EUROPEAN COMMISSION
DIRECTORATE-GENERAL XVI
REGIONAL POLICY AND COHESION
Coordination and evaluation of operations

The New Programming period 2000-2006: methodological working papers

WORKING PAPER 1

Vademecum for Structural Funds Plans and Programming Documents

TABLE OF CONTENTS

Purpose of the Vademecum **7**

Choice of procedure **8**

Transitional support **9**

Frame of Reference for Human Resource development. **10**

CHAPTER 1: The Plan for the Community Support Framework (CSF) and the content of the Operational Programmes (OPs) **11**

I. Content of the plan for the CSF 13

1. Description of the current situation 13
2. Strategy and Priorities 14
3. Integration of Ex-Ante Evaluation 15
4. Finance 17
5. Ex ante verification of additionality 18
6. Partnership 18
7. Implementing provisions 21

II. The Operational Programme 23

1. Priorities 23
2. Outline of the measures 24
3. The financial plan 24
4. Implementing Provisions 26

CHAPTER 2: Content of the Plan for a Single Programming Document SPD (draft SPD) 27

1. Description of the current situation 29
2. Strategy and Priorities 30
3. Integration of Ex-Ante Evaluation 31
4. Outline of the measures 32
5. Finance 33
6. Ex ante verification of additionality 33
7. Partnership 34
8. Implementing provisions 37

CHAPTER 3: The content of the Programme Complement (Article 18 (3) of the General Regulation) 39

1. Measures 41
2. Final benficiaries 42
3. The financial plan 42
4. Publicity measures 42
5. Exchange of data 42

CHAPTER 4: Global Grants and Major Projects 45

1. Global Grants 47
2. Major Projects 48

CHAPTER 5: Financial management 51

1. Commitments 53
2. Payments 53
3. Forecast of payment applications 54

CHAPTER 6: Annual Implementation reports 57

1. Information required in all annual implementation reports 59

ANNEX 1: Categorisation of fields of intervention 61

PURPOSE OF THE VADEMECUM

Title II of the new General Regulation to the Structural Funds sets out the provisions for the programming of assistance for the period 2000-2006. Whilst Member States are, of course, already experienced in plan and programme development, the Regulation nonetheless comprises some new features, which this Vademecum seeks to highlight. The primary aim of this document is, however, to analyse the Regulation itself in order to set out and order in a coherent way the different stages, timing and requirements for all those involved in the programming process. In this regard it clarifies the information that needs to be submitted with the Plan to enable the subsequent construction of the programme documents, for example relating to implementation arrangements.

Secondly, additional practical information has been provided as appropriate to help in the development of the new programmes, especially where new elements have been introduced. For example the decentralisation of Fund management and the establishment of detailed programming under the new "Programme Complement" document or the revised procedures for financial management .The document also provides for the introduction into the Objective 3 Plans of a "Frame of Reference" for the national human resource development strategy. Although the Vademecum covers only the main principles of Financial Management and the information required under the regulation in Annual and Final Implementation Reports, more detailed guidance on these aspects could be made available later on if required. Similarly, models of the different Financial Tables required for each element of the programming process have been proposed. Apart from ensuring that the required financial information has been provided, the use of harmonised financial tables will both help ensure consistency between levels of aggregation and enable comparisons and summaries to be produced. It will also facilitate the electronic transmission of data.

Thirdly, the Vademecum has been structured to allow each Chapter to be used on a 'stand alone' basis depending on the particular aspect of the programming process for which guidance is required. This is notably the case with regard to Chapter 1 (The Plan for the CSF and the content of the OPs) and Chapter 2 (The Plan for an SPD). A system of 'Checklists' has also been utilised to help ensure that the minimum information requirements have been met for the Plan for the CSF and draft SPD to be considered admissible by the Commission.

CHOICE OF PROCEDURE

Community Support Frameworks

For Objective 1, the Community support framework (CSF) system followed by Operational Programmes (OPs) will normally be applied. The Regulation does not, however, preclude Objective 2 or 3 regions from using the CSF approach.

Single Programming Documents

For Objective 1 programmes where the allocation is lower than, or does not substantially exceed, 1 billion euros and also in the case of **Objective 2 and 3 and FIFG outside Objective 1 regions**, the Member States will normally submit a plan as a draft Single Programming Document (SPD). Such Plans will therefore contain the information (Article 19 refers) to be provided for a Community support framework and operational programme.

Objective 1

As a general rule, plans to be submitted under Objective 1 shall cover a single region at NUTS II level. However, in some instances Member States may, if they deem it more appropriate, submit a Plan covering some or all of their Objective 1 regions.

Objective 2

As a general rule, Plans to be submitted under Objective 2 shall cover a single region at NUTS II level. Again however, in some instances Member States may, if they deem it more appropriate, submit a Plan covering some or all of their Objective 2 regions and former Objective 2 and 5(b) areas in transition. Where Plans cover areas other than those eligible under Objective 2, they shall distinguish between operations in regions or areas covered by Objective 2 and operations elsewhere.

Objective 3

Plans submitted under Objective 3 shall cover the territory of the Member State outside the regions covered by Objective 1 and former Objective 1 regions in transition (but including former Objective 2 and 5b areas in transition) taking into account the general needs of areas facing structural problems of socio-economic conversion. Plans shall also provide, for the whole of the national territory, a Frame of Reference for developing human resources, irrespective of the Objective status of the area concerned.

FIFG outside Objective 1 regions

Plans submitted covering structural actions in the fisheries sector outside Objective 1 regions shall cover the territory of the Member State outside the regions covered by Objective 1 and former Objective 1 regions in transition (but including former Objective 2 and 5b areas in transition).

TRANSITIONAL SUPPORT

Where appropriate, the plans must distinguish between the financial packages allocated to areas receiving transitional support and those allocated to the other areas covered by Objectives 1 or 2 (see details in Chapter 1 and 2). The programming arrangements for transitional support will depend on the type of regions and of the choice of procedure made for other regions:

For former Objective 1 regions: entire NUTS II level regions will be granted transitional support. This geographical level corresponds to the normal regional level of programming.

In the case of CSFs covering eligible regions and regions in transition, regional Operational Programmes will correspond with the regions in transition and therefore no special arrangement is necessary.

However, where Operational Programmes cover both eligible regions and regions in transition, financial plans must distinguish between the financial packages allocated to regions receiving transitional support and those allocated to the other regions.

In the case of SPDs covering one single region in transition, no special arrangement is necessary.

For former Objectives 2 and 5b regions: NUTS III level, or part of NUTS III level, areas will be granted transitional support, whereas the normal regional level of programming is the NUTS II level. For simplification purposes, they will be integrated in the regional assistance (normally an SPD) and financial plans must distinguish between the financial packages allocated to areas receiving transitional support and those allocated to the other areas.

FRAME OF REFERENCE FOR HUMAN RESOURCE DEVELOPMENT.

The Plan submitted under Objective 3 shall be drawn up in respect of assistance outside the regions covered by Objective 1 and shall provide for the whole of the national territory a 'Frame of Reference' for all measures to promote human resources, without prejudice to the specific features of each region. It should thus provide a description of the strategy selected for the implementation of Structural Funds resources as regards the development of human resources, the adaptation and modernisation of policies and systems for education, training and employment in the whose territory of the Member State (all Objectives).

The policy frame of reference forms part of the Objective 3 plan and of the SPD / CSF and will therefore be subject to the Commission Decision granting ESF support under Objective 3. Nevertheless, this policy frame of reference should be drawn up as a distinctive and identifiable chapter, fully self-consistent, to allow it to be presented (in draft if necessary) as a stand-alone document with Objective 1 plans if these are presented before Objective 3 plans.

The description of the national strategy in the policy frame of reference should justify the priorities selected for EU funding in the light of the whole strategy described in the National Action Plan for Employment (NAP) and appreciated by the European Employment Strategy (EES) monitoring process. Moreover, the Frame of Reference should show the specific policy priorities that will be the main basis for establishing the priorities of the CSFs or SPDs across the different Objectives. The policy frame of reference does not, however, need to identify the HRD priorities within / between the different Objectives. This analysis should be undertaken setting defined priorities and targets (in qualitative and quantitative terms when and where possible) and their estimated impact. The Frame of Reference should thus demonstrate how this national strategy will:

- underpin the Employment Guidelines and more particularly the priorities set out in the National Action Plan for Employment;
- contribute to promoting economic and social cohesion in the territory of the Member State.

The policy frame of reference should be structured around the five ESF policy fields and should include a synthesis of the way in which ESF activities support the European Employment Strategy and the Guidelines under its four pillars. The Frame of Reference should therefore show the:

- main options chosen within the five policy fields of the ESF Regulation on which the Member States will concentrate the Fund interventions across the different Objectives (but not necessarily as between the different Objectives);
- consistency and the coherence of the strategy and the policy options selected by the Member State as regards the development of human resources with the specific features of the national territory;
- cross-links reflecting the potential of the other Structural Fund interventions outside Objective 3 in underpinning the development of human resources at Member State level;
- estimates of the allocation of funding between the five policy fields across all three Objectives.
- synthesis of how the employment and HRD strategy underpins the four pillars of the NAP and the relevant Employment Guidelines.

CHAPTER 1:

THE PLAN FOR THE COMMUNITY SUPPORT FRAMEWORK (CSF) AND THE CONTENT OF THE OPERATIONAL PROGRAMMES (OPS)

Part I of this Chapter concerns the contents of a Plan which leads to the establishment of a Community Support Framework (CSF). Part II sets out the content of the Operational Programmes which supplement the CSF.

Definition

The Plan: the analysis of the situation prepared by a Member State in the light of the Objectives 1, 2 and 3 referred to in Article 1 and the priority needs for attaining those Objectives together with the strategy, the planned action priorities, their specific goals and the related indicative financial resources.

I. CONTENT OF THE PLAN FOR THE CSF

Where a Plan leads to a CSF, the related draft Operational Programmes (OPs) (see Part II) may be submitted at the same time in order to expedite the examination of applications and the implementation of programmes. It is also possible to add to the draft OPs, for information, the Programme Complement document where this has already been prepared.

The Plans submitted under Objective 1 (and in certain cases under Objective 2 and 3) in relation to a future CSF should comprise the elements outlined below. As indicated in the introduction (Purpose of the Vademecum) information needs to be submitted with the Plan not only as set out in Article 16 of the Regulation (Plans) but also from elsewhere in the Regulation e.g. Article 17 (Community support frameworks) to enable the CSF to be drawn up. The necessary elements also include an ex-ante evaluation as set out at Article 41[1] with the main findings of the ex-ante evaluation integrated within the Plan (see especially section 3 below).

1. Description of the current situation

- a description, quantified where it lends itself to quantification, of the current situation with regard to disparities, gaps and potential for development (Objective 1) or conversion (Objective 2). Includes an analysis, verified in the ex-ante evaluation (see section 3 below) of the strengths, weaknesses and potential of the Member State, region(s) or sector concerned. The analysis could make use of regional statistics collected by the Eurostat and included in the REGIO data base as well as other sources of statistical data (see Annex). The data and indicators referred to in the National Action Plan for Employment (NAP) drawn up by Member States within the framework of the European Employment Strategy (EES) could also be a useful source of information;

- a description of the financial resources deployed, the main results of operations undertaken in the previous programming period and the evaluation results available;

[1] See "The Ex-Ante Evaluation of the Structural Funds interventions" – European Commission

- a description of the situation in terms of competitiveness, RTD and innovation, small and medium-sized enterprises whatever their legal form[2], employment and the labour market;

- a description, quantified as far as possible, of the environmental situation of the region(s) concerned together with main strengths and weaknesses and the arrangements for integrating the environmental dimension into the assistance to ensure compliance with Community rules[3];

- a description of the labour market and vocational training policies at national and regional level;

- a assessment of the situation in terms of equality between men and women with regard to labour market opportunities, including the specific constraints on each group.

2. Strategy and Priorities

- an indication of the operational objectives, related to the above quantified where they lend themselves to quantification.

- a description of an appropriate strategy to attain the objectives of development (Objective 1) or conversion (Objective 2) and the priorities selected for their attainment and the extent to which the strategy takes account of the human resource development strategy described in the Objective 3 Frame of Reference at page 10.

  In case of Objective 3, this description must be fully consistent with the national human resource development strategy described in the Frame of Reference. For those Member States where there is no Objective 3 Plan, an analytical description should be provided of the extent to which their strategy is coherent and consistent with the EU's Employment Strategy, including how the priorities reflect the Commission's Employment Guidelines and the agreed National Action Plan for Employment. Also for Objective 3, there should be an indication of the ESF resources expected to be devoted to Objective 2 areas, as required by Article 16(1)(c) of the Regulation.

- an outline of the planned priorities for action the strategy for their implementation and their expected impact (see section 3 below). In the case of Objective 3 regions the strategy should take account of all relevant policy fields;

---

[2] As defined in the Recommendation of 3 April 1996, OJ L 107 of 30.4.1996, p. 4

[3] See "A Handbook on Environmental Assessment of Regional Development Plans and EU Structural Funds Programmes" – European Commission

- the extent to which the strategy takes account of:

  - the specific features of the regions or areas concerned, including demographic trends,

  - the environmental situation, the integration of the environmental requirements and the compliance with Community environmental policy and instruments,

  - the integration of women and men into the labour market,

  - the EU's Employment Strategy, including how the priorities reflect the Commission's Guidelines for Member States' employment policies and the agreed national programme for employment.

    In the case of Objective 2 Plans containing ESF programming it should also be demonstrated that these ESF measures will not duplicate general measures programmed under Objective 3 and that Objective 2 ESF measures are fully integrated and coordinated with measures financed by the other Funds. There should also be an explanation of how the activities on human resources and employment to be assisted by the ESF are consistent with the ex-ante evaluation taking account of human resources and employment as referred to in Article 41(1). In the case of Objective 3 Plans, the specific features and general needs of Objective 2 areas facing structural problems of socio-economic conversion should be addressed.

- regional, national and Community policies, including those which are relevant for human resource development from an economic and social perspective (education and training including the strategy of lifelong learning, RTD and innovation, information society, social exclusion and others) and the degree of consistency with them,

- the indicative Commission guidance (Article 10(3)) setting out Community priorities.

- an outline of the nature and duration of the Operational Programmes not submitted with the Plan for the CSF. This should include their specific aims and the priorities selected. Any Operational Programmes submitted at the same time as the Plan should demonstrate a clear link to the priorities.

- the nature of the technical assistance measures to prepare, monitor and evaluate the CSF.

3. Integration of Ex-Ante Evaluation[4]

The Regulation provides for ex-ante evaluation to be carried out under the responsibility of the authorities responsible for preparing the plans, assistance schemes and Programme Complement. Equally, the Regulation defines the aim of the ex-ante evaluation as providing a basis for preparing and assessing the above-mentioned documents of which it shall form part.

[4] See "The Ex-Ante Evaluation of the Structural Funds interventions" – European Commission

To this end, the evaluators will assess the content of the draft plan prepared by the responsible authorities in relation to the aims pursued by structural interventions. They will provide a detailed judgement on the quality of the programme and, when appropriate, propose adjustments or additions to the initial text. Following the required dialogue between the responsible authorities and the expert evaluators, a draft final plan will be established under the sole responsibility of these authorities; this document is sent to the Commission.

Within this draft final plan, integrated ex-ante evaluation will take the form of a commentary explaining and justifying the analysis deriving from the current situation, the coherence of the strategy and priorities chosen, the expected impact and financial resources allocated and the implementation system foreseen.

Examination of the general context

- Take account of results from evaluations of earlier programming periods.

- An analysis of the strengths, weaknesses and potential of the Member State, region(s) or sector concerned.

- A quantified description of the current situation with regard to disparities, gaps and potential for development (Objective 1) or conversion (Objective 2) and the development of human resources and the labour market situation covering the whole territory (Objective 3).

The ex-ante evaluation should especially take into consideration for this description the situation in terms of competitiveness, RTD and innovation, small and medium-sized enterprises[5], employment and the labour market having regard to the European Employment Strategy.

A feature of the new regulations is the increased emphasis on the ex-ante evaluation of:

- the social and economic situation, mainly trends in the national labour market, including regions encountering particular employment problems and of the overall strategy in the in the field of human resource development and the way in which this strategy is linked to the national employment strategy as set out in the National Action Plans.

- the environmental situation of the regions concerned, in particular of those environmental sectors which will be considerably affected by the assistance and the arrangements for integrating the environmental dimension into the assistance and how far they fit in with existing short and long-term national, regional and local objectives, to ensure compliance with Community rules on environment; the ex-ante evaluation shall give a description, quantified as far as possible, of the existing environmental situation and an estimate of the expected impact of the strategy and assistance on the environmental situation.

- the situation in terms of equality between men and women with regard to labour market opportunities, including the specific constraints on each group including the establishment of women in business, education and vocational training and the reconciliation of family and working life and,

[5] As defined in the Recommendation of 3 April 1996, OJ L 107 of 30.4.1996, p. 4

Coherence of the strategic choices with the characteristics of the region

- The consistency of the strategy and aims, with regard to the specific features of the region(s) or sector concerned. For the Objective 3 Plans, a special focus should be put on the verification of the links of the strategy to the EES and the NAPs and the justification of the distribution and balance between the five policy fields and the assessment of thematic priorities across policy fields.

- The expected impact of the planned priorities for actions, quantifying their specific targets in relation to the starting situation, where they lend themselves to quantification. Increased emphasis has to be given to the expected impact on the social and economic situation mainly trends in the national labour market, the environmental situation and equal opportunities.

- Justification of the financial resources allocated to the different priorities.

- Coherence with regional, national and Community policies and priorities.

Appropriateness of the implementation system

- Verification of the relevance of the proposed implementing and monitoring arrangements.

The evaluation is an integral part of the plan. For reasons of transparency, it would be desirable for the evaluators' work to be included in a consolidated document.

4. Finance

The financial plan see **Table 1**, including Technical Assistance resources, which should be in conformity with the financial perspectives, i.e. the distribution of the amounts over the years covered by the Plan (for example in % terms) should follow the distribution of the perspectives. (**N.B.** The Commission will provide the profile(s) applying to each region.) Every plan should also, of course, be internally consistent, i.e. totals should equal the sum of the amounts.

Transitional support

The financial profile for those regions receiving transitional support has to be compatible with the degressive allocation made by the Commission under Article 7. In the Plan, the financial allocation to these regions must be distinguished at the level of the annual total Structural Funds allocation to the CSF as indicated in Table 1.

5. Ex ante verification of additionality

The plans submitted shall include an indication as regards additionality in accordance with Article 11(2), whereby for Objective 1 this should take the form of an indicative overall financing table.

For the ex ante verification of additionality for Objective 1, Article 11 of the general regulation stipulates that the Commission and the Member State concerned shall determine the level of public or comparable structural expenditure that the Member State is to maintain in the sum of its regions covered by Objective 1 during the programming period. As a general rule, the average annual level of expenditure shall be at least equal to the level achieved in the previous programming period, taking account of a number of specific circumstances mentioned in Article 11.

As regards the methodology, the key data is actual payments on eligible measures carried out in a given period in the Objective 1 regions taken together (in contrast to commitments or programmed expenditure). Table 2 indicates the information which is needed to determine the actual or estimated annual average expenditure in the period 1994-99 and the planned annual average expenditure in the period 2000-2006, both in million euro 1999 prices. Compared to the additionality table of 1994-99, the present table has been simplified. Expenditure categories included in the tables need to be identical in both periods. Furthermore, the assumptions on developments of public revenue need to be stated, as well as the underlying macroeconomic assumptions, so as to allow for a possible revision of the reference level of expenditure at mid-term if the economic situation differed significantly.

In order to allow for an assessment of the table, the Commission services should be provided with complementary information for internal use only. In particular, the constituting elements of the table - i.e. the annual and/or regional breakdown - are important. It is also essential to explain all sources, methods and assumptions, including the applied deflators and exchange rate (the latter being the conversion rates for Member States in the euro area).

6. Partnership

In the context of partnership arrangements, an account should be given of the steps taken to consult the partners on the Plan. In this regard the Regulation reflects the aim of as wide as possible consultation of all the relevant bodies – the regional and local authorities, the other competent authorities, including those responsible for the environment and for the promotion of equality between men and women, the economic and social partners.

Table 1: Indicative Financial Table* for the Plan/CSF - by priority and year

Commission Reference No Plan/CSF:_____

Title: _____

(in euro)

Priority	Total Cost	Public											Private	Cohesion Fund	Other*** financial instruments (to be specified)	EIB loans
		Total	Community participation					National public participation								
			Total	ERDF	ESF	EAGGF	FIFG	Total	Central	Regional	Local	Other (to be specified)				
Priority 1																
Priority 2																
Priority 3																
etc.																
Technical Assistance																
Total																
Total ERDF related																
Total ESF related																
Total EAGGF related																
Total FIFG related																
For Obj. 3: the share for Obj. 2 regions																
Year/Transitional support**																
2000																
Regions not receiving transitional support																
Regions receiving transitional support																
2001																
Regions not receiving transitional support																
Regions receiving transitional support																
etc.																
Total																
Regions not receiving transitional support																
Regions receiving transitional support																

* Only eligible costs should be included in the financial plans

** Only for objective 1 and 2 and where applicable

*** Including, for information, in the case of objective 2, the total amount from the EAGGF Guarantee Section for the measures referred to in Art. 33 of Regulation (EC) No ..../99 (Art. 17(3) of Regulation (EC) No ..../99)

Table 2 : Ex ante verification of additionality for Objective 1
Public or comparable structural expenditure in Objective 1 regions (in million euro 1999 prices)

	Annual average 1994-1999						Annual average 2000-2006					
	Total	of which: public enterprises	CSF/SPD		Not EU-co-financed	Total	Total	of which: public enterprises	CSF/SPD		Not EU-co-financed	Total
	Nat. + EU	Nat. + EU	EU	Nat.	Nat.	Nat.	Nat. + EU	Nat. + EU	EU	Nat.	Nat.	Nat.
1	2	3	4	5	6	7= 5+6=2-4	8	9	10	11	12	13=11+12 =8-10
1. Basic infrastructure												
- Transport (capital)												
- Telecommunication (capital)												
- Energy (capital)												
- Environment & water (capital)												
- Health (capital)												
2. Human resources												
- Education												
- Training												
- RTD												
3. Productive environment												
- Agriculture/rural development/fisheries												
- Industry												
- Services												
- Tourism												
4. Other												
Total												

7. Implementing provisions

In order to prepare for the implementation of the CSF, the Plan itself will need to include the following information:

- the designated single authority or body, (the "managing authority") responsible for managing the CSF

- the arrangements for involving the partners in the Monitoring Committees and an indication of the different partners

- the way in which the Member States will ensure compatibility with Article 12 in particular with:

  - the rules on competition

  - the award of public contracts

  - protection and improvement of the environment

  - the elimination of inequalities and the promotion of equality between men and women.

In addition, the provision of the following information, whilst not compulsory at the stage of Plan submission, would facilitate future implementation of the CSF if provided at this stage, i.e. a description of the arrangements for:

- managing the operational programmes;

- financial control;

- evaluation;

- the systems for monitoring – it would also assist this process were the Commission to have information on the computerised monitoring system set up in the Member State; the computerised exchange of data needed to facilitate the management, monitoring and evaluation requirements agreed between the Commission and the Member State as far as possible. For the ESF, the exchange of computerised information is required under Article 7 of the ESF Regulation. The Commission will provide Member State with the specification necessary to facilitate this exchange of data;

- publicity actions for the CSF.

Plan for the CSF: Checklist

The following comprises the minimum requirements for a plan to be considered admissible ("recevable") by the Commission; in particular that the plan contains all the information set out at Article 16 of the General Regulation. The existence of such elements does not, of course, provide any assurance as to the quality of the proposals as this will need to be verified in the course of developing the CSFs or SPDs.

- **Quantified description of the current situation** with regard to disparities in terms of income and employment, infrastructure gaps etc. and potential for development (Objective 1) or conversion (Objective 2);
- A description of an appropriate **strategy** and the **priorities** selected to attain the Objective concerned (Article 1);
- A **Frame of Reference** for Objective 3 Plans for the national human resource strategy; a demonstration that Plans submitted under Objectives 1 and 2 are **consistent with the national human resources strategy** as described in the Objective 3 Frame of Reference and more generally with the strategy for employment and the development of human resources throughout the territory of the Member State concerned, especially with the NAPs;
- Account taken of **indicative Commission guidance;**
- An integrated **ex-ante evaluation**, including:
  - An ex-ante evaluation of the **labour market situation**;
  - An assessment of the **environmental situation;**
  - An assessment of the position concerning **equal opportunities** between men and women;
- Appropriate **indicators** and **targets;**
- Consistency demonstrated with **other Community polices** (environment, competition, public procurement etc.);
- An indicative **financial table** (see Table 1) with the financial contribution from the Funds, the EIB and the other financial instruments – a computerised financial table as regards the ESF;
- An **additionality** table (see Table 2);
- A description of the **management and control arrangements** that have been set up for the implementation of the interventions forming part of the CSF;
- An account of the steps taken to consult the **partners** and the arrangements and provisions for their involvement in the Monitoring Committee;
- An outline of the arrangements for **monitoring** and **evaluation;**
- **Publicity** actions for the CSF.

II. THE OPERATIONAL PROGRAMME

Definition

Operational Programme: the document approved by the Commission to implement a Community support framework and comprising a consistent set of priorities comprising multiannual measures. The priorities may be implemented through recourse to one or more Funds, to one or more of the other existing financial instruments and to the EIB. An integrated operational programme means an operational programme financed by more than one Fund.

Geographical coverage

As a general rule, assistance covered by a Community support framework shall be provided in the form of one integrated Operational Programme for each region. However, in a Declaration to the Regulation the Commission declares that the Member States can submit Operational Programmes covering one or all the regions covered by the relevant Objective – a programme covering several regions could, for example, deal with a horizontal theme.

The following comprises the content of the Operational Programmes supplementing the CSF. Note, however, that in order to expedite the examination of applications and the implementation of programmes, the Member States are encouraged to submit draft OPs at the same time as their Plans. It is also possible to add to the draft OPs, for information, the programme Complement document where this has already been prepared.

In order to set each Operational Programme in context, it may be desirable to provide a brief introduction based in particular on the description of the current situation – see Chapter 1.

1. Priorities

The Operational Programme should include a Specification of the Priorities of, their consistency with the CSF priorities, (as far as possible this should also include consistency in the use of terminology) their specific quantified targets where they lend themselves to quantification, and the ex-ante evaluation of their expected impact to the extent that these aspects have not been evaluated at the level of the Plan.

As far as possible each Operational Programme priority should link to one and only one CSF priority.

The consistency of the Priorities with the national human resources strategy as presented in the Framework of Reference of the Objective 3 Plan.

N.B. In those cases where draft Operational Programmes have been submitted under Objective 2, and they include ESF programming, it should be demonstrated that the assistance will not duplicate general Objective 3 assistance and that Objective 2 assistance is fully integrated with assistance from the other Funds.

2. Outline of the measures

An outline of the Measures (see definition at Chapter 3) to implement the Priorities should include the information needed to check compliance with Article 87 of the Treaty. This should include the title, description, overall aims and objectives, intended beneficiaries, an approximate indication of the financial weighting accorded to each measure and the implementing body for each measure. It should be noted that quantification of the measures is undertaken within the Programme Complement.

3. The financial plan

Table 3 sets out the financial plan for the Operational Programmes. For each OP this should be in conformity with the financial perspectives and arrangements for regions receiving transitional support (see Table 1). The totals of all Operational Programmes per priority or year should be consistent with those of the same priority or year of the corresponding CSF.

Transitional support

The financial allocation to the regions in transition must be distinguished at the level of the annual total Structural Funds allocation to the OP as indicated in Table 3.

Table 3: Financial Table* for Operational Programme by priority and year

Commission Reference No Operational Programme:_____

Title: _____

(in euro)

Priority/Year	Total Cost	Public											Private	Cohesion Fund	Other*** financial instruments (to be specified)	EIB loans
		Total	Community participation					National public participation								
			Total	ERDF	ESF	EAGGF	FIFG	Total	Central	Regional	Local	Other (to be specified)				
Priority 1																
2000																
Total ERDF related																
Total ESF related																
Total EAGGF related																
Total FIFG related																
2001																
:																
Priority 2																
2000																
Total ERDF related																
Total ESF related																
Total EAGGF related																
Total FIFG related																
2001																
:																
Priority 3																
:																
Technical assistance																
2000																
Total ERDF related																
Total ESF related																
Total EAGGF related																
Total FIFG related																
2001																
:																
Total																
Total ERDF related																
Total ESF related																
Total EAGGF related																
Total FIFG related																
Year/Transitional support**																
2000																
Regions not receiving transitional support																
Regions receiving transitional support																
2001																
Regions not receiving transitional support																
Regions receiving transitional support																
:																
Total																
Regions not receiving transitional support																
Regions receiving transitional support																

* Only eligible costs should be included in the financial plans

** Only for objective 1 and 2 and where applicable

*** Including, for information, in the case of objective 2, the total amount from the EAGGF Guarantee Section for the measures referred to in Art. 33 of Regulation (EC) No ..../99 (Art. 17(3) of Regulation (EC) No ..../99)

4. Implementing Provisions

The provisions for implementing each OP include:

- **the managing authority** designated by the Member State to be responsible for managing the OP including: the name of the body, the official address and person responsible; **the paying authority** (see definition at Chapter 5).

- the arrangements for managing the OP: this would include, inter alia, the different institutional and financial partners of the managing authority involved in the management and implementation of the OP. Any delegation of powers from the managing authority to another body should be explicitly indicated:

- the systems for monitoring and evaluation, especially the tasks of the monitoring committee: the main tasks of each body in charge of monitoring and evaluation should be outlined, especially their role in collecting data (monitoring) and in preparing the mid-term evaluation; arrangements for defining the tasks and operation of the monitoring committee; –it would also assist this process were the Commission to have information on the computerised monitoring system set up in the Member State. The arrangements for a periodic progress review of the OP and for the organisation of the mid-term evaluation should also be described.

- the procedures for the mobilisation and circulation of funding ensuring that flows are transparent: this relates to the description of the organisation of two types of financial flows: a) the contribution of the various partners to the financing of the OP (and its priorities) and its organisation; b) the main stages of Community funding from the paying authority to the final beneficiary

- the specific measures and procedures for ensuring control of the implementation of the OP: the main arrangements, practices and rules, should be described, in addition to the normal financial control procedures that apply for any public expenditure across the national territory. This description should include the definition of the role of the various parties involved in these supervision arrangements.

- where appropriate, an indication of the use of a global grant for the implementation and management of part of the OP (priority or measure). This should include the name of the body (when known), the person responsible, the official address, the purpose of the global grant and the financial allocation concerned if at priority level (see Chapter 4 for additional detail). The Member State will also provide information required to check compliance with Article 87 of the Treaty.

- a description, as far as possible, of the arrangements agreed between the Commission and the Member State for the computerised exchange of the data needed to fulfil the management, monitoring and evaluation requirements. For the ESF, the exchange of computerised information is required under Article 7 of the ESF Regulation. The Commission will provide Member State with the specification necessary to facilitate this exchange of data.

CHAPTER 2:

CONTENT OF THE PLAN FOR A SINGLE PROGRAMMING DOCUMENT SPD (DRAFT SPD)

Definition

The single programming document: a single document approved by the Commission and containing the same information to be found in a Community support framework and operational programme.

As indicated in the introduction (Purpose of the Vademecum) information needs to be submitted with the Plan (draft SPD) not only as set out in Article 16 of the Regulation (Plans) but also from elsewhere in the Regulation e.g. Article 19 (Single Programming Documents) to enable the CSF to be drawn up. The necessary elements also include an ex-ante evaluation as set out at Article 41[6] with the main findings of the ex-ante evaluation integrated within the Plan (see especially section 3 below). It is also possible to add to the draft SPD for information the Programme Complement document where this has already been prepared.

1. Description of the current situation

- a description, quantified where it lends itself to quantification, of the current situation with regard to disparities, gaps and potential for development (Objective 1) or conversion (Objective 2). Includes an analysis, verified in the ex-ante evaluation (see section 3 below) of the strengths, weaknesses and potential of the Member State, regions(s) or sector concerned. The analysis could make use of regional statistics collected by the Eurostat and included in the REGIO data base as well as other sources of statistical data (see Annex). The data and indicators referred to in the National Action Plan for Employment (NAP) drawn up by Member States within the framework of the European Employment Strategy (EES) could also be a useful source of information.

- a description of the financial resources deployed, the main results of operations undertaken in the previous programming period and the evaluation results available;

- a description of the situation in terms of competitiveness, RTD and innovation, small and medium-sized enterprises whatever their legal form[7], employment and the labour market;

- a description, quantified as far as possible, of the environmental situation of the region(s) concerned together with main strengths and weaknesses and the arrangements for integrating the environmental dimension into the assistance to ensure compliance with Community rules[8];

- a description of the labour market and vocational training policies at national and regional level;

- an assessment of the situation in terms of equality between men and women with regard to labour market opportunities, including the specific constraints on each group.

---

[6] See "The Ex-Ante Evaluation of the Structural Funds interventions" – European Commission

[7] As defined in the Recommendation of 3 April 1996, OJ L 107 of 30.4.1996, p. 11

[8] See "A Handbook on Environmental Assessment of Regional Development Plans and EU Structural Funds Programmes" – European Commission

2. Strategy and Priorities

- an indication of the operational objectives, related to the above, quantified where they lend themselves to quantification.

- a description of an appropriate strategy to attain the objectives of development (Objective 1) or conversion (Objective 2) and the priorities selected for their attainment and the extent to which the strategy takes account of the human resource development strategy described in the Objective 3 Frame of Reference at page 10.

  In the case of Objective 3, this description must be fully consistent with the national human resource development strategy described in the Frame of Reference. For those Member States where there is no Objective 3 Plan, an analytical description should be provided of the extent to which their strategy is coherent and consistent with the EU's Employment Strategy, including how the priorities reflect the Commission's Employment Guidelines and the agreed National Action Plan for Employment. Also for Objective 3, there should be an indication of the ESF resources expected to be devoted to Objective 2 areas, as required by Article 19(3)(c) of the Regulation. This should be reflected by a specific line in the financial plan.

- an outline of the planned priorities for action the strategy for their implementation and their expected impact (see section 3 below). In case of Objective 3 regions, the strategy should take account of all relevant polity fields;

- the extent to which the strategy takes account of:

  - the specific features of the regions or areas concerned, including demographic trends,

  - the environmental situation, the integration of the environmental requirements and the compliance with Community environmental policy and instruments,

  - the integration of women and men into the labour market,

  - the EU's Employment Strategy, including how the priorities reflect the Commission's Guidelines for Member States' employment policies and the agreed national programme for employment.

    In the case of Objective 2 Plans containing ESF programming it should also be demonstrated that these ESF measures will not duplicate general measures programmed under Objective 3 and that Objective 2 ESF measures are fully integrated and coordinated with measures financed by the other Funds. There should also be an explanation of how the activities on human resources and employment to be assisted by the ESF are consistent with the ex-ante evaluation taking account of human resources and employment as referred to in Article 41(1). In the case of Objective 3 Plans, the specific features and general needs of Objective 2 areas facing structural problems of socio-economic conversion should be addressed.

- regional, national and Community policies, including those which are relevant for human resource development from an economic and social perspective (education and training, including the strategy of lifelong learning, RTD and innovation, information society, social exclusion and others) and the degree of consistency with them, the indicative Commission guidance (Article 10(3)) setting out Community priorities.

3. Integration of Ex-Ante Evaluation[9]

The Regulation provides for ex-ante evaluation to be carried out under the responsibility of the authorities responsible for preparing the plans, assistance schemes and Programme Complement. Equally, the Regulation defines the aim of the ex-ante evaluation as providing a basis for preparing and assessing the above-mentioned documents of which it shall form part.

To this end, the evaluators will assess the content of the draft plan prepared by the responsible authorities in relation to the aims pursued by structural interventions. They will provide a detailed judgement on the quality of the programme and, when appropriate, propose adjustments or additions to the initial text. Following the required dialogue between the responsible authorities and the expert evaluators, a draft final plan will be established under the sole responsibility of these authorities; this document is sent to the Commission.

Within this draft final plan, integrated ex-ante evaluation will take the form of a commentary explaining and justifying the analysis deriving from the current situation, the coherence of the strategy and priorities chosen, the expected impact and financial resources allocated and the implementation system foreseen.

<u>Examination of the general context</u>

Take account of results from evaluations of earlier programming periods.

- An analysis of the strengths, weaknesses and potential of the Member State, region(s) or sector concerned.

- A quantified description of the current situation with regard to disparities, gaps and potential for development (Objective 1) or conversion (Objective 2) and the development of human resources and the labour market situation covering the whole territory (Objective 3).

The ex-ante evaluation should especially take into consideration for this description the situation in terms of competitiveness, innovation, small and medium-sized enterprises whatever their legal form, employment and the labour market having regard to the European Employment Strategy.

A feature of the new regulations is the increased emphasis on the ex-ante evaluation of:

- the social and economic situation, mainly trends in the national labour market, including regions encountering particular employment problems and of the overall strategy in the in the field of human resource development and the way in which

[9] See "The Ex-Ante Evaluation of the Structural Funds interventions" – European Commission

this strategy is linked to the national employment strategy as set out in the National Action Plans.

- the environmental situation of the region concerned, in particular of those environmental sectors which will be considerably affected by the assistance and the arrangements for integrating the environmental dimension into the assistance and how far they fit in with existing short and long-term national, regional and local objectives, to ensure compliance with Community rules on environment situation; the ex-ante evaluation shall give a description, quantified as far as possible, of the existing environmental situation and an estimate of the expected impact of the strategy and assistance on the environmental situation;

and

- the situation in terms of equality between men and women with regard to labour market opportunities, including the specific constraints on each group including the establishment of women in business, education and vocational training and the reconciliation of family and working life.

Coherence of the strategic choices with the characteristics of the region

- The consistency of the strategy and aims, with regard to the specific features of the region(s) or sector concerned. For the Objective 3 Plans, a special focus should be put on the verification of the links of the strategy to the EES and the NAPs and the justification of the distribution and balance between the five policy fields and the assessment of thematic priorities across policy fields.

- The expected impact of the planned priorities for action, quantifying their specific targets in relation to the starting situation, where they lend themselves to quantification. Increased emphasis has to be given to the expected impact on the social and economic situation, mainly trends in the national labour market, the environmental situation and equal opportunities.

- Justification of the financial resources allocated to the different priorities.

- Coherence with regional, national and Community policies and priorities.

Appropriateness of the implementation system

- Verification of the relevance of the proposed implementing and monitoring arrangements.

The evaluation is an integral part the programme. For reasons of transparency, it would be desirable for the evaluators' work to be included in a consolidated document.

4. Outline of the measures

- an outline description of the measures (as opposed to the description of the priorities required for the CSF) planned to implement the priorities, including the information needed to check compliance with Article 87 of the Treaty. This should include the title, the description, overall aims and objectives, intended beneficiaries, an appropriate indication of the financial weighting accorded to each measure and the envisaged implementing body – it should be noted that

quantification of the measures is undertaken within the Programme Complement (see Chapter 3).

- the nature of the technical assistance measures to prepare, monitor and evaluate the SPD.

5. Finance

The financial plan (see **Table 4),** which should be in conformity with the financial perspectives, i.e. the distribution of the amounts over the years covered by the Plan (for example in % terms) should follow the distribution of the perspectives. (**N.B.** The Commission will provide the profile(s) applying to each region.) Every plan should also, of course, be internally consistent, i.e. totals should equal the sum of the amounts.

Transitional support

The financial profile for those regions receiving transitional support has to be compatible with the degressive allocation made by the Commission under Article 7. In the Plan, the financial allocation to these regions must be distinguished at the level of the annual total Structural Funds allocation to the SPD as indicated in Table 4.

6. Ex ante verification of additionality

The single programming document shall include the *ex ante* verification of additionality for the relevant Objective or Objectives.

For the ex ante verification of additionality for Objectives 2 and 3 taken together, Article 11 of the general SF regulation stipulates that the Commission and the Member State concerned shall determine the level of expenditure on active labour market policy and, in substantiated cases, on other actions which meet the goals of those Objectives which the Member State is to maintain at national level during the programming period. As a general rule, the average annual level of expenditure must be at least equal to the level achieved in the previous programming period, taking account of a number of specific circumstances mentioned in Article 11.

As regards the methodology, the key data is actual payments on active labour market policy carried out at the national level in a given period (in contrast to commitments or programmed expenditure). In general, active labour market policy includes measures which enhance the employability of the individual, while passive labour market policy only provides income support to unemployed people of working age. **Table 5** indicates the information which is needed to determine the actual or estimated annual average expenditure in the period 1994-99 and the planned annual average expenditure in the period 2000-2006, both in million euro 1999 prices. Expenditure categories in Table 5 are indicative only, but whatever a Member State's choice for categories, they need to be identical for both periods. Furthermore, the assumptions on developments of employment need to be stated, as well as the underlying macroeconomic assumptions, so as to allow for a possible revision of the reference level of expenditure at mid-term if the economic situation differed significantly.

In order to allow for an assessment of the table, the Commission services should be provided with complementary information for internal use only. In particular, the

constituting elements of the table - i.e. the annual and/or institutional breakdown - are important. It is also essential to explain all sources, methods and assumptions, including the applied deflators and exchange rate (the latter being the conversion rates for Member States in the euro area).

7. Partnership

In the context or partnership arrangements, an account of the steps taken to consult the partners on the Plan. In this regard Article 8 reflects the aim of as wide as possible consultation of all the relevant bodies – the regional and local authorities, the other competent authorities, including those responsible for the environment and for the promotion of equality between men and women, the economic and social partners.

Table 4: Financial Table* for Single Programming Document by priority and year

Commission Reference No SPD:_____

Title: _____

(in euro)

Priority/Year	Total Cost	Public											Private	Cohesion Fund	Other*** financial instruments (to be specified)	EIB loans
		Total	Community participation					National public participation								
			Total	ERDF	ESF	EAGGF	FIFG	Total	Central	Regional	Local	Other (to be specified)				
Priority 1																
2000																
Total ERDF related																
Total ESF related																
Total EAGGF related																
Total FIFG related																
2001																
etc.																
Priority 2																
2000																
etc.																
Priority 3																
etc.																
Technical assistance																
2000																
Total ERDF related																
Total ESF related																
Total EAGGF related																
Total FIFG related																
2001																
etc.																
Total																
Total ERDF related																
Total ESF related																
Total EAGGF related																
Total FIFG related																
For Obj. 3: the share for Obj. 2 regions																
Year/Transitional support**																
2000																
Regions not receiving transitional support																
Regions receiving transitional support																
2001																
Regions not receiving transitional support																
Regions receiving transitional support																
etc.																
Total																
Regions not receiving transitional support																
Regions receiving transitional support																

* Only eligible costs should be included in the financial plans

** Only for objective 1 and 2 and where applicable

*** Including, for information, in the case of objective 2, the total amount from the EAGGF Guarantee Section for the measures referred to in Art. 33 of Regulation (EC) No ..../99 (Art. 17(3) of Regulation (EC) No ..../99)

Table 5 : Ex ante verification of additionality for Objectives 2 and 3
Public expenditure on active labour market policy (in million euro 1999 prices)

	Annual average 1994-1999*					Annual average 2000-2006				
	Total	SPD/CSF		Not EU-co-financed	Total	Total	SPD/CSF		Not EU-co-financed	Total
	Nat. + EU	EU	Nat.	Nat.	Nat.	Nat. + EU	EU	Nat.	Nat.	Nat.
1	2	3	4	5	6= 4+5= 2-3	7	8	9	10	11= 9+10= 7-8
Active labour market policies										
- Public employment services										
- Labour market training										
- Labour cost subsidies										
- Youth measures										
- Measures for the disabled										
- Other										
Total										

*includes objectives 2, 3, 4 and 5b

8. Implementing provisions

The provisions for implementing each SPD should include:

- the managing authority designated by the Member State to be responsible for managing the SPD including: the name of the body, the official address and person responsible; the paying authority appointed by the Member State in accordance with its own administrative and institutional arrangements; it may or may not be the same as the managing authority.

- the arrangements for managing the SPD: this would include, inter alia, the different institutional and financial partners of the managing authority involved in the management and implementation of the SPD. Any delegation of powers from the managing authority should be explicitly indicated.

- the systems for monitoring and evaluation, especially the tasks of the monitoring committee: the main tasks of each body in charge of monitoring and evaluation should be outlined, especially their role in collecting data (monitoring) and in preparing the mid-term evaluation; arrangements for defining the tasks and operation of the monitoring committee; as regards the monitoring committee, the arrangements for a periodic progress review of the SPD in conformity with Article 35 (3) and for the organisation of the mid-term evaluation should be described.

- the procedures for the mobilisation and circulation of funding ensuring that flows are transparent: this relates to the description of the organisation of two types of financial flows: a) the contribution of the various partners to the financing of the SPD (and its priorities) and its organisation; b) the main stages of Community funding from the paying authority to the final beneficiary.

- the specific measures and procedures for checking the SPD: the main arrangements – practices and rules – for ensuring control of the implementation of the SPD should be described, in addition to normal financial control procedures that apply for any public expenditure across the national territory. This description should include the definition of the role of the various parties involved in these supervision arrangements.

- where appropriate, an indication of the use of a global grant for the implementation and management of part of the SPD (priority or measure). This should include the name of the body (when known), the person responsible, the official address, the purpose of the global grant and the financial allocation concerned if at priority level. The Member State will also provide information required to check compliance with Article 87 of the Treaty.

- a description of the arrangements agreed between the Commission and the Member State for the computerised exchange of the data needed to fulfil the management, monitoring and evaluation requirements if these are already in place. For the ESF, the exchange of computerised information is required under Article 7 of the ESF Regulation. The Commission will provide Member State with the specification necessary to facilitate this exchange of data.

Plan for the SPD: Checklist

The following comprises the minimum requirements for a draft SPD to be considered admissible ("recevable") by the Commission; in particular that the document contains all the information set out at Article 19 of the General Regulation. The existence of such elements does not, of course, provide any assurance as to the quality of the proposals as this will need to be verified in the course of developing the CSFs or SPDs.

- **Quantified description of the current situation** with regard to disparities in terms of income and employment, infrastructure gaps etc. and potential for development (Objective 1) or conversion (Objective 2);
- A description of an appropriate **strategy** and the **priority** selected to attain the Objective concerned (Article 1);
- A **Frame of Reference** for Objective 3 Plans for the national human resource strategy; A demonstration that Plans submitted under Objectives 1 and 2 are **consistent with the national human resources strategy** as described in the Objective 3 Frame of Reference and more generally with the strategy for employment and the development of human resources throughout the territory of the Member State concerned, especially with the NAPs;
- Account taken of **indicative Commission guidance;**
- An integrated **ex-ante evaluation**, including:
  - An ex-ante evaluation of the **labour market situation**;
  - A assessment of the **environmental situation;**
  - An assessment of the position concerning **equal opportunities** between men and women;
- Appropriate **indicators** and **targets;**
- Consistency demonstrated with **other Community polices** (environment, competition, public procurement etc.);
- An indicative **financial table** (see table 4) with the financial contribution from the Funds, the EIB and the other financial instruments – a computerised financial table as regards the ESF;
- An **additionality** table (see Table 5);
- A description of the **management and control arrangements** that have been set up for the implementation of the SPD;
- An account of he steps taken to consult the **partners** and the arrangements and provisions for their involvement in the Monitoring Committee;
- An outline of the arrangements for **monitoring** and **evaluation;**
- **Publicity** actions for the SPD.

CHAPTER 3:

THE CONTENT OF THE PROGRAMME COMPLEMENT (ARTICLE 18 (3) OF THE GENERAL REGULATION)

Definition

The Programme Complement: the document implementing the programme strategy and priorities and containing detailed elements of the programme at measure level drawn up by the Member State and revised as necessary by the Monitoring Committee as proposed by the managing authority. It is sent to the Commission for information. In order to expedite procedures the Programme Complement can be submitted at the same time as submission of the Plan for an SPD or the draft OP. In any event the managing authority has to adopt the Programme Complement at the latest three months after the Commission decision approving an Operational Programme or SPD.

A Measure: means the means by which a priority is implemented over several years which enable operations to be financed. Any aid scheme under Article 87 of the Treaty or any aid granted by bodies designated by the Member States, or any group of aid schemes or aid grants of this type or any combination thereof which have the same purpose are defined as a measure.

Final beneficiaries: the bodies and public or private firms responsible for commissioning operations. In the case of aid schemes under Article 87 of the Treaty and in the case of aid granted by bodies designated by the Member States, the final beneficiaries are the bodies which grant the aid.

1. Measures

As opposed to the Operational Programme (see Chapter 1, Part II) where an outline description only of the measures is required, the Programme Complement provides detailed information on the content of the measures including:

- their ex-ante evaluation under Article 41, i.e. demonstration of their consistency with the aims of the corresponding priorities.

- relevant monitoring indicators under Article 36[10] including, in particular, those used for allocating the Performance Reserve and:

  - the specific targets, quantified where they lend themselves to quantification and their consistency with the corresponding priorities;

  - the stage reached in the assistance in terms of physical implementation, results and, as soon as practicable, its impact at the appropriate level (priority or measure);

  - the progress of the financing plan.

The measures within the Objective 3 Programming Complement should also demonstrate the way in which they focus on the specific needs of the Objective 2 areas. In those cases where Operational Programmes have been submitted under Objective 2, and they include ESF programming, it should be demonstrated that the assistance will not duplicate general Objective 3 assistance and that the Objective 2 assistance is fully integrated and coordinated with measures financed by the other Funds.

[10] See "Indicators for Monitoring and Evaluation: an indicative methodology", European Commission, and "Examples of indicators and possible quantified targets."

It is for the Monitoring Committee to consider and approve the criteria for selecting the operations financed under each measure within six months following approval of the intervention. Again in the interests of expediting programmes, it is recommended that draft selection criteria be provided with the Programme Complement to be formally approved at a later date.

Categorisation of fields of intervention

As well as taking into account the Commission's indicative methodology and lists of examples of indicators, Monitoring Committees should take account of the categorisation of fields of intervention to be proposed by the Commission on entry into force of the Regulation. In order to achieve a better understanding of the different Structural Funds interventions and, for example, to enable it to respond to requests from the Member States and the European Parliament, the Commission has therefore devised a system for categorising fields of intervention (Annex 1). As such, the system devised may not always capture the exact definition of every measure for which the degree of detail can vary. Member States are nonetheless invited to apply an appropriate code to each of the measures proposed within the Programme Complement.

2. Final beneficiaries

Definition of type of final beneficiary of the measure (for example SMEs of less than x employees) should be included.

3. The financial plan

- **Table 6** provides a model financial plan by measure for the Programme Complement. The financial plan has to be consistent with the financial plan of the Operational Programme or SPD;

- included with the financial plan, a description of the arrangements for providing the cofinancing for the measures, taking account of the institutional, legal and financial systems of the Member States;

4. Publicity measures

The measures intended to ensure publicity for the Operational Programme or SPD should be described.

5. Exchange of data

A description, as far as possible, of the arrangements agreed between the Commission and the Member State for the computerised exchange of the data needed to fulfil the management, monitoring and evaluation requirements. For the ESF, the exchange of computerised information is required by Article 7 of the ESF. The Commission will provide Member States with the specification necessary to facilitate the exchange of data.

Table 6: Financial table* for programme complement by priority and measure

Commission Reference No of the related OP or SPD:_____

Title: _____

Last Commission Decision of the related OP or SPD: __ of __/__/__

(in euro)

Priority/Measure**	Field of intervention***	Total Cost	Public											Private	Cohesion Fund	Other financial instruments (to be specified)	EIB loans
			Total	Community participation					National public participation								
				Total	ERDF	ESF	EAGGF	FIFG	Total	Central	Regional	Local	Other (to be specified)				
Priority 1																	
Measure 1.1	..																
Measure 1.2	..																
etc.																	
Priority 2																	
Measure 2.1	..																
Measure 2.2	..																
etc.																	
Priority 3																	
etc.																	
Technical assistance																	
Total ERDF related	..																
Total ESF related	..																
etc.																	
Total																	
Total ERDF related																	
Total ESF related																	
Total EAGGF related																	
Total FIFG related																	
of which****																	
Regions not receiving transitional support																	
Regions receiving transitional support																	

* Only eligible costs should be included in the financial plans

** An indication for each measure should appear whether the contribution from the Structural Funds is calculated in relation to the total eligible cost, or the total public/similar eligible expenditure

*** The field of intervention should be coded for each measure using the standard classification on the level of 3 digits; where needed (in case of heterogeneous measures) more than one code should be given with the corresponding estimated share

**** Only for objective 1 and 2 and where applicable

CHAPTER 4:

GLOBAL GRANTS AND MAJOR PROJECTS

1. Global Grants

Definition and use

A Member state (or a Member State in agreement with the managing authority) may decide in agreement with the Commission to entrust to appropriate intermediaries, including local authorities, regional development bodies or non-government organisations, the implementation and management of part of the assistance. This part is referred to as a "global grant", and is preferably used for the assistance of local development initiatives. In the case of ESF interventions under Article 4 of the ESF Regulation, actions should be carried out by local and regional intermediary organisations.

The decision to use a global grant to implement part of the OP or SPD (see Chapter 1 and 2) shall be approved by the Commission. In the interests of simplified management the measure(s) relating to a global grant should be separately identifiable within the OP or SPD financial table. Any other requirements shall be part of the procedures agreed between the Member State or the managing authority and the intermediary body. These arrangements shall incude:

- The measures to be financed with their aims and objectives, quantified as far as possible.
- The criteria for choosing beneficiaries (and intermediaries where they have not been designated at the time of adoption of the programme).
- The conditions and rates assistance from the Funds, including the use of any interest accruing.
- The arrangements for monitoring and evaluating the global grant.
- Any use, where applicable, of a bank guarantee.
- The financial plan.
- Timetable for implementation.

2. Major Projects

Definition and use

At any time during the programming period the Funds may finance expenditure in respect of major projects, namely those:

a) which comprise an economically indivisible series of works fulfilling a precise technical function and which have clearly identified aims, and,

b) whose total cost taken into account in determining the contribution of the Funds exceeds 50 million euros.

Before the final decision to grant structural funds assistance to the project, the Member State or the managing authority is required to submit the following specific information to the Commission and which is appraised in order to confirm or modify the rate of assistance[11]. If the Commission considers that the project appears not to justify either part or all of the contribution of the Funds, it may decide to withold part or all of that contribution, stating the reasons for so doing.

a) <u>administrative information</u>

- the name of the body to be responsible for implementation; the official address and person responsible
- information allowing an evaluation to be made of the environmental impact (including in particular the potential effect on sensitive zones forming part of the Natural 2000 network and protected under the 'Habitats' directive 92/43/EEC and 'Birds" directive 79/409/EEC) and the implementation of the precautionary principle and the principle that preventive action should be taken, that environmental damage should be rectified at source and that the polluter should pay and compliance with the Community rules on the environment including the EIA directive (85/337/EEC as amended by 97/11/EC)
- information needed to access compliance with competition rules, inter alia rules on state aids

b) <u>description of the project</u>

- the nature of the investment and a description of it and its objectives, its financial volume and location
- the timetable for implementing the project

[11] Member States should be aware of the fact that separate notification pursuant to Article 88 of the Treaty is required for large investment projects meeting the criteria of the multisectoral framework on regional aid for large investment projects (standard notification form is published in the Official Journal...)

c) ex-ante evaluation

- a cost-benefit analysis, including financial costs and benefits, and a risk assessment and information on the economic viability of the project
- for investments in infrastructure, an analysis of the costs and the socio-economic benefits of the project, including an indication of the likely rate of use, the foreseeable impact on the development or conversion of the region concerned and the application of Community rules on public contracting
- for investments in production facilities, an analysis of the market prospects in the sector concerned and the anticipated return on the project and the direct and indirect efforts on the employment situation as far as possible in the Community
- an assessment of the feasibility of obtaining full or partial private financing for the project
- an indication of the influence of the contribution of the Funds on whether the projects will be implemented

d) financial information

- justification of the rate of assistance foreseen from the Structural Funds
- **Table 7** sets out the financing plan for major projects – to be consistent with the financial plan of the Programme Complement

N.B. The Commission will produce a 'proforma' covering the information requirements for major projects.

Table 7: Financial table* for major projects

Commission Reference No of the related OP or SPD:_____

Title: _____

Measure Identification:_____

(in euro)

Year	Total Cost	Public											Private	Other financial instruments (to be specified)	EIB loans
		Total	Community participation					National public participation							
			Total	ERDF	ESF	EAGGF	FIFG	Total	Central	Regional	Local	Other (to be specified)			
2000 2001 : 2006															
Total															

* Only eligible costs should be included in the financial plans

CHAPTER 5:

FINANCIAL MANAGEMENT

The new arrangements for financial management follow the principles underlying the overall reform of the system for implementing the Structural Funds: decentralisation, simplification, greater cost-effectiveness and checks. The aim is to provide a simpler, yet exacting, approach which should considerably lighten the administrative load for all parties. Similarly, the large number of formal amending decisions undertaken by the Commission every year to take account of inflation will no longer be necessary under a flat-rate indexing system. An outline of the key elements of the new approach is set out below. **It should be noted that the Commission could, if necessary, produce additional detailed guidance at a later date.**

1. Commitments

The first annual commitment will be made in line with the financial plan at the time assistance is approved with subsequent annual commitments being triggered automatically at the beginning of each calendar year by no later than 30 April. The size of the commitment equals the amount in the financial plans for the Operational Programmes or SPD and thus respects the financial perspectives. The Commission shall automatically decommit any part of a commitment which has not been settled by the payment on account or for which it has not received an acceptable payment application by the end of the second year following the year of commitment. The period for automatic decommitment ceases to run in cases where it has been necessary for the Commission to impose a "suspensive clause."

2. Payments

Payment on account

When the first commitment is made the Commission will make a payment on account to the Member State of up to 7% of the contribution of the Funds to the assistance in question. The payment on account is held throughout the period of the assistance and will be used by the paying authority[12] to disburse the Community contribution to expenditure actually paid and declared to the Commission. It may also be used to pay advances to final beneficiaries. All or part of the payment on account has to be repaid by the paying authority if, within 18 months of the decision to grant a contribution from the Funds, no application for an interim payment (see below) has been submitted, i.e. there is no evidence that the programme is being implemented.

Interim payments

The Commission will make interim payments will be made to reimburse actual expenditure certified by the Member State. Payments are therefore no longer triggered by a certain level of implementation but whenever expenditure is incurred. Member States may submit payment applications several times a year, although for practical management reasons these should as far as possible be grouped three times a year, the last application being presented no later than 31 October each year. The two months period remaining enables the Commission to charge the payments to the current financial year.

[12] The "paying authority" is appointed by the Member State in accordance with its own administrative and institutional arrangements; it may or may not be the same as the managing authority.

Table 8 provides an illustration of the type of a scheme of data needed for a payment request. More detailed forms per year will be communicated to the Member States on this subject. The amounts in this table may not exceed the corresponding amounts in the financial table of the Programme Complement (Table 6). If necessary a revised version of the financial table of the latter may be sent to the Commission for information to enable payments to be made. For the ESF, the Member State will declare expenditure incurred by computer as required by Article 7 of the ESF giving the breakdown at the level of the measure of the different Fund sources (ESF, national or regional funding, private). In the case of inconsistencies with the financial plan of the Operational Programme (Table 3) or SPD (Table 4) a Commission decision is required to adapt this Plan in order to continue payments.

Payments are calculated at the level of each measure based on the individual rate of assistance for the measure. The payments are made at the level of the Operational Programme or SPD and are always charged to the oldest commitment. The Programming Complement provides the basis for the co-financing rate applied to each measure.

3. Forecast of payment applications

Member States have to provide, no later than 30 April of each year, their updated forecasts of applications for payment for the current year following for each intervention. **Table 9** provides a model for this exercise.

If required the Commission may publish further updated documentation on this aspect.

Table 8: Financial table* attached to payment request by priority and measure

Commission Reference No of the related OP or SPD:_____

Title: _____

Date: __/__/____

Priority/Measure	Total Actually Paid and Certified Eligible Expenditure															
	2000				...				2008				Total			
	Public		Private	Expenditure	Public		Private	Expenditure	Public		Private	Expenditure	Public		Private	Expenditure
	Community	Other Public			Community	Other Public			Community	Other Public			Community	Other Public		
Priority 1																
Measure 1.1																
Measure 1.2																
etc.																
Priority 2																
Measure 2.1																
Measure 2.2																
etc.																
Priority 3																
etc.																
Technical assistance																
Total ERDF related																
Total ESF related																
etc.																
Total																
Total ERDF related																
Total ESF related																
Total EAGGF related																
Total FIFG related																
Priority/Transitional support**																
Priority 1																
Regions not receiving transitional support																
Regions receiving transitional support																
Priority 2																
Regions not receiving transitional support																
Regions receiving transitional support																
Priority 3																
etc.																
Technical assistance																
Regions receiving transitional support																
Regions receiving transitional support																

* More detailed forms per year to be used to request payments are in preparation by the Commission

** Only for objective 1 and 2 and where applicable

Table 9: Forecasts of applications for payments for Programme Complement

Commission Reference No of the related OP or SPD:_____

Title: _____

Date: __/__/____ (in euro)

	Total Estimated Eligible Expenditure		Cofinancing of Structural Funds	
	Year n	Year n+1	Year n	Year n+1
Total ERDF related				
Total ESF related				
Total EAGGF related				
Total FIFG related				
Total				

CHAPTER 6:

ANNUAL IMPLEMENTATION REPORTS

Following examination and approval by the Monitoring Committee, the managing authority submits an implementation report to the Commission within six months of the end of each full calendar year of implementation e.g. if the assistance is approved in 2000, the first report is required in the first 6 months of 2002.

1. Information required in all annual implementation reports

- any change in general conditions with importance for the implementation of the assistance, in particular the main socio-economic trends, changes to national, regional or sectoral policies and changes in the Frame of Reference under Objective 3. The extent of coherence between the different Funds and between them and other financial instruments should also be indicated.

- a report on progress in the implementation of each priority and each measure. This means in particular a quantification of the targets and indicators established at the start of the programme. In the case of Objective 3, it would be useful to describe the contribution of the programme to the implementation of the NAP both in financial terms and as regards the content, especially as regards the contribution to actions in pursuit of the European Employment Strategy and the annual Guidelines on Employment.

- the progress of the financial plan (see **Table 10**) with particular reference to the agreed financial indicators. For each measure a summary should be provided of the expenditure actually paid out by the paying authority and the payments received from the Commission. (See also Table 8 above).

- the steps taken by the managing authority and the Monitoring Committee to ensure the quality and effectiveness of implementation in particular:

  - monitoring, financial control and evaluation actions, including data collection arrangements

  - a summary of any significant problems encountered in managing the assistance and any action taken in particular following recommendations made by the Commission after the annual meeting with the managing authority. In this regard it would be useful to include a report on the follow up of recommendations made at the mid term evaluation and accepted by the Monitoring Committee.

  - the use made of technical assistance

  - the measures taken to ensure publicity of the OP or SPD

- the steps taken to ensure compatibility with other Community policies

- progress and financing of major projects in a separate section of the report

If required the Commission may publish further updated documentation on this aspect.

Table 10: Financial table* for annual/final implementation report by priority and measure

Commission Reference No of the related OP or SPD:_____

Title: _____

Year: ____ (in euro)

Priority/Measure	Total***	Total Eligible Actually Paid and Certified Expenditure	% of Eligible Cost	Other****	Field of intervention**
	1	2	3=2/1		
Priority 1					
Measure 1.1					..
Measure 1.2					..
etc.					
Priority 2					
Measure 2.1					..
Measure 2.2					..
etc.					
Priority 3					
etc.					
Technical assistance					
Total ERDF related					..
Total ESF related					..
etc.					
Total					
Total ERDF related					
Total ESF related					
Total EAGGF related					
Total FIFG related					
Priority/Transitional support*****					
Priority 1					
Regions not receiving transitional support					
Regions receiving transitional support					
Priority 2					
Regions not receiving transitional support					
Regions receiving transitional support					
Priority 3					
etc.					
Technical assistance					
Regions not receiving transitional support					
Regions receiving transitional support					
Total					

* A table covering the last full calendar year and a table covering cumulative amounts up till the end of the previous year (in case of an annual report) should be presented

** The field of intervention should be coded for each measure using the standard classification on the level of 3 digits; where needed (in case of heterogeneous measures) more than one code should be given with the corresponding estimated share

*** This column contains the amounts that are the basis for the calculation of the contribution of the Funds (either the total eligible cost, or the total public/similar eligible expenditure)

**** Including, for information, in the case of objective 2, the total amount from the EAGGF Guarantee Section for the measures referred to in Art. 33 of Regulation (EC) No ..../99 (Art. 17(3) of Regulation (EC) No ..../99)

***** Only for objective 1 and 2 and where applicable

ANNEX 1:

CATEGORISATION OF FIELDS OF INTERVENTION