

**UNICE COMMENTS ON
THE STRUCTURAL FUND REGULATIONS TO THE YEAR 2000**

UNICE has already issued its position on the future of economic and social cohesion policy through the European structural funds beyond the year 2000¹.

Further to the annual meeting to consult the social partners at European level on EU structural policy (22 January 1998) and the general information communicated there on the future structural funds regulation for the year 2000, UNICE would like to clarify its position on some of the points raised:

- It regards a clarification of responsibilities between the various decision-making partners as a positive element since this should allow more rapid decision-making, shorter commitment and payment periods and more transparent evaluation of micro- and macro-economic impact as well as of procedures.
- The four main themes selected in the framework of concentrating major priorities appear satisfactory subject to how they are given form. The RTD and ICT aspects must be fully developed as engines of competitiveness through innovation. Measures to improve the quality of human resources must be systematically oriented towards making the persons concerned employable in order to facilitate their inclusion in the world of work, and avoid training courses which act as no more than "car parks". Sustainable development must be an explicit element and make an effective contribution to harmonious but realistic and durable growth, and in any case not damage the creation of long-term jobs. In this regard, improvement of competitiveness must be a preferred instrument to strengthen sustainable development and cohesion, notably in the framework of objective 1, taking account of specific regional features in terms of employment.

Concerning geographical concentration, establishing coherence between state and EU aid is a move in the right direction². Confirmation of reasonable periods for phasing out aid to regions which no longer meet the criteria will allow these regions to adjust their own programmes and avoid sudden breaks. For that reason, the architecture of these phasing-out periods should be defined in close liaison with all parties to decision-making and consultation.

¹ Economic and social cohesion beyond the year 2000 - Proposals for reform (15 October 1997)

² Ensuring that regions eligible for state aid are not reduced unilaterally by the Commission without consultation.

The same applies for the eligibility criteria chosen for the new objective II regions, bearing in mind the far-reaching transformation envisaged. On this point, UNICE stresses the need not to break down some programmes into unduly short half-periods, an approach which can cause disruption and delay at the start of the second half-period. Injection of greater flexibility should make it possible to steer any necessary changes of course.

UNICE recalls the harmful effect of disparities between assisted regions and neighbouring regions, which can only be accentuated by geographical concentration in the European Union within its present borders and the "ISPA" programme targeting the enlargement candidates.

Extension of the INTERREG programme to include trans-regional and even trans-national cooperative projects is noted with great interest, as is greater flexibility in the role played by national borders between neighbouring eligible regions.

The full effectiveness of objective III projects requires regionalised follow-up and it would be useful to allow ERDF and ESF measures to cross-fertilise each other more generally (in particular for links between equipment and training in how to use it).

UNICE endorses maintenance of additionality and notes that it will be defined in the initial contract with the other partners.

In the area of financial management, UNICE has doubts about the consequences of paying a 10% deposit on programmes with subsequent amounts payable on presentation of invoices. The current slowness of payment is already a dissuasive element for SMEs.

Public/private finance should be developed and strengthened whenever possible, and deserves closer examination. UNICE is willing to take part in such an exercise.

UNICE is pleased by any measure designed to enrich consultative partnership with the economic and social partners, especially in the design and evaluation phases.

Measures to raise awareness of the available programmes and motivate firms of all sizes, but especially SMEs, to take them up cannot be effective unless they are relayed by players other than institutions. To do this, they should have access to finance under the heading of technical assistance.

UNICE underlines the absolute need to develop and improve the quantitative aspects of evaluations whenever possible, on the basis of a small number of clear criteria fixed at the outset. Lastly, UNICE marks its interest in a good knowledge of the future ISPA programme, which will be an important factor for creating a harmonious enlargement process.

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