has been steadily improved as answer of audits executed by DG EMPL and the European Court of Auditors.

As regards financial execution of the EAGGF-Guidance section, payments made by the Commission for Slovenia's Objective 1 programme in 2008 amounted to EUR 7.252 million. In 2008, 95% of the amount committed for the period 2000-2006 was spent and at the end of 2008 cumulative EAGGF-Guidance payments amounted to EUR 22.391 million.

#### *Monitoring committee meetings*

The SPD monitoring committee meeting was held in Slovenia at the end of May 2008 and provided the opportunity to review the implementation of the

programme, its financial management and the main outcomes achieved during 2007. During the meeting, representatives of the managing authority and the line ministries made presentations of the progress of implementation for each priority and the specific measures. The national authorities specifically reiterated that DG Regional Policy had signed a contract of confidence with Slovenia in early 2008 regarding ERDF interventions of the SPD which showed that appropriate control systems had been put in place.

The monitoring committee approved the 2007 Annual Implementation Report ([http://www.euskladi.si/publikacije/letna\\_porocila](http://www.euskladi.si/publikacije/letna_porocila)) and agreed to the proposed changes of the SPD Programme Complement.

In the context of the Monitoring committee, members of the Commission delegation had the opportunity to visit a research project co-financed from the ERDF in the framework of the "Centre of excellence" scheme. The visit allowed the participants to obtain first-hand impressions of the programme's activities and outcomes.

#### *Annual reports and annual meeting*

As in previous years, the Annual Implementation Report was received in due time and was accepted by the Commission with a certain number of comments and recommendations for improvement.

The SPD annual meeting was held in Ljubljana in November 2008. The meeting considered all aspects of implementation, with a specific reference to financial absorption, monitoring systems and closure of the programme. The national authorities highlighted that the analysis of closure issues had already begun at national level, including the creation of specific working groups. The participants of the annual meeting agreed that there is a persisting need to further improve the monitoring system in order to obtain a meaningful analysis of quantitative and qualitative results and indicators.

#### *Amendments*

At the request of the national authorities and following approval by the monitoring committee, the SPD Programme Complement was amended once during 2008, including some financial reallocations in the financial plan.

In the context of the unprecedented economic and financial crisis, the Slovene national authorities requested at the end of 2008 an extension of the eligibility period for the SPD until the end of June 2009. The Commission approved the duly justified request in order to facilitate the smoothest possible closure of the Structural Funds' assistance and to ensure the optimal use of the funds available.

#### *The use of technical assistance*

The SPD operational technical assistance programme includes a specific priority designed to ensure the right conditions for effective implementation of the development strategy, and to facilitate the implementation, management, follow-up, control and evaluation of the programme. This priority is co-financed both by the ERDF and the ESF.

## *Fisheries*

The total FIG allocation committed to the measures “Modernisation of existing vessels and small-scale coastal fisheries” and “Aquaculture, Processing and Marketing” within the SPD for structural assistance in Slovenia under Objective 1 (2004-2006) amounts to EUR 1 781 040, of which an amount of EUR 1,480,382.98 was certified before the end of 2008. Legally binding commitments were reported to have covered the whole FIG allocation. The payment limit of 95% was reached; payments to the Member State amounted to EUR 1,691,988.00.

### **22.2. Community Initiatives**

#### *22.2.1. Equal*

The implementation of the programme was marked with constant and frequent changes of staff and a lack of administrative capacities at the project level, but the situation has somehow improved as from mid 2007 on. The declaration of the incurred ESF expenditure is lacking behind schedule and reached only 56% end 2008 (including advance payments). The programme will not be fully spent at closure.

As the development partnerships all finished their works Slovenia had not asked for the extension of the final eligibility date for the EQUAL programme.

The managing authority of CIP EQUAL held two monitoring committees, one in January and one in June. The monitoring committee adopted the guidelines for the conclusion of the projects and the programme and keeping the documentation, the modification of the technical assistance plan and the 2007 annual implementation report. The latter was formally delivered in July 2008 and found satisfactory by the Commission in August 2008. During the two written procedures in August and October, the monitoring committee adopted the final report on CIP EQUAL evaluation, the modifications of the description of the systems for managing and control and the modifications of the technical assistance plan.

## **23. FINLAND**

### *2000-2006 programming period*

For the 2000-2006 period, Finland was allocated EUR 1 836 billion (1999 prices) from the Structural Funds, of which approximately 60% ERDF, 26% ESF, 13.5% EAGGF and 0.5% FIG. The funds were allocated to two Objective 1 programmes, three Objective 2 programmes, two Objective 3 programmes, one FIG programme, nine IINTERREG programmes, one URBAN programme, one LEADER programme and one EQUAL Community Initiative programme.

### **23.1. Objective 1**

In 2008, the Northern and Eastern Finland Objective 1 programmes progressed as planned. At the national level, EU funds were fully committed to projects and approximately 87% of EU funding was paid to final beneficiaries. At the Commission level, 100% of the programme funds were committed by the end of 2007 and 95% of programme funds had been paid to Finland, including advance payments. No “n+2” decommitments have been made for any of the programmes.

No monitoring committee meetings were organised for the two programmes in 2008. The annual review meeting between the Commission and the Finnish managing authority was organised in March 2009 and dealt mainly with the closure preparations and management and audit issues.

The quantitative and horizontal objectives set for the programmes have been achieved. The programmes have helped to create nearly 40 000 jobs and 8 300 enterprises. Over 250 000 people have participated in ESF measures. In addition, the programmes have strengthened the role of regions, fostered regional identity and responsibility for local development, improved multi-annual strategic planning, and promoted partnership and cooperation between the different levels of public administration and other stakeholders. New methods and models have been created in the field of employment and education and training policies.

#### *Fisheries*

FIG implementation in the Objective 1 programmes has progressed well. For the Northern programme, the commitment rate at the end of the year was 100%, while the 95% limit was reached. The Objective 1 Eastern programme had a 100% commitment rate and 95% payment rate. No “n+2” rule-related decommitments were necessary for the FIG.

### **23.2. Objective 2**

In 2008, the three Finnish Objective 2 programmes for Southern Finland, Western Finland and the Åland Islands progressed as planned. At national level, over 100% of EU funds had been committed to projects and over 85% of EU funding had been paid to final beneficiaries in Southern and Western Finland, and, for the Åland Islands, the funds are virtually fully committed and payment levels about 81%. At Commission level, 100% of the programme funds had been committed by

the end of 2008 and 95% of programme funds paid to the national authorities, including advance payments. The programmes had no “n+2” decommitments.

The Southern and Western Finland programmes have helped to create nearly 40 000 jobs and over 7 500 enterprises. Over 180 000 people have participated in ESF measures. The horizontal targets for equality, environmental sustainability and information society have been reached, apart from gender equality projects in Southern Finland, where only 50% of the target has been met. Due to very ambitious target setting, the target for creating new enterprises will only be partly met: 50% for Western Finland and 57% for Southern Finland. The Åland Islands Objective 2 programme has helped to create around 200 new jobs and 30 new enterprises.

No monitoring committee meetings were organised for the two mainland Objective 2 programmes in 2008. The 2007 annual reports were adopted by written procedure. For the Åland Islands, two monitoring committee meetings were organised in May and November 2008. The main items on the agenda were the progress of programme implementation, the 2007 annual report, preparations for closure and the preparations for the 2007-2013 period.

The annual review meeting for Mainland Finland programmes was organised in March 2009 in Brussels and dealt mainly with the progress of programme implementation, closure preparations and management and control issues.

#### *Extension of 2000-2006 programming period*

Related to the global financial crisis, the Commission decided to give the Member States more time to finalise the programming period 2000-2006. Finland applied to extend the programming period until 30 June 2009. The remaining resources (approximately 38.5 million euros) have been budgeted again and there are 167 new projects.

### **23.3. Objective 3**

ESF funding for Finland’s Objective 3 programmes, including the Åland Islands, totals EUR 436.6 million. The programmes have progressed well. By the end of 2008, the payments level of 95% was reached for the mainland programme and 85.98% for the Åland programme, and more than 555 000 people in total had participated in the activities funded by Objective 3 programmes. The mainland's programme has helped to create more than 9 500 new enterprises and 22 410 new jobs. 3 104 people had participated in projects of the Åland Islands Objective 3 programme by the end of 2008.

A monitoring committee meeting was held on 5 June 2008 in Kouvola. The annual review meeting was held in Helsinki on 9-10 February 2009. The main issues discussed at the meeting were implementation of the programme and the good practices developed in the programme. The prolongation of the eligibility period was also discussed as Finland had applied to extend the programming period until 30 June 2009. The possibilities to benefit from the prolongation are however limited as all of the ESF projects had come to an end by the end of 2008.

Two monitoring committee meetings for Åland's Objectives 2 and 3 were held jointly during 2008. The annual review was organised through written procedure. No extension of the programme period was applied for.

#### **23.4. Fisheries outside Objective 1**

The programme progressed better than in the previous year, although in the Åland islands progress was still slightly slower than in the rest of the country. The overall commitment rate at the end of the year was 100%, while 92% of the FIFG financing was paid out.

#### **23.5. Community Initiatives**

##### *23.5.1. Equal*

The Finnish programme proceeded without difficulties in 2008. At the end of the year, the programme had reached the 95% payment level. The monitoring committee approved the annual implementation report by a written procedure. Finland had decided to run down the EQUAL programme according to the original scheduled, and no prolongation for the eligibility period was requested.

##### *23.5.2. Leader*

In 2001, the Commission approved a Leader+ programme for Finland. 25 Local Action Groups (LAGs) were selected and are supported by a national network.

After seven years of implementation of the programme an amount of EUR 47.90 million (85 %) has been paid of EUR 56.38 million committed for 2001-2006. Over 95 % of the total budget was committed to projects. No de-commitments had to be executed during implementation.

Overall, the Leader+ programme has reached or exceeded its targets. Only the overall employment target has not been achieved, however, employment of women and young people has exceeded the expected level. All in all 4741 projects were financed, of which majority were non-farm related investment on enterprises. It is considered that the Leader+ complemented well the other EU-financed programmes on rural areas.

##### *23.5.3. Urban*

The Helsinki-Vantaa URBAN II programme is the only one in Finland. The ERDF will contribute a total of EUR 5.38 million to this programme, for which total eligible cost amounts to EUR 20.37 million. The managing authority for the programme is the City of Helsinki and the functional day-to-day management is delegated to URBAN Helsinki-Vantaa.

The URBAN programme in Helsinki/Vantaa did not have any ongoing activity in 2008. Annual Implementation Report for 2007 was delivered to and accepted by the Commission.

*Overall comments concerning the 2000-2006 period*

The programme has increased the social capital in the area and the participation of citizens has become more evident. New networks have been established between authorities, citizens, homes and schools, making for a new approach, especially on social issues.

### **23.6. Closure of the 1994-1999 programming period**

All Finnish Structural Fund programmes from the 1994-1999 programming period were closed before 2006



## 24. SWEDEN

### *2000-2006 programming period*

#### *General Objectives 1 and 2*

There are two Swedish Objective 1 programmes, Norra Norrlandsregionen and Södra Skogslänsregionen, which together cover 65% of Sweden's land area but have a population of less than one million (11% of total population). The total support from the Structural Funds for the period 2000-2006 is EUR 780 million, of which the ERDF share is almost EUR 490 million or 63%, ESF EUR 164 million, EAGGF EUR 116 million and FIFG EUR 10 million. Including national public and private participation, the Structural Funds has generated assistance of EUR 2.1 billion.

There are four Objective 2 programmes: the North, West, South and the Islands programmes, with total Structural Funds support of EUR 440 million for the period 2000-2006 (ERDF EUR 385 million or 88%, ESF EUR 55 million or 12%). The programmes cover approximately 16% of the Swedish population. Including national public and private participation, the Structural Funds will generate assistance of EUR 1.5 billion.

In total, more than 16 000 projects have been started. For instance, a number of venture capital and mutual guarantee projects have been approved since 2005. These projects have gained a lot of attention and interest.

By the end of December 2008, the Swedish programmes (all funds) had created more than 110 000 new or preserved jobs and more than 26 000 new companies. Studies performed in 2005 on a couple of the programmes indicate that the majority of these jobs and companies are still there a year after the projects ended.

#### *Closure meeting*

Since there were practically no programme activities in 2008 (no Monitoring Committee meetings etc), it was decided that an annual review meeting would not be necessary. Instead, a specially designed, practically oriented closure meeting was held in Stockholm, Sweden, on 20 October 2008, with representatives from all ERDF programmes, including Interreg, and Urban II Gothenburg. In connection to the meeting, the Commission's comments on the Annual Implementation Reports for 2007 were discussed.

### *Information and publicity*

Being at the end of the programming period, the focus of the programmes has shifted over the last few years towards measures to present and promote positive results and good examples (for instance, an evaluation has shown that the positive effects of the programme remain more than a year after the projects have finished: 100% of the new jobs, 90% of the new companies and more than 100% of the new networks are still there). Several of the programmes have therefore produced brochures with key results and examples of best practice.

#### **24.1. Objective 1**

##### *ERDF and EAGGF-Guidance Section*

Implementation of the Objective 1 programmes has been running smoothly. By the end of 2008, more than 100% of the total 2000-2006 Structural Funds budget had been allocated to projects (taking into account flow-backs into the programme) and approximately 95% (93% in 2007) had been paid out to projects. Payment claims presented to the Commission by the end of 2008 had reached 95% of the total ERDF budget and were large enough to avoid any automatic de-commitments. By the end of 2008, the Commission had paid out 89,68% of the total ESF budget, more than enough to avoid any automatic de-commitments. Execution of the EAGGF was 81,85% of the funds available and no de-commitment following the “n+2” rule was necessary.

On 27 April 2007, the last joint monitoring committee meeting was held for both Objective 1 programmes. Besides reports on the progress of the programmes and a discussion on lessons to be learnt from the 2000-2006 period, the agenda included brief information of the 2007-2013 programming period in Sweden.

The 2007 annual implementation reports were received on 2 July 2008, and, after a review, the Commission considered the reports to be acceptable on 3 September 2008. The reports were also discussed in the context of the closure meeting on 20 October 2008, where some proposals for improvements were made for the final report.

#### **24.2. Objective 2**

All four programmes are progressing very well. At the end of 2008, more than 100% of the total 2000-2006 budget for ERDF had been allocated and all programmes had reached the 95% ceiling for payments (91% in 2007) to projects. Also for ESF, the payments reached 95% of the total commitment for all four programmes. This was sufficient to avoid any automatic de-commitment.

A last joint monitoring committee meeting was held for all four Objective 2 programmes on 6 March 2007. Besides reports on the progress of the programmes, a discussion on lessons to be learnt from the 2000-2006 period, and brief information on the 2007-2013 programming period in Sweden, the agenda included a presentation by Nordregio on the effects of Structural Funds 2000-2006.

The Annual Implementation Reports for 2007 were received by the Commission on 2 July 2008 and were accepted on 3 September 2008. The reports this year again showed that the programmes were progressing well, but that the description of the "5% controls" still could be further developed and at least contain information on the percentage level of the controls actually performed, as well as on how the programme intends to reach the 5% target. These issues were later discussed at the closure meeting on 20 October 2008, where a number of other proposals for improvements for the final report were made.

### **24.3. Objective 3**

There is one Swedish Objective 3 programme with a total ESF support of EUR 780 million for the period 2000-2006. By the end of 2008, 93.7 % of the total ESF budget had been paid out by the Commission. The expected execution of the programme amounts to 98.7% of the financial plan.

More than 50 000 projects have been implemented under the programme and most of the targets set have been reached. The number of participants is above the targets for all priorities, amounting to a total of about one million persons. The quantified targets concerning the number of persons who started a company and the number of people at work after 6 months have not been fully reached. Nonetheless, the programme shows good overall results.

The 2007 annual implementation report was duly submitted by Sweden and accepted by the Commission. Three programme monitoring committee meetings were held in 2008. The annual review meeting was held in Stockholm on 29 January 2009.

In December 2008, a request for prolongation of eligibility of expenditure until 30 June 2009 was submitted to the Commission. The request was accepted in a decision by the Commission on 23 February 2009. The closure of the programme is progressing according to the plans.

### **24.4. Fisheries outside Objective 1**

The total FIFG allocation, including the reserve, to the Swedish outside Objective 1 fisheries programme is EUR 65 million. The programme has had a rather low level of implementation. There have been decommitments during four consecutive years in application of the "n+2" rule. In total, the programme has so far been reduced by EUR 10.9 million. The financial execution has reached 82.95 % of the total (EUR 44.809.807 out of EUR 54.014.745). The most important measures used in the programme includes scrapping of vessels, processing and marketing, innovative measures/pilot projects, fishing port equipment, protection of aquatic resources, collective investments, as well as renewal and modernisation of the fleet.

### **24.5. Community Initiatives**

#### *24.5.1. Equal*

The Swedish EQUAL programme proceeded without any major difficulties in 2008. At the end of the year, the rate of financial execution of the ESF part of the programme was 95%. The annual implementation report for 2007 was duly delivered

to and accepted by the Commission. In December 2008, a request for prolongation of eligibility of expenditure until 30 June 2009 was submitted to the Commission. The request was accepted in a decision by the Commission on 23 February 2009.

According to the latest evaluation, the long-lasting objectives of the programme have been fulfilled to a great extent. Much of the logic and way of working in the EQUAL programme, especially when it comes to partnership, innovation, transnationality and ways to influence system and policies, has been mainstreamed in the 2007-2013 ESF OP.

#### 24.5.2. *Leader*

In 2001 the Commission approved one Swedish Leader+ programme. Total support from the EAGGF- Guidance Section amounts to EUR 41 215 000. In total, 12 Local Action Groups were selected. The implementation of the programme is approaching its end. By the end of 2008 approximately 116 % of the total EAGGF budget for 2000 – 2006 had been allocated to projects. In total EUR 39 154 439 (of which EUR 2 835 000 as advance), an amount equivalent to 95% of the total EAGGF budget had been paid out by the Commission by the end of 2008. No automatic decommitment has had to be executed. Payment claims presented to the Commission up to the end of 2008 amounted to EUR 38 226 499.80.

#### 24.5.3. *Urban*

The Göteborg URBAN II programme is the only one in Sweden. The ERDF contributes a total of EUR 5.38 million to his programme, whose total cost amounts to EUR 16.08 million. The annual implementation report for 2007 was submitted to the Commission on 6 May 2008 and was deemed acceptable by letter of 3 July 2008.

The managing authority for the programme is the County Administrative Board in Örebro and the functional day-to-day management is delegated to the URBAN Secretariat in Göteborg. The monitoring committee has met twice per year.

The “n+2” target was met in 2008.

#### *Overall comments concerning the 2000-2006 period*

The programme strategy has a coherent approach combining entrepreneurship, infrastructure improvement and equal opportunities.

Implementation is satisfactory. There were no problems with meeting the yearly “n+2” targets of the programme.

#### **24.6. Closure of the 1994-1999 programming period**

The last programmes from the budget period 1994-1999 were already closed in 2004.

## **25. UNITED KINGDOM**

*2000-2006 programming period*

### **25.1. Objective 1**

The ERDF provided a total of EUR 3 970 million to Objective 1 programmes in the United Kingdom during the programming period. FIFG support is available in five Objective 1 programmes, for a total of EUR 93.3 million. The ESF provided a total of EUR 1881 million to Objective 1 programmes in the United Kingdom during the programming period (including the Northern Ireland BSP programme).

The total ERDF amount (excluding PEACE II) paid out in 2008 was EUR 393 million. Further claims for payment were made before the end of December 2008 and these will be paid in 2009. There was no "n+2" target for 2008. The total ESF amount paid out in 2008 (excluding PEACE II) was EUR 169 million. For the EAGGF, the total amount (excluding PEACE II) paid by the end of 2008 was EUR 333 million (93% of the scheduled budget for the 2000-2007 programming period, i.e. EUR 357 million). The "n+2" target of EAGGF was not reached only for the Highlands and Islands OP and EUR 0.4 million were decommitted (Commission decision C(2008)8764 of 18/12/2008).

Two Objective 1 programmes in England had payments suspended for the ERDF during 2008 — Merseyside and South Yorkshire. Following further work, the suspensions were lifted by the end of the year.

Assistance is provided through five Single Programming Documents and two Operational Programmes. Three of the Single Programming Documents concern the English regions of Cornwall and the Isles of Scilly, Merseyside and South Yorkshire; the other two Single Programming Documents concern Wales (West Wales and The Valleys) and Scotland (transitional programme for Highlands and Islands). Each programme covers four to six priority areas, grouped around five main themes: support for small and medium-sized business, support for business modernisation, community economic regeneration, human resource development and development of strategic infrastructure.

The two Operational Programmes under the Northern Ireland Community Support Framework are funded by all four Structural Funds. They are: "Building Sustainable Prosperity" (BSP), a transitional Objective 1 programme, and the EU Programme for Peace and Reconciliation in Northern Ireland and the Border Region of Ireland ("PEACE II" programme 2000–2006).

Extension of the final date of eligibility of expenditure until 30 June 2009 was requested in December 2008 for West Wales and the Valleys, Highlands and Islands of Scotland and the BSP OP of Northern Ireland, due to the impact of the 2008 financial crisis.

*PEACE II*

The “PEACE II” programme covers Northern Ireland and the border regions of Ireland. It builds on the experience of the special support programme “PEACE I” (1995–1999) and exemplifies the practical support given by the EU to the peace process after the Belfast Agreement. Initially PEACE II covered the period 2000–2004 but in 2004 it was decided to provide additional funding and extend the programme to 2006, bringing it in line with the other Structural Funds programmes in the rest of the European Union.

For the PEACE II programme, the ERDF provided EUR 368 million. The total ERDF amount paid in 2008 was EUR 42 million. The ESF in PEACE amounts to EUR 147 million – another EUR 46 million come from the Irish part of the programme which brings the total to amounts to EUR 193 million. The total amount paid in 2008 was EUR 8.8 million, of which EUR 3.9 million were paid to the UK. In the case of ESF, overall payments for the whole period have reached close to 95 % of the total ESF allocation, i.e. EUR 183.9 million. The total FIFG allocation for Northern Ireland is EUR 0.8 million. Also for that part of the programme, there was no execution in 2008 with the 95% ceiling having already been reached.

## **25.2. Objective 2**

The ERDF provides a total of EUR 4 526 million for Objective 2 programmes in the United Kingdom. The funds are implemented through fourteen Single Programming Documents. Nine programmes cover the English regions of West Midlands, Yorkshire and the Humber, East Midlands, North East of England, North West of England, East England, South East England, South West England and London; three cover the regions of South of Scotland, East of Scotland and Western Scotland; one concerns East Wales; and one concerns Gibraltar. Each programme covers an average of three priority areas, grouped around three main themes: developing diverse, dynamic and competitive business bases, strategic spatial development, and community regeneration and economic and social development. The UK Objective 2 programmes were adopted in 2001, meaning that increasing levels of activity and progress were not registered until 2003. The total amount paid in 2008 was EUR 685 million for the ERDF and EUR 31.6 million for the ESF. Payment claims submitted in December 2008 will be paid in 2009. There was no "n+2" target for 2008.

Five Objective 2 programmes in England had payments suspended for the ERDF during 2007 — North West, North East, Yorkshire and the Humber, West Midlands and London. Three suspensions were lifted in 2007. The suspension for London and North West was lifted in 2008. A financial correction of EUR 24 million was imposed on North West. As regards the ESF, the Western Scotland Programme was formally suspended in September 2008, awaiting the execution of an action plan which was included in the Suspension Decision. The action plan was executed and implemented in the first half of 2009.

### *Overall summary of the 2000-2006 period*

Programme implementation was in line with the relevant strategies at local level across the UK, placing the emphasis on economic restructuring and regeneration, the development of key sectors and community economic development. Monitoring indicators reveal that all Operational Programmes meet their targets and

achieve their objectives. In addition, evaluations confirm that Structural Funds assistance has had a positive impact on the areas of intervention in promoting economic convergence and cohesion between the regions, as well as employment and social inclusion.

### **25.3. Objective 3**

The level of the expenditure in 2008 amounted to EUR 389 million, i.e. total expenditure EUR 4.575 million representing 92.5% of the ESF allocation

The ESF provides a total of EUR 4 948 million for Objective 3 programmes in Great Britain, implemented through one Community Support Framework and three Operational Programmes: England (EUR 4 290 million), Scotland (EUR 520 million) and East Wales (EUR 138 million). The total amount paid in 2008 was EUR 389 million: England (EUR 380.5 million) and East Wales (EUR 8.4 million). The Scotland Objective 3 programme had payments interrupted during 2008.

In 2008, three Programme Monitoring Committee meetings were held for the English Objective 3 OP and on for the Welsh OP.

For the Scottish OP two meetings of the Programme Monitoring Committee took place, for England three and for Wales none. All three Annual Implementation Reports were received. They were considered admissible and satisfactory.

The Objective 3 Scotland Programme was formally suspended in September 2008, awaiting the execution of an action plan which was included in the Suspension Decision. The action plan was executed and implemented during the first half of 2009.

### **25.4. Fisheries outside Objective 1**

The total FIFG allocation to the UK FIFG outside Objective 1 programme is EUR 88.913.742, following the last de-commitment in 2008 of EUR 4.303.468 of the 2005 commitment.

The most important measures are processing and marketing (35.26% of FIFG committed), scrapping (19.79% of FIFG committed), operations by members of trade (15.13% of FIFG committed) and fishing port facilities (16.37% of FIFG committed). Implementation continued at a satisfactory pace but could not compensate for the low execution in the early years of the programme. At the end of 2008, budget execution reached a reimbursement level of 62%

The Monitoring Committee met twice in 2008, covering the state of play of programme implementation, management issues and preparations for closure.

### **25.5. Community Initiatives**

#### *25.5.1. Equal*

The UK has two EQUAL programmes: Great Britain (gb) and Northern Ireland (ni).

The UKgb EQUAL programme continued without any major difficulties in 2008. In financial terms, at the end of 2008, the rate of execution of the ESF represented 93.6% of the total. Payments up to the end of 2008 amounted to EUR 369.7 Million.

The implementation of the UKni programme continued satisfactorily in 2008. On 22 October 2008, EQUAL was formally closed in a major conference, focusing on mainstreaming of EQUAL principles. In financial terms, at the end of 2008, the rate of execution for the ESF represented 83.24 %. Payments in 2008 amounted to EUR 2.1 million.

#### 25.5.2. *Leader*

The UK has four Leader+ programmes: England, Northern Ireland, Scotland and Wales with fifty-five Local Action Groups. The total cost of the four programmes amounts to EUR 266 million, of which the EAGGF-Guidance Section contributes EUR 115 million.

By the end of 2008, a total amount of EUR 108.8 million was paid (95% of the total budget for the 2000-2006 programming period).

All the programmes reached their "n+2" targets.

The extension of the final date of eligibility of expenditure until 30 June 2009 was requested in December 2008 for Leader+ Northern Ireland, due to the impact of the 2008 financial crisis.

#### 25.5.3. *Urban*

In the UK, the ERDF supports eleven programmes under the URBAN II initiative, eight of them in England, one in Wales, one in Scotland and one in Northern Ireland. These programmes propose innovative development models for the economic and social regeneration of the areas concerned and finance projects to this end. Partnership in design, selection and implementation of projects is a key feature of the URBAN II programmes.

The total ERDF support allocated to the whole 11 programmes amounts to EUR 126.2 million. In 2008, total cumulative payments to URBAN II programmes reached EUR 105.7 million. Based on the declared certified expenditure all programmes met their "n+2" target for 2007. Further interim payments can be sent to the Commission before the closure documents are submitted.

All annual implementation reports for 2007 have been submitted. However, some reports could not yet be considered admissible (Hetton and Murton and Peterborough) and currently are in a process of revision. It is recalled that the Commission is not able to proceed to any further payments for those programmes as long as there is no admissible annual report for 2007. There is a potential link between the annual implementation report for 2007 and closure, including financial impact, in case of problems with the final reports.

For the final reports it is important to adopt a more standardised approach ensuring that these reports are comprehensive covering the whole implementation period, report on outputs, results and impacts in line with the agreed indicators, analyse the



socio-economic evolutions of the Urban II area referring to the baseline situation and the wider city and regional context, highlight the particularities of the URBAN II approach including partnership dynamics and concentration of resources, and address complementarity with other public funding streams including structural funds under other objectives. It is also expected that the final reports pay sufficient attention to lessons learnt from the URBAN II initiative and incorporate conclusions from evaluations where possible.

DG REGIO audits revealed problems with management and control systems in England leading to the suspension of ERDF payments for several programmes. The URBAN II programmes which were affected by suspensions were Stockwell (London), Burnley (North West of England), Halifax (Yorkshire and the Humber), Hetton and Merton (North East of England), and Peterborough (East of England). For the latter region only payments to the URBAN II programmes were suspended while in the other regions it affected all ERDF programmes. A financial correction of the URBAN Burnley programme was imposed in April 2008. Efforts to comply with Article 4 and Article 10 requirements continued in 2008.

In 2007, attention shifted towards closure and legacy issues which were also the focus of the latest annual UK Urban II Network events that took place in Belfast on 13-14 March 2007 and in London on 7 March 2008. With a few exceptions, spending under the English Urban II programmes should have been completed late summer 2008.

The managing authorities for the programmes are the regional Government Offices in England and the respective Government Departments in other parts of UK. In most cases, however the functional responsibility has been delegated to the local authority concerned. As the project management structures have been winding down in 2008, the availability of staff is a key concern for the closure process.

Most URBAN II programmes foresee an evaluation to be conducted in 2008. Potential areas of emerging best practise relate to strong social involvement and community engagement, focus on specific target groups such as young people, women and migrant population, and good connections of the programmes with the wider development area. DG Regio has recently launched an overall ex-post evaluation of the URBAN II Community Initiative and English programmes might be selected in the sample of case studies. Results of this ex-post evaluation should be available at the end of 2009.

## **25.6. Closure of the 1994-1999 programming period**

Three ERDF programmes were still open at the end of 2008 due to unresolved issues regarding irregularities.

The last ESF programme relating to the MARI/NRITEA irregularities was closed and the recovery was settled during 2008.

An Article 24 Commission decision to apply a flat rate financial correction was signed on 17 July 2008 and the recovery was also settled during 2008.

All EAGGF programmes have been closed.

### Part 3: List of Major Projects

The list of major projects of the 2000-2006 programming period published included in Part 3 of the 18th Annual Report on the Implementation of the Structural Funds (COM(2007)676) remains valid and can be consulted for further details. In addition to the major projects already included in the aforementioned list, the following table contains the major projects decided on in the course of 2008.

#### List of major projects: 2008

Country	Reference	File Title	Date of decision	Decision No	Total costs (in EUR million)	Total eligible costs (in EUR million)	ERDF Amount (in EUR million)	Total National Amount (in EUR million)	Private Eligible Amount (in EUR million)	Rate of Community assistance
Deutschland	2005DE161PR004	Vattenfall Waste to Energy (VE W), Brandenburg	11/02/2008	C(2008)646	120	7,06	4,9	2,1	0	70.0%
	2006DE161PR004	Brilliant 234 GmbH	22/02/2008	C(2008)780	86,1	6,5	6,5	79,5	0	50.0%
	2006DE161PR006	Schott Solar GmbH	11/07/2008	C(2008)3588	72,0	21,1	10,5	10,5	0	50.0%
	2006DE161PR007	Egomedical AG	25/02/2008	C(2008)790	53,0	5,9	5,9	47,0	0	50.0%
Eesti	2006EE160PR001	Extension and renovation of Tartu University Hospital: first phase 2004-2008	16/12/2008	C(2008)8305	73,2	48,5	24,3	48,9	0	50,1%
Ellada	2006GR161PR019 ('bridge project')	Nouvelle acquisition de 520 bus Ethel - pour la mesure 4,1 du PO SAAS	17/12/2008	C(2008)8776	70,0 (119,7 for 2000-2013)	70,0	35,0	35,0	0	50,0%

France	2006FR161PR004	Déviation de Bocognano	01/09/2008	C(2008)4734	54,7	41,7	14,6	27,1	0	35,0%
Country	Reference	File Title	Date of decision	Decision No	Total costs (in EUR million)	Total eligible costs (in EUR million)	ERDF Amount (in EUR million)	Total National Amount (in EUR million)	Private Eligible Amount (in EUR million)	Rate of Community assistance
France	2003FR162PR006	Rétablissement du caractère maritime du Mont-Saint-Michel	3/09/2008	C(2008)4689	164,0	42,7	11,1	31,6	0	26,0%
Italia	2006IT161PR007	Raddoppio ed elettrificazione della Bari-Lecce	23/09/2008	C(2008)5475	214,2	115,5	51,5	63,9	0	44,6%
	2006IT161PR011 (project withdrawn in December 2008)	Rifacimento Acquedotto Montescuro Ovest	11/09/2008	C(2008)4961	78,5	59,9	27,5	32,4	18,6	45,8%
	2006IT161PR015	Impianto Eolico di Ricigliano	27/03/2008	C(2008)1241	56,7	11,9	5,9	5,9	44,8	50,0%
	2006IT161PR018	Penetrazione urbana della nuova linea AV/AC nel nodo di Napoli	28/08/2008	C(2008)4691	110,0	110,0	33,0	77,0	0	30,0%
Polska	2006PL161PR004	Extention of Saint-Globain Glass Polska Sp. z o.o. A/21885	17/03/2008	C(2008)1144	65,3	65,3	3,6	1,7	59,9	5,59%
	2006PL161PR005	Expantion and modernization of Radlin Cokery A/21885	19/03/2008	C(2008)1177	92,8	92,8	6,8	3,1	82,8	7,34%
	2006PL161PR006	Construction of Poligraphic - Logistic	22/10/2008	C(2008)6115	52,8	52,8	4,9	2,3	45,5	9,43%

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Country	Reference	File Title	Date of decision	Decision No	Total costs (in EUR million)	Total eligible costs (in EUR million)	ERDF Amount (in EUR million)	Total National Amount (in EUR million)	Private Eligible Amount (in EUR million)	Rate of Community assistance
Portugal	2006PT161PR004	Parque Eólico do Alto Minho I	18/02/2008	C(2008)741	270,8	207,9	20,1	250,7 (public financing)	0	9,7%
	2006PT161PR005	Pirites Alentejanas, S. A.	18/03/2008	C(2008)1151	76,3	73,4	13,8	4,6 (public financing)	57,9	18,8%
	2006PT161PR006	Modernizar para Liderar	27/03/2008	C(2008)1243	65,4	61,6	8,7	2,8 (public financing)	53,9	14,1%
	2006PT161PR007	QUIMONDO PORTUGAL SA	26/05/2008	C(2008)2246	70,0	70,0	12,8	4,3 (public financing)	52,9	18,2%
	2006PT161PR008	SANTOS BAROSA - VIDROS, SA	03/07/2008	C(2008)3421	65,0	56,5	5,1	1,9 (public financing)	58,0	9,0%
	2006PT161PR009	"CELTEJO - Empresa de Celulose do Tejo, SA"	25/09/2008	C(2008) 5114	72,8	69,9	11,5	3,9 (public financing)	57,4	16,5%
	2006PT161PR011	BIAL - Portela & Companhia, SA	17/12/2008	C(2008)8777	121,5	119,0	20,0	25,1 (public financing)	76,4	17,0%
	2006PT161PR012	SOPORCEL - Sociedade Portuguesa de Papel, SA	10/12/2008	C(2008)8047	190,0	187,0	31,0	16 (public financing)	143,0	16,5%

Country	Reference	File Title	Date of decision	Decision No	Total costs (in EUR million)	Total eligible costs (in EUR million)	ERDF Amount (in EUR million)	Total National Amount (in EUR million)	Private Eligible Amount (in EUR million)	Rate of Community assistance
United Kingdom	2006GB161PR002	Newquay Cornwall Airport Transition Project	24/11/2008	C(2008)7332	61,1	61,1	16,9	44,2	0	27,7%

Source: Commission database SFC / ABAC / SINCOM, data as of March 2009