

~~Mr Hamilton~~
Mr Allen
4/13/2

RM 14/2

~~Mr Hamilton~~
~~Mr Mellis~~

To copy.

B 11/2

• CO-ORDINATION OF STRUCTURAL FUNDS

This idea has been a preoccupation of the Delors Commission for some time. It is related directly to the IMPs (Integrated Mediterranean Programmes) concept which has arisen out of the need to give special development aid to the poorest regions of the Community, particularly in Greece. The IMPs programme does now cover parts of Italy and France, and will extend to Portugal and Spain. It envisages multi-annual projects covering a variety of sectors in one area - fishing, agriculture, transport, industry, tourism, etc.

President Delors last year instituted a new service of the commission, under his own office, to co-ordinate the structural funds or instruments of the Community. It was made up of three sections - the first dealing with IMPs, the second with integrated operations other than IMPs and the whole question of co-ordinating and harmonising the operations of various funds and multi-annual budgeting in connection with those, and the third with documentation etc. It is to the second of these sections that Mr Horst Reichenbach, who will be accompanying Commissioner Varfis, is attached.

He also instituted a group of Members of the Commission specially concerned with this new integrated approach - now consisting of Pfeiffer, Marin, Andriessen, Cardoso e Cunha, Matutes and Cristopherson. (Note: since Sutherland lost Social Affairs, there is no Irish or British Commissioner on the group). With the reshuffle of portfolios in January, Delors relinquished his personal responsibility for Co-ordination of Structural Funds, which went to Varfis.

The exact way the new service will operate, and relate to the practices and procedures already well established in connection with the structural funds, is not yet too clear. The Commission has said an integrated approach should be adopted to give the maximum impact, and "transparence" to intervention by the Community when faced with complex structural problems of high priority. The characteristics of an integrated approach will be "un horizon pluriannuel", the involvement of a number of Community funds, and co-ordination among those responsible for the administration of these funds, both at the level of the Commission and at the place of application of the integrated approach. This approach concerns mainly, but not exclusively, regional policy. The commission takes the view that a very exhaustive degree of a co-ordination would be required, and that an integrated approach would not apply in all cases.

The decision whether or not to apply an integrated approach would be taken by the group of Commissioners referred to above. This could be on the basis of categories already defined by the Commission - the IMPs for example, or special attention in favour of steel producing areas - or at the request of a Member State. After study, the group of Commissioners would decide whether to proceed with integrated action, or via the normal channels.

DENNIS KENNEDY