

EIPASCOPE



EIPA welcomes the new EU Member States
L'IEAP accueille les nouveaux Etats membres de l'UE

Table of Contents/Table des matières

No. 2004/2

| | |
|---|----|
| * Institutional News | 2 |
| * Analysis | |
| • The Agenda 2007 Proposals: Evolution or Revolution? <i>Dr. Ines Hartwig</i> | 3 |
| • State Aid: Is Cohesion at the National Level Successful? <i>Dr. Phedon Nicolaidis</i> | 9 |
| • L'obligation des autorités nationales de recouvrer les aides d'État versées illégalement: défenses et implications <i>Dr. Michael Kekelekis</i> | 20 |
| • The Presidency in the EU of 25 <i>Dr. Adriaan Schout, Alain Guggenbühl and Nicole Bayer</i> | 24 |
| * Comment | |
| • Does the EU Need the Stability and Growth Pact? <i>Dr. Athanassia Xenaki</i> | 29 |
| * Report on current activities | |
| • Final Results of the eEurope Awards for eHealth – 2004 <i>Christine Leitner and Alexander Heichlinger</i> | 34 |
| * New Publications / Nouvelles Publications | 36 |
| * Announcements / Annonces | 38 |
| * EIPA Staff News | 61 |
| * EIPA Publications | 61 |
| * Provisional List of Seminars and Conferences / <i>Liste provisoire des séminaires et conférences</i> (Pull-out) | |

Institutional News

Of the ten countries that joined the EU on 1 May 2004, three have already concluded cooperation agreements with the European Institute of Public Administration, rendering them full members of the Institute.

Professor Gérard Druesne, Director-General of EIPA, indeed signed such agreements with representatives of the Governments of Cyprus and Hungary in Maastricht on 17 June 2004, and with the Government of Poland in Warsaw on 8 July 2004.

Parmi les dix nouveaux pays qui ont rejoint l'UE au 1er mai 2004, trois ont déjà conclu avec l'IEAP l'accord de coopération qui les a fait devenir membres à part entière de l'Institut européen d'administration publique.

Le Professeur Gérard Druesne, Directeur général de l'IEAP, a en effet signé un tel accord le 17 juin 2004 à Maastricht avec les représentants des gouvernements de Chypre et de la Hongrie, et le 8 juillet à Varsovie avec le gouvernement de la Pologne.



Analysis

The Agenda 2007 Proposals: Evolution or Revolution?



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Abstract

On 10 February 2004 the Commission published its proposal for the financial perspective 2007-2013. A week later it adopted the third report on economic and social cohesion. These two documents form the basis of the so-called 'Agenda 2007 reforms'. They will be the greatest challenge for the enlarged EU after the intergovernmental conference, since they will determine the financial basis for EU policy-making until the middle of the next decade. The Agenda 2007 proposals certainly hint at courageous reforms, because they place a previously unheard-of emphasis on performance and quality. Under the proposals, structural operations should generate value for money, and the funds should focus on projects which generate added value at a European level. Overall the Commission's proposals point in the right direction, because they balance, on the one hand, solidarity for the new Member States and weak regions in the old Member States with, on the other hand, investments in future tasks. Moreover, they constitute a paradigm shift. For the first time, the Common Agricultural Policy will not be the dominant expenditure category.

Now it is up to the Member States to examine the proposals politically and find a compromise between sometimes very divergent interests. It is to be hoped that, during the debate over expenditure limits and division of funds, national interests do not outweigh European interests.

After more than two months delay, the European Commission presented its proposals for the financial perspective 2007-2013 on 10 February 2004. A week later it published the third report on economic and social cohesion (the 'third cohesion report'), in which it presented concrete proposals for reform of the cohesion policy of the European Union (EU). This so-called 'Agenda 2007 reform' will be the greatest challenge for the enlarged EU after the intergovernmental conference, since it will determine the financial basis for EU policy-making until the middle of the next decade. Although this will be the fourth financial perspective since the introduction of this instrument in 1988, the negotiations are likely to be much more difficult than previous ones. The 25 Member States sitting at the negotiating table have huge national and regional economic disparities, and with worrying public deficits in a number of Member States the net payers will be less inclined to dig into their coffers and the former and new net beneficiaries will call for greater solidarity. To cut this Gordian knot will require very good negotiating skills.

Given this political environment, it would not have come as a surprise if the Commission had opted for a modest proposal simply extending the status quo into the next decade. Yet the Agenda 2007 proposals are of

a new type, since they aim to underpin the Lisbon and Gothenburg strategies with financial resources. The proposed modifications to structural policy are less apparent, but nevertheless will undoubtedly have a major impact at regional and local level.

The political priorities of the financial perspective 2007-2013

Originally the publication of the Agenda 2007 proposals was planned for the end of last year, but the 20 Commissioners needed more time than expected to agree on a joint proposal. Unusually in the decision-making process, the Commissioners were openly divided over this important reform package. That this was so gives some indication of the strong pressure already brought to bear on the Commission in this early phase of negotiations. Although the controversy among the Commissioners hap-

pened mostly behind closed doors, it became apparent that it touched the very principles of EU cohesion policy. Some voices questioned the very basis of the policy. Would it not be more efficient and effective if the EU transferred competence for regional policy back to the Member States? The economically stronger Member States could then pay directly to the economically weaker ones, which in turn could utilise

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the resources for their economic development. Why must money be channelled through Brussels and back to the capitals and the regions? Does this not lead to friction losses?

However, in its proposals¹ the Commission not only rejected this complete overhaul of cohesion policy, but also proposed to strengthen the Union's financial resources in this area.

Before analysing the Commission's ideas for reforming cohesion policy, a few words should be said about the overall structure of the next financial perspective. When drawing up the financial perspective, the Commission was faced with very divergent views between the Member States. Some, such as Austria, France, Germany, the Netherlands, Sweden, and the United Kingdom (UK) called for setting an upper expenditure limit of 1% of Gross National Product. They wanted spending to be focused on two political priorities: competitiveness (as laid down in the Lisbon agenda), and cohesion focusing on the regions most in need. Other countries, such as Luxembourg and Belgium – but also the European Parliament – called for political goals and objectives to be set, and then for a decision to be taken on the expenditure level necessary to achieve them.²

The Commission's proposal for the next financial perspective starts out by formulating "a real sense of political purpose".³ Only in a second step does the proposal list the financial means to achieve these goals. The proposal for the financial perspective defines three political priorities:

1. the EU must contribute to achieving sustainable development
2. the EU must make the concept of European citizenship a reality
3. the EU must play a role as a global partner.

In particular, the first priority results from the major challenges which the EU will face in the next decade. According to the Commission, these will be the need to strengthen sustainable development and to increase the competitiveness of the EU. Both of these challenges aim to modernise the internal market against the background of the Lisbon and Gothenburg strategies. They require a multiplicity of different activities. In addition to the internal market, cohesion and Common Agricultural Policy, this priority includes the policies which the current financial perspective lists under heading IV "internal policies". In the present financial perspective, 2000-2006, internal policies scarcely take up 7% of the total expenditure. Among others, the Commission's proposal suggests an increase of expenditure under this heading to 16.3% of the entire commitment appropriations for that period. Although this will strengthen

the importance of policies such as research and education, the expenditure is still not comparable to the expenditure under the Common Agricultural Policy and the cohesion policy. Overall, this first priority will receive almost 90% of EU funds. However, the other two priorities will also gain in terms of financial importance. In 2013, the European citizenship priority will receive

3.62 billion euro (2.3% of the EU budget) and the global partner priority 15.73 billion euro (9.93% of the EU budget). Although spending on both of these chapters will increase in comparison to the year 2006, the increase remains relatively modest when compared to the first priority.

As regards structural funds' spending, the Commission suggests three priorities, which are different from the current three Objectives.

Reforming EU Cohesion Policy: Old Wine in New Bottles?

New Priorities and financial allocation

As regards structural funds' spending, the Commission suggests three priorities, which are different from the current three Objectives. Priority 1 – "Convergence" – aims to support growth and job creation in the least developed Member States and regions. Regions with a Gross Domestic Product (GDP) of less than 75% of Community average are eligible for support. Thus the Commission did not follow the proposal to link eligibility to national criteria as suggested by the Sapir report.⁴ Changing the system of direct transfers, which would only depend on national GDP, would also contradict the cohesion principle as laid down in Article 158 of the EC Treaty and Article III-116 of the draft Constitution. In fact, Priority 1 mostly reflects the current Objective 1, in both its scope and eligibility criteria.

Another Commission proposal can also be expected to be highly controversial in some Member States. The Commission has proposed special rules for regions affected by the statistical effect of enlargement. The regions concerned would still fall under Priority 1, yet with a degressive support scheme from 80% to 60% of the support level of "normal" Priority 1 regions. This support scheme would end after 2013, without further phasing out arrangements stretching into the next programming period. This arrangement also implies that the regions concerned would continue to benefit from the favourable state aid regime set out in Article 87 (3) of the EC Treaty.

Under Priority 2 – "Regional competitive ability and occupation" – the Commission distinguishes two kinds of programmes. On the one hand are programmes primarily geared to anticipate and promote regional change, which would be implemented by the regions and regional authorities. On the other hand are national programmes supporting structural reforms in the labour market and strengthening social inclusion in line with the objectives of the European Employment Strategy.

As opposed to current provisions, the Commission suggests that a list of regions eligible for Priority 2 support should no longer be adopted. It would be up to the Member States to establish the “appropriate balance between the geographical and other forms of concentration”.⁵ Concentration would be assured via thematic concentration and a minimum financial volume of programmes. This would mean that, apart from those covered by Priority 1, all regions would in principle be eligible for Priority 2 support.

Priority 3 – “European territorial co-operation” – integrates the Community Initiative INTERREG into mainstream structural funds support. This Priority would be geared to promote the harmonious and balanced development of the Union’s territory.

In designing these Priorities, the Commission’s overall approach resembles more of an evolution than a revolution. Yet there are some subtle changes, the implications of which are yet to be seen. For instance, a major change in strategic orientation of the Priorities is that the Lisbon and Gothenburg strategies would become the strategic anchor of future EU cohesion policy. In the past, Member States tended to ignore the European Employment Strategy for instance, and only included its objectives in the structural funds programming document retroactively. The Commission proposals imply that this would no longer be possible.

In addition the Commission suggests integrating the other three Community Initiatives into the mainstream programmes.⁶ While INTERREG is proposed to become Priority 3, the support of cities which currently takes place under the Community Initiative URBAN would become part of the mainstream programmes.⁷ For this purpose each Member State would suggest a list of cities for which special measures would be undertaken. The number of cities suggested by each Member State would at least be the same as currently supported under the Community Initiative URBAN. In order to facilitate the integration of the urban dimension in Priority 2, the Commission suggests extending the priority themes to include typical urban activities such as support to urban sustainable public transport. As regards the Community Initiatives EQUAL and LEADER, the Commission suggests including them in the mainstream programmes. This implies that the aspect of equal opportunities between women and men would play a much less prominent role in future structural operations than it currently does, in particular because the Commission does not suggest strengthening the gender mainstream principle with a view to programming and implementing the funds. If the formal proposal does not include stronger wording on this issue, the structural funds operations are in danger of falling behind the present

acquis communautaire.

Also, the division of funds does not imply a fundamental revolution as proposed by some Member States⁸, but follows the current approach to concentration. By far the largest share (78%) would go to Priority 1 regions. This would be an increase of the relative share in comparison to the present programming period of about 10%. Priority 2 would receive a share of 18% and the third Priority 4%. By the end of the programming period in 2013, cohesion policy would take up 32% of EU expenditure, which is currently nearly 51 billion euro. Over the entire period 2007-2013 the commitment appropriations to cohesion policy would be equivalent to

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0.46% of the Gross National Income (GNI) of EU27, including funding for rural development and the fisheries sector.⁹ This percentage corresponds to 336.3 billion euro over the period of seven years. It is interesting to note that the Commission used different statistical data for calculating the expenditure and the eligibility. While expenditure is based on EU27 data, the eligibility calculations for Priority 1 are based on EU25 statistics. If the Commission had also used EU27 statistics to calculate eligibility, the coverage of Priority 1 regions in the old Member States would be much less than the third cohesion report implies.

Of this amount, approximately half would be allotted to the 10 new Member States. Since their population constitutes only about 27% of the total population of the European Union, the division of funds clearly implies a concentration on their weakest regions. In the light of the huge development gap between most of the old and the new Member States, some people have argued that more funds should be spent in the latter. However, since the Commission suggests maintaining the limit of transfers to 4% of the Member States national GDP, the share for the new Member States could hardly be increased.

The Programming Process

As regards the programming phase the Commission proposes a fundamentally reformed approach. Currently, Member States prepare a development plan and submit it to the Commission which adopts a Community Support Framework and Operational Programmes. On the basis of these documents, Member States submit Programme Complements to the Commission. This multi-step programming approach has been heavily criticised, both by the Member States and the Commission. The cohesion report suggests streamlining the procedure and applying a different rationale.

Firstly, during the programming phase, the Commission aims to strengthen the strategic orientation of the structural funds and increase synergies between

the structural interventions and the Lisbon and Gothenburg agendas. The Commission suggests adopting an overall strategic document for cohesion policy. This would be adopted by the Council following the opinion of the European Parliament and on the basis of a Commission proposal. Adopted in advance of the programming period, it would outline clear priorities for Member States and regions on structural interventions. (A similar proposal was made by the Commission during the Agenda 2000 negotiations). At that time it suggested incorporating into the general structural funds regulation a strategy part which specified the use of the funds. At that time this proposal failed to gain a consensus and, following the adoption of the Agenda 2000 package, the Commission published guidelines for the integrated use of structural funds and the cohesion funds.¹⁰ This document did not, however, have any legal implications for Member States' use of the funds. They could thus disregard them if they wished, even if the Commission tried to impose its views during the programming document negotiations.

Given the strategic importance of this paper, the fact that the European Parliament will only be consulted needs to be criticised. The proposal should rather be adopted jointly by the European Parliament and the Council, as a framework directive. Following the subsidiarity principle it should, however, leave Member States and regions sufficient flexibility to use the funds according to their own needs. It should furthermore not replace the Commission's responsibility for the monitoring and control of the correct use of the funds. On the basis of the strategic document, each Member State would submit a development strategy which would constitute the framework for the operational programmes. Unlike the Community Support Framework, the development strategy would constitute a strategic document and not a management tool. At operational level, Member States would submit national or regional operational programmes to be adopted by the Commission. The Programme Complement would be abandoned.

Secondly, the structure of the operational programmes would change. In the past the Commission used to be one of the fiercest advocates of an integrated approach. That implied that Member States were not allowed to finance one development priority with only one fund. They were obliged to use at least two funds per development priority. The rationale behind this was that the Commission aimed to achieve a comprehensive regional development strategy by obliging the regions and Member States to include the different funds with different scopes in one operational programme and priority. However, this did not really work out at Member State or regional level and led to a

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patchwork approach. In its third cohesion report, the Commission suggests abandoning this integrated use of funds at programme level. In future, a programme would only be financed by one fund. This innovation would certainly be considered as progress, since it would considerably simplify the delivery system. With the new approach the Commission aims to distinguish the process of setting an overall strategy from that of setting development strategies at Member States level. Strategic guidance would be achieved through the strategy paper and by linking all programmes to the Lisbon and Gothenburg agendas.

Thirdly, the Commission aims to put pressure on Member States to take the partnership principle more seriously during the programming and implementation phases. Tripartite agreements between the national, regional and local authorities should contribute to better coordination of the different levels of governance. The third cohesion report does not mention any role of the Commission in negotiating the tripartite agreements, yet it is hard to imagine that the Commission would not – in one form or another – control Member States' implementation of this provision.

The delivery system

Another area where the Commission opted for an evolution rather than for a revolution is the delivery system. Although the proposal lists very ambitious goals such as "simplification based on more subsidiarity" and "a stronger accent on performance and quality" the real changes are not as far reaching as these ambitions might suggest. However, the third cohesion report is very sketchy about the delivery system, and the formal proposals might therefore reveal some revolutionary suggestions.

One of the ideas presented in the third cohesion report is to simplify the control of the principle of additionality. The Commission suggests verifying the application of this principle only within the convergence Priority. Within the other two Priorities, the Member

States would be responsible for ensuring the respect of this principle. In practice this means that the Commission would mostly control the new Member States, which in their vast majority would benefit from Priority 1. At the same time, it would lessen its controls in the old Member States,

which would mostly fall under Priorities 2 and 3.

Therefore this proposal may be interpreted as a first step towards a differentiated administration. On the one hand, this innovation can be positively evaluated in the sense of reducing bureaucracy. On the other hand, the change could also have negative effects, if it led to different standards being imposed on new Member States and on old ones. Therefore, loosening controls

under Priorities 2 and 3 would have to go hand in hand with penalties for breaching the principle.

In order to strengthen performance and quality the Commission proposes introducing a new instrument, the so-called Growth Adjustment Fund, with a maximum budget of one billion euro per year. An additional one billion could come from the structural funds if Member States did not make use of them within the n+2 provisions.¹¹ The Growth Fund is intended to “optimise the delivery of the growth and cohesion objectives”.¹² So far, the working mechanisms of the fund have been only vaguely defined. This gives rise to two questions:

Firstly, the proposal does not mention which institution – the Council alone or the Council together with the European Parliament and/or the Commission – would decide about the distribution of the funds. The proposal only makes clear that the allocation would take place on the basis of an evaluation of the European Council during its spring summit. Without doubt, in the light of the very long-term planning of the financial perspective, such an instrument is surely useful. Yet democratic procedures have to be respected and the European Parliament should not be bypassed in the process. The current financial perspective already includes such a flexibility instrument, although financially much more modest with an annual budget of no more than 200 million euro.¹³ However, the use of the present flexibility reserve must jointly be decided by the two arms of the budgetary authority, i.e. the Council of Ministers and the European Parliament.

Secondly the suggestion leaves open the question of how exactly this Growth Fund would be combined with existing programmes. Would it for instance work as some sort of additional funding for research or infrastructure programmes?

Although the two billion euro is a considerable amount of money, it would not be sufficient to have a major impact on any of the Member States’ growth policies. Two billion euro may be enough to exert a stabilising effect in a small Member State; in a big Member State it would not even have that impact. Therefore, this Growth Fund does not so far seem to have either a clear focus or task. Given that a number of Member States question the Commission’s proposed spending level, the Growth Fund seems likely to be a victim of the forthcoming negotiations.

To increase the quality of structural funds management, the Commission suggests a roadmap, which should “bring together goals, objectives, instruments and indicators as well as a stringent timetable

to assess whether agreed benchmarks have been reached”.¹⁴ The priorities outlined in the roadmap should be complemented by action plans at Member State level. Although this roadmap would apply to all Community instruments, it would have special implications for the structural funds, because not reaching the roadmap targets would imply the loss of funds. The new revised performance reserve proposed by the Commission implies that those Member States which reached their roadmap targets would receive a share from the performance reserve. However, the exact working mechanisms of the reformed performance reserve have yet to be spelled out in the formal proposal.

Another reform with a potentially great impact concerns the measure geared to support rural development. In the present programming period, support for rural development is split between the Common Agricultural Policy and the structural policy. This requires different funding schemes and different programming documents under the two headings. Not surprisingly, this has sometimes led to friction between the programmes and support schemes and certainly to synergy losses. The Commission proposes to fundamentally change this structure and move rural development entirely under the Common Agricultural Policy (CAP). The new heading 2 would include CAP (i.e. market-related expenditure and direct payments), rural development and – as a new element – environmental policy. Of these three elements, only the first, i.e. market-related expenditure, has been set as a result of the Brussels European Council compromise of 2002. It is yet to be seen how the funds would be split between rural development and environment.

Furthermore, it is to be hoped that the merger of rural development into one heading would ensure that not only farmers would benefit from support under the rural development support scheme. In order to survive and develop a healthy and stable economic basis, rural areas need a comprehensive development plan involving different types of social and economic actors. In any event, this change implies that there would be no need to designate eligible areas for rural development support any more.

Similarly, the Commission suggests moving the fishery fund under the Common Fisheries Policy.

This means that, out of the formerly four structural funds, only the European Regional Development Fund (ERDF) and the European Social Fund (ESF) would remain under the structural policy heading. The Commission proposals claim that this limitation to two structural funds, plus the Cohesion Fund, would constitute a major reform step in the

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Another reform with a potentially great impact concerns the measure geared to support rural development.

structure of the fund.¹⁵ However, this reform is more cosmetic than structural, and the number of funds would remain the same. The only change would be that they would come under the authority of the respective policy concerned.

Conclusion

Overall, the Commission's Agenda 2007 proposals put a stronger accent on performance and quality and hint at courageous reform. Structural operations should generate value for money, and the funds should focus on projects which generate a European-level added value. The Commission's suggestions point in the right direction, because they balance solidarity for the new Member States and weak regions in the old Member States on the one hand, with investments in future tasks on the other hand. In comparison to previous financial perspectives this

constitutes a paradigm shift. For the first time, the Common Agricultural Policy would not be the dominant expenditure category.

With regard to EU cohesion policy, the Commission has opted for an evolution instead of a revolution. This seems to be a wise approach, since the Agenda 2000 reforms have already introduced provisions which the Member States still have to get used to.

The Commission has started the debate on the Agenda 2007 reforms. The formal proposal on the reform of structural policy will follow in summer this year. Then it will be up to the Member

States to examine the proposals politically and find a compromise between diverging interests. It is to be hoped that, during this debate over expenditure limits and division of funds, national interests do not outweigh European interests.

For the first time, the Common Agricultural Policy would not be the dominant expenditure category.

NOTES

- ¹ Although in the following the article talks about the Commission proposal, it should be made clear that the third cohesion report does not constitute a formal proposal in the sense of Art. 250 EC Treaty. The Commission indicated that the formal proposals will be submitted in June/July this year.
- ² Agence Europe No. 8681, 6 April 2004 & Agence Europe No. 8692, 24 April 2004.
- ³ European Commission, "Building our common Future: Policy challenges and budgetary means of the Enlarged Union 2007-2013", COM(2004) 101 final, p. 3.
- ⁴ Sapir Report, "An agenda for a growing Europe: Making the EU economic system deliver", July 2003, p. 149.
- ⁵ European Commission, "A new partnership for cohesion: convergence, competitiveness, cooperation, third report on economic and social cohesion" (Third cohesion report), Brussels February 2004, p. XXXVII.
- ⁶ The current four Community Initiatives are: URBAN, EQUAL, INTERREG, LEADER.
- ⁷ Third cohesion report, p. XXXi.
- ⁸ For instance, Germany and Sweden had proposed to basically only keep Objective 1 and abolish the other two Objectives.

- ⁹ Agence Europe, No 8648, 19.2.2004.
- ¹⁰ European Commission, "The Structural Funds and their coordination with the Cohesion Fund – Guidelines for programmes in the period 2000 to 2006", OJ C 267, 22.9.1999 p. 0002.
- ¹¹ N+2 rule stipulates that Commission commitments in respect of the allocation of assistance shall be carried out on an annual basis throughout the financing period. If the commitment in question, "n", is not subject to an acceptable payment application by the Member State by the end of the second year following the year of commitment ("n+2"), the assistance is automatically decommitted, and cannot usually be recommitted. Council Regulation No 1260/1999 laying down general provisions on the Structural Funds, OJ L 161/1, 26.6.1999, article 31.
- ¹² European Commission, "Building our common future", p. 37.
- ¹³ Interinstitutional Agreement of 6 May 1999 between the European Parliament, the Council and the Commission on budgetary discipline and the improvement of the budgetary procedure, OJ C 172/1, 18.6.1999, Part I, Section F.
- ¹⁴ European Commission, "Building our common future", p. 30.
- ¹⁵ European Commission, Third cohesion report, p. XXXV. □

State Aid: Is Cohesion at the National Level Successful?



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Abstract

The entry of ten new countries in the EU has raised a number of questions about the type cohesion policies that the EU will need in the future and the kind of regional state aid that the EU should allow Member States to grant in the future. This paper examines the impact of regional state aid on regional disparities. It finds that the effect of state aid on regional cohesion is ambiguous, partly because state aid is not proportionally granted to the most needy regions. In the context of the forthcoming debate on reform of structural funds and regional policy it follows that Member States should limit the geographic coverage of regional aid and should take into account the possible negative effects of other types of state aid on regional development or cohesion.

Introduction

One of the fundamental objectives of the European Community is “economic and social cohesion” (see Articles 2, 3 & 158 of the EC Treaty). To achieve that objective the EC spends considerable funds in supporting structural actions – about EUR 30 billion in 2004. The EC also modulates its policies to take into account cohesion (see Article 159 TEC). This means that policies such as competition have to accommodate the goal of cohesion.

At the same time, Member States are required to conduct their own economic policies and coordinate them in such a way as to attain the objectives of development, cohesion and reduction of regional disparities (Article 159 TEC).

To facilitate the achievement of cohesion and to allow Member States to implement policies that comply with Article 159 TEC, the Treaty exempts certain kinds of regional aid from its general ban of state aid.

The purpose of this paper is to assess the record of Member States in using regional state aid as an instrument of national cohesion.² After all, cohesion within the Community will remain an elusive goal for as long as disparities within Member States persist. The paper reports findings of a longer study undertaken on behalf of DG Regional Policy of the European Commission. The study was one of the inputs for the Third Cohesion Report that was published on 18 February 2004.

The main findings of the paper are that, first, state aid in general does not show any significant correlation – either positive or negative – with regional disparities. Second, some types of state aid may worsen regional disparities as they appear to be granted to regions with higher per capita income. Third, although the overall amounts of state aid in the EU have recently declined, some regions have received larger amounts of aid. Fourth, the amounts of state aid received by regions

fluctuate considerably from year to year. Fifth, although most regional state aid goes to poorer regions, when examining just the poorer regions, there appears to be no precise correspondence between regional income and either the overall amount of state aid or the regional aid received by those regions. Sixth, and most importantly, the policy implication of these findings is that Member States need to limit the geographic spread of their regional state aid and, if indeed their intention is to contribute to regional development, they should give proportionally more to the poorest of the poor regions.

Impact of state aid on cohesion

In order to discover what may be the impact of state aid on cohesion it is necessary to define a testable relationship between the two. In other words, we need to form some expectations about the causality between the dependent variable (state aid) and the independent variable (cohesion).

In the cohesion literature there are two competing hypotheses on the effect of spending and investment on cohesion. The “neo-classical” hypothesis suggests that due to declining marginal productivity, regions converge because the impact of investment on the income of poorer regions is proportionally larger than the impact in richer regions with larger stocks of capital. This suggests that, even though the state aid granted in poor regions may be smaller in absolute amount than the state aid in richer regions, the higher marginal productivity of the former will have a compensatory effect.

On the other hand, some analyses based on the new theories of “economic geography” lead exactly to the opposite predictions, although even within these theories there are conflicting perspectives. On balance, a euro of state aid has a much smaller impact on the income of poorer regions because agglomeration effects and externalities are much stronger in rich or central regions.

This impact is attenuated further when the absolute amount of aid is larger in the rich regions.

On the whole, however, the empirical literature has found considerable evidence that there is some positive relation between regional investment and convergence of regional incomes. This suggests that, in general, neo-classical factors outweigh agglomeration factors. The implication of this is that, if there is a negative relationship between state aid and cohesion, then it is likely to be the result of too much state aid to rich regions, which overwhelms the higher marginal productivity of poorer regions.

Generally, we expect regional state aid and horizontal state aid (i.e. aid open to all industries) to have a positive effect on cohesion because most types of state aid allow for higher intensities in assisted areas.

State aid for agriculture (and fisheries) is likely to have a positive effect, since poorer regions tend to be more agriculturally oriented while aid for transport is likely to have neutral effects. Certain sectoral state aid, such as for shipbuilding, automobiles and textiles, is likely to have a positive impact, at least on employment, because most of the recipient industries are based in the old industrial regions many of which are classified as “assisted” areas.

In terms of the opportunity cost of state aid, since most aid is financed by revenue from taxation and since richer areas contribute a larger amount of tax revenue, state aid must also have an indirect positive effect on assisted areas because it imposes a smaller tax burden on them.

If there is a negative relationship between non-regional types of state aid and cohesion, then there is an invisible policy conflict. On the one hand, Member States grant regional aid so as to promote the development of less prosperous regions. On the other, they grant aid for other purposes (e.g. to support Research and Development – R&D) which may indirectly have a negative impact on cohesion because it makes other regions more attractive and eventually more prosperous. If this is the case, then Member States themselves neutralise, perhaps unwittingly, the effectiveness of their own policies.

The EU has a system of state aid control precisely in order to prevent this kind of policy conflict. Naturally, the aim of Community control of state aid is to prevent subsidy wars between Member States rather than between regions of the same Member State. Nonetheless, the Commission, in its various guidelines, tries to take into

account the possibly contradictory objectives of various state aid policies. The results of this study suggest that the Commission has not succeeded in eliminating the contradictory effects of those policies.

More importantly, if the Member States neutralise the impact of regional aid, then by implication, they must also weaken the effect of structural policies. This is indeed an issue of concern for the EU.

Empirical tests

In order to find out how Member States use state aid as a tool for combatting regional disparities, we have formulated the hypothesis that state aid is positively related to divergent rates of regional income (or positively related to disparities). This means that, other things being equal, more state aid is granted when disparities are larger and vice-versa.

More precisely the proposed test can be formulated as follows:

$Income\ Disparity(t+1) = \alpha + \beta(State\ Aid)(t) + \varepsilon$
meaning that differences in regional income in period $t+1$ are a function of state aid in period t plus an unknown error term. The independent variable is lagged by a year because state aid is a policy instrument that can be used proactively.

Data on state aid are divided into four categories each of which is tested separately:

- regional state aid,
- horizontal state aid other than regional aid (e.g. environmental aid),
- transport and agricultural (plus fisheries) aid,
- total state aid.

On the one hand, Member States grant regional aid so as to promote the development of less prosperous regions. On the other, they grant aid for other purposes (e.g. to support Research and Development – R&D) which may indirectly have a negative impact on cohesion because it makes other regions more attractive and eventually more prosperous.

We ran two types of regressions. The first type is over time for each Member State. The relevant period is 1990 to 2000. Given that we lag the independent variable, we lose one year so that we have only ten observations per country. The second type of regression pools data from all the Member States for two periods: 1999 and 2000.

We measure the independent variable (i.e. state aid) in terms of state aid per capita and state aid as a share of GDP (both expressed in real figures) to account for the fact that larger countries are more populous and grant larger amounts of state aid in absolute terms. We measure cohesion or differences in regional income in terms of deviations from national average income per capita expressed in Purchasing Power Standard (PPS).

Our most significant data problems are the

discontinuities in available statistics. For the time-series regressions, we have omitted Austria, Finland and Sweden because for them data on state aid start in the mid-1990s. We have also omitted Denmark, Ireland and Luxembourg because for Ireland the data on regional disparities do not go beyond the mid-1990s while for Denmark and Luxembourg we do not yet have data on disparities. For the same reason we have excluded Denmark and Luxembourg from the cross-country regressions.

Regression results

The regression results on time series are summarised in Table 1, and those on cross-country data in Table 2, at the end of the paper. The time series results indicate the following:

- In many cases, the sign of the slope of the independent variable is negative, implying that larger amounts of state aid are granted when regional disparities are smaller.
- The coefficient of correlation (R-squared) is in many cases very low.
- Regional aid has relatively high R-squared values only in two countries (Belgium and Spain – not shown in Table 1).
- Horizontal aid appears to be significantly related to disparities in only three countries (Belgium, Greece and the Netherlands), but in all three countries the correlation is negative.
- Agricultural and transport aid has a negative sign and is relatively significant only in one country (Spain).
- Total state aid appears to be significant but negatively related to regional disparities in only two countries (Belgium and Greece). Where it is positively related to disparities it does not appear to be significant.

The cross-country results for 1999 and 2000 indicate the following:

- In most cases, the sign of the slope of the independent variable is positive, implying that larger amounts of state aid go hand in hand with larger regional disparities.
- However, the coefficient of correlation (R-squared) is in almost all cases very low and lower than in the time series.
- Regional aid is negatively related to regional disparities, but the values of R-squared are very low.

Case studies³

The regression results obtained above are based on analysis of data from Commission sources – primarily the State Aid Scoreboard. We have also gathered data directly from national and regional sources. The data reported below reveal three features of national state aid schemes which are common in most countries. First, the amounts of state aid granted in each region vary considerably from year to year. This holds even when the national amounts appear to be either stable or declining over time. The implication is that the overall

reduction of state aid reported in the Commission's Scoreboard does not apply to all regions.

Second, the regional distribution of state aid varies, depending on the type of aid. Some types of aid, such as aid to R&D, appear to be granted mostly in richer regions. Some other types, such as aid for regional investment, go mostly to poorer regions.

Third, although most regional aid is granted to poorer regions, within the groups of these regions there is no precise correspondence between the allocated amount of aid and the need of each region as indicated by its level of income. This means that regional aid is not concentrated in the regions that need it the most.

Austria

The Commission's Scoreboard puts Austria's state aid at EUR 2.06 billion in 2001 (at 2000 prices). More than 70% of that aid goes to agriculture, fisheries and transport. Only 5% of total aid, or 20% of non-farm aid, aims to promote regional development.

Given the federal structure of the country, state aid may be granted by the federal authorities, by Länder authorities, and by local authorities such as municipalities. Länder authorities also co-finance expenditure under the European Union's common agricultural policy and structural funds.

As revealed by Tables 3, 4 and 5, Länder governments grant more state aid than the federal government. If richer Länder are able to grant larger amounts of state aid, this raises an important question concerning the impact of aid by lower tiers of government on regional cohesion within Austria.

Greece

The Scoreboard indicates that for 2001, Greece granted EUR 1.3 billion of state aid. Agriculture, fisheries and transport absorb EUR 840 million. Of the remaining aid, EUR 419 million, or 90%, went to regional development. Indeed the main state aid instrument in Greece is Law 2601/98 on investment incentives for economic and regional development. Under that law, 420 and 465 investment projects were approved in 2000 and 2001, respectively.

However, when the amount of state aid granted through the approved investment projects is quantified, the reported figures show only EUR 201.07 million and EUR 220.92 million for 2000 and 2001, respectively. That is about half of the amount shown in the Scoreboard.

Table 6 indicates that some regions experience considerable annual variability in the amount of state aid. The table also indicates that most investment incentives for regional development actually go to relatively richer regions which are economically more active.

Italy

The Commission's Scoreboard indicates that in 2001 Italy granted EUR 4.11 billion of aid (in 2000 prices) in sectors other than agriculture, transport and fisheries. Our data show a much higher amount for the same year, reaching EUR 5.2 billion. Of this amount the largest

category of aid was for “reduction of territorial inequalities” (46%). In this connection, it is worth noting that Germany and Italy accounted for 50% of all regional state aid granted in the EU in 2001.

The second and third largest categories of aid in Italy, other than for agriculture and transport, were aid to R&D and aid to investment, accounting for 24% and 10% of total aid to manufacturing and services, respectively. Apparently, Italy has introduced “automatic” incentives for R&D, investment and purchasing of new equipment. This raises the question whether all of these incentives can count as state aid. If they are state aid, then this may also explain the higher amount of aid recorded in the statistics we have obtained.

Of the aid that was granted to business in 2001, 62% went to SMEs. However, in the south, SMEs received 67% of aid while in the centre and north they accounted for only 53% of aid. This suggests that in richer regions of Italy, a higher proportion of aid is absorbed by large companies.

Table 7 presents the amounts of aid to businesses per region in the years 2000 and 2001. As is the case with other countries, larger amounts of aid are granted in the poor regions than in the richer regions. This is also indicated by the significance of the aid to the recipient regions. The proportion of aid in relation to non-farm valued-added was 0.20% in the centre and north while in the south it rose to 1.10%.

However, and in common again with other countries, there is significant variation of the amount of aid within poor and within rich regions, with no close correlation between the income of the region and the amount of state aid within each group. There is also variation from year to year in the reported amount of aid granted in each region.

Spain

In Spain, state aid may be granted by public authorities at different levels of government. Unfortunately, we have not been able to find data on state aid granted by each of Spain’s autonomous regions.

The regional distribution of regional state aid is shown in Table 8. Two things stand out from the Table. First, for some regions the amount of aid varies considerably from year to year. Second, there is no strict correlation between the prosperity of each region and the amount of state aid.

Main findings and policy implications

On the basis of the empirical testing and the data collected directly from national sources, we reach the following conclusions:

- There appears to be no overwhelming evidence that Member States grant more state aid when regional disparities grow larger or that state aid correlates with reduced regional disparities.
- Although the overall amounts of state aid in the EU have recently declined, some regions have received larger amounts of aid.
- The amounts of state aid received by regions fluctuate considerably from year to year.
- Some types of state aid like R&D aid are inversely related to regional income, with the richer regions receiving larger amounts of such aid.
- By and large, most regional state aid goes to poorer regions. However, when examining only poorer regions, there appears to be no precise correspondence between regional income and either the overall amount of state aid or regional aid received by the poorer regions.
- In Member States with federal structures, regional authorities grant significant amounts of state aid. Since richer regions can afford to grant larger amounts of aid, the policy decisions of sub-national governments may also have a considerable impact on national cohesion.

**There appears to be no
overwhelming evidence that Member
States grant more state aid when
regional disparities grow larger or
that state aid correlates with
reduced regional disparities.**

These findings have at least one significant policy implication. Even though cohesion is one of the fundamental objectives of the Community and absorbs about 30% of the EU budget, the aid schemes that are implemented by Member

States have, at best, a neutral impact on cohesion. Nonetheless, they are more likely to have negative effects. This implies that Member States may be unwittingly acting contrary to both Community objectives and their own policy aims.

The results of this study suggest a natural solution to this policy problem. Since the purpose of regional state aid is to contribute to regional development and since the poorest regions are facing more handicaps than less poor regions, it follows that Member States should limit the geographic spread of aid so that it benefits proportionally more the poorest of the poor regions.

Conclusion

The European Union has just experienced its most ambitious enlargement ever. All of the ten countries scheduled which joined the EU in May 2004 are relatively poorer than the EU average. All of them, with the exception of Cyprus, will have their whole territories or significant parts of them designated as Objective 1 regions or convergence regions (see the article on reform of structural funds in this issue of *Eipascope*). This means that many assisted areas in the existing Member

States will lose their eligibility for state aid under Article 87(3)(a). Politically, Member States treat this as an adverse development. The findings of this study suggest that it should not necessarily be so.

The impact of state aid on regional cohesion is ambiguous, partly because state aid is not proportionally granted to the most needy regions. It follows, therefore, that Member States should limit the geographic coverage of regional aid. Some regions will not qualify to receive aid. “De-qualified” regions will resist that. In the context of the EU negotiations on structural funds, Member State governments will also resist that. But policy reform at the EU level may provide governments with an “excuse” to introduce similar reforms in national state aid policies. Such reforms that limit the geographic spread of aid are not necessarily contrary to national interests.

NOTES

- ¹ Professor, European Institute of Public Administration. I am grateful to Philip Buyskes for research assistance.
- ² This paper focuses on national cohesion; i.e. income and other discrepancies between regions within the same Member State. This should be contrasted to Community cohesion which refers to differences between regions across the EU.
- ³ The sources of data for the case studies are as follows. For Austria: ISIS Data Base, Statistik Austria. For Greece: Ministry of National Economy. For Italy: Ministry of Finance. For Spain: Ministerio de Hacienda: La programación regional y sus instrumentos. Informe Anual 2001 y 2002. □

Tables

Table 1: $Income\ Disparity(t+1) = \alpha + \beta (State\ Aid)(t) + \varepsilon$ (1990-2000)
(per capita GDP at PPS vs real state aid as % of GDP & real state aid per capita)
Sign of independent variable (* = significant at 90% level).

Aid expressed as % of GDP and as aid (euro) per capita; per country during 1990-2000

| | Regional aid | Horizontal aid | Aid for agriculture & transport | Total aid |
|--------------------|---------------------|-----------------------|--|------------------|
| Belgium | +/+ | -/- (*) | -/+ | -/- (*) |
| France | -/- | +/+ | +/+ | +/+ |
| Germany | +/+ | -/- | +/+ | +/+ |
| Greece | +/+ | -/- (*) | +/+ | -/- (*) |
| Italy | -/- | -/- | -/- | -/- |
| Netherlands | -/- | -/- (*) | +/+ | -/- |
| Portugal | -/- | -/+ | -/+ | +/+ |
| Spain | +/+ | +/+ | -/- (*) | -/- |
| UK | -/- | -/- | +/+ | +/+ |

Table 2: $Income\ Disparity(t+1) = \alpha + \beta (State\ Aid)(t) + \varepsilon$ (1999, 2000)
(per capita GDP at PPS vs real state aid as % of GDP & real state aid per capita)

| Type of state aid | Intercept | Independent Variable | R-squared |
|-------------------------------|------------------|-----------------------------|------------------|
| 2000 | | | |
| Regional | 26.134 | - 18.294 | 0.107 |
| | 24.410 | - 0.03 | 0.020 |
| Horizontal | 14.987 | 46.526 | 0.185 |
| | 12.35 | 0.29 | 0.379 |
| Agric. & Transport | 20.100 | 4.919 | 0.041 |
| | 18.94 | 0.03 | 0.112 |
| Total | 22.418 | 0.836 | 0.001 |
| | 24.61 | - 0.01 | 0.023 |
| 1999 | | | |
| Regional | 24.946 | - 9.584 | 0.059 |
| | 23.71 | - 0.02 | 0.006 |
| Horizontal | 16.639 | 37.896 | 0.162 |
| | 14.83 | 0.24 | 0.289 |
| Agric. & Transport | 20.060 | 4.477 | 0.042 |
| | 19.14 | 0.03 | 0.105 |
| Total | 20.667 | 1.980 | 0.007 |
| | 15.39 | 0.03 | 0.145 |

Table 3: Austria: Federal state aid (EUR, million)

| Region | GDP/head (2000, PPS) | Total aid | | Total aid as % of regional GDP | |
|-------------------------|-------------------------|-----------|--------|-----------------------------------|------|
| | | 2000 | 2001 | 2000 | 2001 |
| Wien | 157 | 132.84 | 113.61 | 0.24 | 0.20 |
| Salzburg | 131 | 41.11 | 33.58 | 0.28 | 0.22 |
| Vorarlberg | 118 | 47.96 | 42.46 | 0.55 | 0.46 |
| Tirol | 113 | 85.50 | 48.38 | 0.51 | 0.28 |
| Oberösterreich | 109 | 148.64 | 157.97 | 0.41 | 0.46 |
| Niederösterreich | 97 | 85.21 | 106.87 | 0.29 | 0.32 |
| Kärnten | 96 | 57.27 | 70.35 | 0.44 | 0.58 |
| Steiermark | 96 | 125.20 | 95.87 | 0.50 | 0.37 |
| Burgenland | 73 | 38.80 | 76.77 | 0.82 | 1.67 |
| Total | | 770.08 | 748.28 | 0.37 | 0.36 |

Table 4: Austria: Länder state aid (EUR, million)

| Region | GDP/head (2000, PPS) | Total aid | | Total aid as % of regional GDP | |
|-------------------------|-------------------------|-----------|----------|-----------------------------------|------|
| | | 2000 | 2001 | 2000 | 2001 |
| Wien | 157 | 141.524 | 110.632 | 0.25 | 0.19 |
| Salzburg | 131 | 67.774 | 65.666 | 0.44 | 0.43 |
| Vorarlberg | 118 | 43.490 | 46.578 | 0.47 | 0.50 |
| Tirol | 113 | 131.226 | 147.634 | 0.77 | 0.86 |
| Oberösterreich | 109 | 177.029 | 227.770 | 0.52 | 0.67 |
| Niederösterreich | 97 | 194.709 | 197.752 | 0.58 | 0.59 |
| Kärnten | 96 | 93.564 | 105.380 | 0.77 | 0.86 |
| Steiermark | 96 | 151.563 | 132.890 | 0.58 | 0.51 |
| Burgenland | 73 | 134.592 | 106.700 | 2.92 | 2.32 |
| Total | | 1135.471 | 1141.002 | 0.54 | 0.54 |

Table 5: Austria: Total state aid (EUR, million)

| Region | GDP/head (2000, PPS) | Total aid | | Total aid as % of regional GDP | |
|-------------------------|-------------------------|-----------|---------|-----------------------------------|------|
| | | 2000 | 2001 | 2000 | 2001 |
| Wien | 157 | 277.57 | 224.24 | 0.49 | 0.39 |
| Salzburg | 131 | 138.72 | 122.78 | 0.91 | 0.80 |
| Vorarlberg | 118 | 119.09 | 118.17 | 1.28 | 1.27 |
| Tirol | 113 | 241.01 | 218.71 | 1.41 | 1.28 |
| Oberösterreich | 109 | 355.13 | 420.25 | 1.04 | 1.23 |
| Niederösterreich | 97 | 353.33 | 354.03 | 1.05 | 1.05 |
| Kärnten | 96 | 187.34 | 222.40 | 1.53 | 1.82 |
| Steiermark | 96 | 350.84 | 306.22 | 1.35 | 1.18 |
| Burgenland | 73 | 185.71 | 197.42 | 4.04 | 4.29 |
| Total | | 2208.74 | 2184.23 | 1.05 | 1.04 |

*Table 6: Greece: Aid to investment and regional development
(incentives granted through Law 2601/98) (EUR, million)*

| Region | GDP/head (2000, PPS) | State aid | | State aid as % of regional GDP | |
|----------------------------|-------------------------|-----------|-------|-----------------------------------|------|
| | | 2000 | 2001 | 2000 | 2001 |
| Notio Aigaio | 80 | 8.36 | 11.05 | 0.17 | 0.22 |
| Attiki | 77 | 39.80 | 13.14 | 0.07 | 0.02 |
| Stereia Ellada | 76 | 45.22 | 23.02 | 0.39 | 0.20 |
| Kentriki Makedonia | 68 | 21.04 | 42.33 | 0.08 | 0.15 |
| Dytiki Makedonia | 67 | 1.80 | 1.43 | 0.04 | 0.03 |
| Voreio Aigaio | 66 | 5.45 | 5.22 | 0.20 | 0.19 |
| Kriti | 66 | 13.91 | 12.30 | 0.16 | 0.15 |
| Thessalia | 61 | 13.32 | 7.90 | 0.13 | 0.08 |
| Ionia Nisia | 59 | 4.34 | 5.19 | 0.16 | 0.19 |
| Peloponnisos | 57 | 3.98 | 14.02 | 0.05 | 0.16 |
| Anatoliki Mak.-Thr. | 55 | 22.70 | 62.51 | 0.33 | 0.90 |
| Dytiki Ellada | 51 | 11.21 | 9.91 | 0.13 | 0.12 |
| Ipeiros | 47 | 9.94 | 12.91 | 0.25 | 0.32 |

Table 7: Italy: Aid to business (EUR, million)

| Region | GDP/head (2000, PPS) | Aid to business | | Business aid as % of regional GDP | |
|-----------------------|-------------------------|-----------------|------|--------------------------------------|------|
| | | 2000 | 2001 | 2000 | 2001 |
| Trentino | 136 | 11 | 8 | 0.04 | 0.03 |
| Lombardia | 135 | 309 | 541 | 0.11 | 0.20 |
| Emilia-Romag. | 129 | 180 | 214 | 0.15 | 0.18 |
| Piemonte | 120 | 196 | 230 | 0.17 | 0.20 |
| Valle d'Aosta | 123 | 1 | 2 | 0.03 | 0.06 |
| Veneto | 119 | 192 | 161 | 0.16 | 0.13 |
| Friuli-Venezia | 114 | 158 | 124 | 0.52 | 0.41 |
| Toscana | 114 | 147 | 144 | 0.16 | 0.16 |
| Lazio | 113 | 169 | 184 | 0.13 | 0.14 |
| Liguria | 108 | 102 | 173 | 0.26 | 0.44 |
| Marche | 102 | 75 | 68 | 0.22 | 0.20 |
| Umbria | 101 | 48 | 41 | 0.25 | 0.21 |
| Abruzzo | 84 | 143 | 123 | 0.59 | 0.51 |
| Molise | 79 | 49 | 40 | 0.84 | 0.69 |
| Sardegna | 76 | 218 | 246 | 0.78 | 0.88 |
| Basilicata | 73 | 101 | 147 | 1.01 | 1.47 |
| Puglia | 67 | 405 | 482 | 0.65 | 0.78 |
| Campania | 65 | 558 | 782 | 0.65 | 0.92 |
| Sicilia | 65 | 379 | 667 | 0.51 | 0.89 |
| Calabria | 62 | 224 | 382 | 0.78 | 1.33 |

Table 8: Spain: Regional aid (EUR, million, 2001, 2002)

| Region | GDP/head (PPS, 2000) | Regional aid | | Regional aid as % of regional GDP | |
|-----------------|-------------------------|--------------|------|--------------------------------------|------|
| | | 2001 | 2002 | 2001 | 2002 |
| Madrid | 110 | | | | |
| Navarra | 105 | | | | |
| Pais Vasco | 102 | | | | |
| Catalunia | 100 | | | | |
| Balearic IIs | 98 | | | | |
| Rioja | 91 | | | | |
| Aragon | 88 | 18.5 | 8.8 | 0.08 | 0.04 |
| Cantabria | 80 | 15.7 | 10.3 | 0.16 | 0.11 |
| Valencia | 79 | 33.6 | 34.9 | 0.05 | 0.05 |
| Canary IIs | 78 | 27.6 | 33.3 | 1.28 | 1.54 |
| Castilla Leon | 76 | 38.0 | 26.7 | 0.09 | 0.06 |
| Asturias | 71 | 36.2 | 15.3 | 0.21 | 0.09 |
| Murcia | 69 | 12.9 | 48.0 | 0.07 | 0.27 |
| Ceuta&Melilla | 68 | 0 | 0 | 0.00 | 0.00 |
| Castilla Mancha | 67 | 4.6 | 7.7 | 0.02 | 0.03 |
| Galicia | 65 | 18.0 | 31.7 | 0.05 | 0.08 |
| Andalucia | 61 | 57.7 | 42.0 | 0.06 | 0.04 |
| Extremadura | 53 | 5.8 | 9.8 | 0.05 | 0.08 |

Annex: State aid in the EU

| Country | State aid in 2001 (euro million, 2000 prices) | | | | State aid as percentage of GDP (2000) | | | |
|------------|--|------------|--------------|----------|--|------------|---------------|-------|
| | Regional | Horizontal | Agr.+ Trans. | Total | Regional | Horizontal | Agr. + Trans. | Total |
| A | 108.2 | 403.7 | 1,509.5 | 2,056 | 0.05 | 0.15 | 0.77 | 0.99 |
| B | 273.8 | 495.2 | 2,551.9 | 3,330.3 | 0.11 | 0.21 | 1.04 | 1.37 |
| DK | 9.1 | 1,136.4 | 1,188.5 | 2,369 | 0.0 | 0.68 | 0.69 | 1.51 |
| D | 2,107.4 | 5,405.7 | 11,420.3 | 23,273.5 | 0.11 | 0.32 | 0.56 | 1.26 |
| E | 408.2 | 1,046.2 | 2,035.8 | 4,658.6 | 0.07 | 0.23 | 0.35 | 0.88 |
| FIN | 47.6 | 315.7 | 1,698.4 | 2,073.9 | 0.05 | 0.26 | 1.40 | 1.76 |
| F | 704.7 | 2,501.4 | 9,739.4 | 15,844.3 | 0.08 | 0.19 | 0.71 | 1.22 |
| GR | 419.2 | 42.9 | 840.4 | 1,305.7 | 0.48 | 0.02 | 0.56 | 1.07 |
| I | 684.8 | 3,252.7 | 7,878.1 | 11,998.6 | 0.12 | 0.24 | 0.66 | 1.06 |
| IRL | 429.9 | 117.1 | 595 | 1,300.7 | 0.48 | 0.06 | 0.62 | 1.33 |
| L | 10.1 | 18.7 | 240.3 | 273.3 | 0.09 | 0.10 | 1.20 | 1.41 |
| NL | 48 | 516.6 | 3,362.8 | 3,992.2 | 0.04 | 0.12 | 0.81 | 0.98 |
| P | 64.3 | 306.5 | 323.3 | 1,225.1 | 0.07 | 0.28 | 0.30 | 1.17 |
| S | 19.1 | 374.2 | 1,356.8 | 1,862.9 | 0.01 | 0.16 | 0.55 | 0.77 |
| UK | 526.4 | 1,874.5 | 7,910.8 | 10,550.1 | 0.05 | 0.13 | 0.21 | 0.41 |

| Country | State aid per capita (2001) | | | |
|------------|-----------------------------|------------|----------------|--------|
| | Regional | Horizontal | Agri. & Trans. | Total |
| A | 13.32 | 49.71 | 185.88 | 253.17 |
| B | 26.68 | 48.26 | 248.67 | 324.53 |
| DK | 1.70 | 212.45 | 222.19 | 442.89 |
| D | 25.64 | 65.77 | 138.94 | 283.16 |
| E | 10.34 | 26.49 | 51.55 | 117.97 |
| FIN | 9.19 | 60.93 | 327.81 | 400.29 |
| F | 11.84 | 42.03 | 163.63 | 266.20 |
| GR | 39.68 | 4.06 | 79.55 | 123.59 |
| I | 11.84 | 56.23 | 136.20 | 207.43 |
| IRL | 112.54 | 30.65 | 155.76 | 340.50 |
| L | 22.90 | 4240 | 544.90 | 619.50 |
| NL | 3.00 | 32.32 | 210.40 | 249.78 |
| P | 6.42 | 30.58 | 32.26 | 122.23 |
| S | 2.15 | 42.13 | 152.74 | 209.72 |
| UK | 8.80 | 31.33 | 132.33 | 176.33 |

L'obligation des autorités nationales de recouvrer les aides d'État versées illégalement: défenses et implications



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Résumé

Ce n'est pas parce qu'une mesure d'aide d'État n'a pas été notifiée à la Commission qu'elle sera considérée comme incompatible avec le marché commun. Mais elle sera jugée illégale, ce qui signifie que le bénéficiaire risque de se trouver dans l'obligation de la rembourser si, après examen, la Commission la juge incompatible.

Dans cet article, nous nous penchons sur le concept de recouvrement des aides d'État illégales et incompatibles et sur l'obligation à laquelle les autorités nationales des États membres sont soumises de prendre toutes les mesures qui s'imposent à cet égard.

Après une présentation rapide des principes de base sous-tendant le concept de recouvrement, le but recherché et la procédure suivie, j'expliquerai pourquoi il est si important pour les États membres de recouvrer les aides d'État versées illégalement et en quoi les règles communautaires et la jurisprudence des tribunaux de la Communauté ne permettent guère aux États membres de se soustraire à cette obligation. Dans ce contexte, j'examinerai plusieurs situations où une décision de recouvrement de la Commission peut être évitée ou s'avérer très difficile à appliquer.

Introduction

Supposons que vous soyez à la tête d'une entreprise. Vous présentez une demande d'aide d'État dans le respect des lois et procédures nationales et les autorités vous l'accordent. Quelques années plus tard, vous apprenez que cette aide a été jugée incompatible avec le marché commun et que vous devez la rembourser, avec les intérêts en plus. Quels recours avez-vous? Imaginons maintenant que vous soyez fonctionnaire. Vous appliquez, dans le respect de toutes les lois et procédures nationales, une mesure de soutien en faveur d'un secteur d'activité ou d'une région. Mais vous ignorez que cette mesure pourrait être qualifiée d'aide d'État. Plusieurs années plus tard, la Commission la juge incompatible avec le marché commun et vous ordonne de recouvrer les sommes versées, avec les intérêts. Il est possible que beaucoup de choses aient changé depuis que la mesure a été appliquée. Quels recours avez-vous?

La Commission est en droit d'ordonner à un État membre de recouvrer les aides d'État accordées aux bénéficiaires sans l'accord préalable de la Commission et jugées incompatibles avec le marché commun. L'État membre concerné doit recouvrer l'aide immédiatement, en suivant les procédures nationales.¹

Citons un exemple tiré de la jurisprudence. En 1997, le gouvernement néerlandais a adopté un programme de subventions temporaire (se terminant en 2000) en vue de soutenir les personnes/entités possédant et exploitant une ou plusieurs stations-service situées à moins de 20 kilomètres de la frontière avec l'Allemagne, suite à l'augmentation des taxes sur le carburant. La décision du gouvernement néerlandais était motivée par la crainte que le consommateur néerlandais soit tenté d'aller faire

le plein dans les stations-service allemandes de la région frontalière suite à cette augmentation. Le montant maximal de la subvention était de 100 000 euros par candidat en trois ans. La Commission a déclaré que la mesure d'aide non notifiée était en partie incompatible avec le marché commun, en raison du cumul de l'aide et du manque d'informations fournies par le gouvernement néerlandais, et a ordonné son recouvrement auprès des bénéficiaires.²

Contrairement aux tribunaux nationaux, la Commission ne peut pas ordonner qu'une aide d'État soit remboursée simplement en raison du fait qu'elle n'a pas été notifiée conformément à l'article 88(3) CE.³ À cet égard, les tribunaux nationaux doivent offrir aux personnes concernées la perspective certaine que toutes les conclusions appropriées seront tirées du non-respect de la dernière phrase de l'article 88(3) CE, conformément à leur droit national, en ce qui concerne la validité des mesures donnant effet à l'aide, le recouvrement du soutien financier accordé en violation de cette disposition et les mesures provisoires possibles.⁴ L'ouverture d'une procédure par la Commission en vertu de l'article 88(2) ou 88(3) CE ne dispense pas les tribunaux nationaux de leur devoir de protéger les droits des personnes en cas de non-respect de l'obligation de notification préalable.⁵ Par conséquent, les autorités nationales ayant accordé l'aide, ainsi que toutes les autres parties intéressées, telles que les concurrents des bénéficiaires de l'aide concernés qui risquent de subir une perte en raison de l'octroi de l'aide illégale, peuvent demander aux tribunaux nationaux d'ordonner le recouvrement des sommes versées en raison du non-respect de l'article 88(3) CE, sans statuer sur la compatibilité de la mesure.

Les autorités nationales peuvent également demander le remboursement des sommes accordées sans attendre la décision de la Commission et avant de porter l'affaire devant les tribunaux nationaux.

Ainsi, le recouvrement constitue la conséquence inévitable de la découverte qu'une mesure d'aide est incompatible avec le marché commun.⁶ Il ne peut être évité que dans des cas exceptionnels, comme je l'expliquerai plus en détail ci-dessous. Cependant, bien que les règles communautaires et la jurisprudence des tribunaux de la Communauté rendent si difficile pour les États membres d'échapper au recouvrement, le simple fait que la mise à exécution des ordres de recouvrement de la Commission ait lieu selon les procédures nationales constitue le point faible du système, en raison du conflit d'intérêts inhérent (l'État étant à la fois le donateur de l'aide et l'institution effectuant le recouvrement)⁷. Mais ce n'est pas tout. Dans de nombreux cas, les États membres affirment que le droit national rend le recouvrement tout simplement impossible, alors que dans d'autres le recouvrement interfère avec les procédures de faillite, dont les États membres invoquent généralement les particularités et les difficultés en vue de soutenir qu'il ne pourrait pas être dans l'intérêt de la Communauté de demander le remboursement des sommes versées.⁸

En réponse aux problèmes susmentionnés, la Commission a récemment créé une nouvelle unité au sein de la DG Concurrence, chargée d'analyser les obstacles au recouvrement, d'identifier les solutions possibles et de veiller à ce que ses décisions soient mises en application.

L'objet de cet article est d'examiner les difficultés que suppose, pour les États membres, le recouvrement de l'aide déjà versée et comment, et dans quelle mesure, ils peuvent se défendre contre les décisions de la Commission ordonnant le recouvrement.⁹

Avant d'envisager ce que les États membres peuvent faire pour éviter le recouvrement, il importe de comprendre le but des ordres de recouvrement et la procédure suivie.

I. But du recouvrement

Lorsque la Commission découvre qu'une mesure d'aide est incompatible avec le marché commun, elle doit prendre une décision négative interdisant le versement de l'aide.¹⁰ Si toutefois l'aide en question a déjà été versée sans notification préalable, la décision peut prendre la forme d'un ordre imposant aux autorités nationales de recouvrer l'aide.

Ainsi, l'objectif de l'obligation imposée aux États

membres de recouvrer l'aide que la Commission déclare incompatible avec le marché commun est de revenir à la situation existant avant le versement de l'aide.¹¹ Cet objectif est atteint une fois l'aide remboursée par le bénéficiaire, qui renonce ainsi à l'avantage dont il bénéficiait par rapport à ses concurrents sur le marché. La situation préalable au versement de l'aide est alors rétablie.¹²

II. Procédure

Comme indiqué plus haut, le recouvrement de l'aide s'effectue dans le respect des procédures nationales. En cas de décision négative prise pour une mesure illégale, la Commission, peut, conformément à l'article 14 du règlement 659/1999, ordonner à l'État membre concerné de prendre toutes les mesures qui s'imposent pour recouvrer l'aide auprès du bénéficiaire.

L'aide à recouvrer s'accompagne d'intérêts au taux fixé par la Commission. Les intérêts courent de la date à laquelle l'aide illégale a été accordée à la date de son remboursement.¹³ Inutile de préciser que les intérêts échus après que le bénéficiaire soit déclaré insolvable sur les aides reçues illégalement avant cette déclaration ne sont pas pris en compte dans le calcul de la somme à recouvrer.¹⁴

Si, par exemple, la Commission a créé chez le bénéficiaire de l'aide une attente légitime l'amenant à penser que la mesure n'a pas à être notifiée par les autorités nationales ou sera jugée compatible avec le marché commun, le recouvrement ne devrait pas être ordonné.

III. Défenses contre les décisions de recouvrement

Dans plusieurs affaires portées devant les tribunaux communautaires, les États membres concernés ont contesté la décision de la Commission de recouvrer l'aide illégalement versée jugée incompatible avec le marché commun.¹⁵

La législation (règlement 659/1999) n'accorde aux États membres qu'un seul outil de défense substantiel à l'appui de leurs actions.¹⁶ En particulier, conformément à l'article 14(1) du règlement, "la Commission n'exige pas le recouvrement de l'aide si cela est contraire à un principe général du droit communautaire". Cependant, comme nous le verrons plus loin, l'application de cette défense est restreinte et n'est pas très en faveur des autorités nationales des États membres.

Si, par exemple, la Commission a créé chez le bénéficiaire de l'aide une attente légitime l'amenant à penser que la mesure n'a pas à être notifiée par les autorités nationales ou sera jugée compatible avec le marché commun, le recouvrement ne devrait pas être ordonné.

Cependant, cette défense est limitée dans sa portée et les autorités nationales des États membres ne peuvent pas l'invoquer. D'après la jurisprudence établie, il revient non pas à l'État membre concerné mais au bénéficiaire

d'invoquer l'existence de circonstances exceptionnelles sur la base desquelles il avait nourri des attentes légitimes l'amenant à refuser de rembourser l'aide illégale.¹⁷ Dans l'affaire RSV contre la Commission, il a été jugé que le délai de 26 mois mis par la Commission pour rendre la décision contestée constituait en l'occurrence une circonstance exceptionnelle sur la base de laquelle le candidat avait nourri une attente légitime, propre à empêcher la Commission d'exiger des autorités néerlandaises qu'elles ordonnent le remboursement de l'aide.¹⁸ De même, dans le jugement préliminaire de l'affaire SFEI contre La Poste, le tribunal national s'est en fait attaché à vérifier si la fourniture d'aide logistique et commerciale par une entreprise publique à ses filiales était assimilable à une aide d'État. En l'occurrence, la Commission a mis plus de trois ans pour prendre une décision. L'avocat général Jacobs a estimé qu'un tel délai justifiait une circonstance exceptionnelle sur la base de laquelle les tribunaux nationaux jugeraient inapproprié d'ordonner le remboursement de l'aide.¹⁹

Ainsi, un État membre ne peut pas invoquer le principe des attentes légitimes du bénéficiaire pour justifier le non-respect de l'obligation de prendre les mesures nécessaires pour appliquer une décision de la Commission lui ordonnant de recouvrer l'aide versée. S'il le pouvait, les dispositions communautaires ne seraient pas prises en compte, dans la mesure où les autorités nationales seraient alors en mesure d'invoquer leur propre non-respect de la loi pour invalider les décisions prises par la Commission conformément aux dispositions du Traité.²⁰ Mais, même dans le cas d'entreprises bénéficiaires, le succès n'est pas du tout garanti, car c'est l'attitude de la Commission qui devrait soulever la protection du principe des attentes légitimes et non pas l'attitude ou la loi de l'État membre concerné. En d'autres termes, les entreprises bénéficiaires devraient avoir connaissance de la procédure d'octroi d'aides d'État et de l'obligation de notification. Le fait de ne pas en avoir connaissance ne les habilite pas à recourir aux dispositions législatives nationales pour éviter de recouvrer l'aide illégalement accordée.²¹

La jurisprudence des tribunaux communautaires s'est avérée plus généreuse et confère aux États membres plusieurs arguments de défense pouvant être invoqués, selon les faits, pour annuler une décision de la Commission ordonnant le recouvrement. Cependant, même avec ces arguments, il est difficile d'obtenir gain de cause.

Les tribunaux communautaires ont toujours indiqué que la seule défense possible pour un État membre

s'opposant à un ordre de recouvrement est d'affirmer qu'il lui était absolument impossible de faire appliquer la décision correctement.²² Il s'ensuit que les États membres présentent aux tribunaux de nombreux arguments à l'appui du critère de "l'impossibilité absolue". Dans la récente affaire Commission contre l'Italie, la Commission a intenté un procès à la CJE pour une déclaration selon laquelle, parce qu'elle n'avait pas adopté dans les délais prescrits toutes les mesures nécessaires pour le recouvrement auprès des bénéficiaires de l'aide jugée, selon la décision de la Commission n° 2000/128/CE du 11 mai 1999 concernant l'aide accordée par l'Italie en faveur de l'emploi²³, illégale et incompatible avec le marché commun, et parce qu'elle n'avait pas notifié la Commission de ces mesures, l'Italie n'avait pas rempli ses obligations conformément

aux articles 3 et 4 de cette décision et au Traité de la CE. Dans sa défense, l'Italie a admis qu'elle n'avait pas encore procédé au recouvrement des sommes en question en raison des difficultés rencontrées par les autorités italiennes pour identifier les bénéficiaires de l'aide illégale et des doutes que les autorités avaient quant au montant à recouvrer²⁴. De même, dans une affaire concernant un programme de

crédit fiscal mis en place par l'Italie pour les transporteurs routiers professionnels jugé incompatible avec le marché commun, l'Italie a indiqué qu'il lui était impossible de recouvrer l'aide pour deux raisons: premièrement, cela créerait un conflit social dont l'État ne pourrait que sortir perdant, et deuxièmement, les opérations techniques nécessaires pour recouvrer ces sommes soulèveraient des problèmes qu'il serait raisonnable de juger insurmontables, étant donné le nombre considérable de personnes concernées et la nécessité de décomposer le crédit fiscal entre différentes taxes et différents taux de taxation.²⁵

Cependant, parce que les tribunaux interprètent ce critère de manière stricte, il est devenu "mission impossible" de parvenir à annuler la décision de la Commission. Les États membres doivent, entre autres, avoir enclenché la procédure de recouvrement des sommes versées et pris toutes les mesures nécessaires auprès des entreprises bénéficiaires avant de pouvoir invoquer l'impossibilité d'appliquer la décision de la Commission.²⁶

Même l'argument généralement invoqué par les États membres et dans l'ensemble logique selon lequel le recouvrement est impossible en raison des difficultés financières du bénéficiaire a été rejeté dans plusieurs cas. À cet égard, comme indiqué ci-dessus, l'ordre de recouvrement a pour but de revenir à la situation qui existait auparavant et de rétablir la concurrence sur un

Les tribunaux communautaires ont toujours indiqué que la seule défense possible pour un État membre s'opposant à un ordre de recouvrement est d'affirmer qu'il lui était absolument impossible de faire appliquer la décision correctement.

marché donné. Par conséquent, les difficultés éventuellement rencontrées pour recouvrer auprès d'une entreprise en mauvaise situation financière l'aide qui lui a été illégalement accordée ne constitue pas une preuve de l'impossibilité d'appliquer l'ordre de recouvrement, parce que l'objectif susmentionné de rétablir la concurrence pourrait être atteint par la liquidation de l'entreprise.²⁷

IV. Conclusion

Lorsqu'elle ordonne le recouvrement, la Commission a pour objectif de rétablir la concurrence et de ramener les choses à la normale. La Commission est tenue, conformément au règlement 659/1999, de contrôler tous les cas d'impossibilité de mise en œuvre du recouvrement avant de passer à l'étape suivante, à savoir ordonner le remboursement des sommes accordées illégalement.

Comme expliqué ci-dessus, les autorités des États

membres disposent de pouvoirs limités pour annuler une décision de la Commission déclarant une mesure d'aide non notifiée incompatible avec le marché commun et ordonnant le recouvrement des sommes versées.

Ce qu'une autorité nationale peut faire à cet égard, c'est essayer de persuader la Commission, au cours de la procédure principale, de ne pas inclure un ordre de recouvrement dans sa décision négative finale, en raison des attentes légitimes nourries par le bénéficiaire ou en raison des particularismes de la législation nationale. Après tout, la Commission et les États membres doivent respecter le principe sous-tendant l'article 5 CE, lequel impose un devoir de coopération légitime entre les États membres et les institutions communautaires. Cela dit, les deux parties devraient travailler ensemble de bonne foi en vue de surmonter les difficultés rencontrées, tout en respectant dans leur intégralité les dispositions du Traité, notamment celles relatives à l'aide d'État.²⁸

NOTES

- ¹ Article 14 du règlement du Conseil (CE) n° 659/1999 du 22 mars 1999 posant les règles détaillées d'application de l'article 93 [actuellement article 88] du traité de la CE, J.O. 1999 L 83/1. Le recouvrement est également ordonné lors des procédures relatives au mauvais usage de l'aide par le bénéficiaire, lorsque l'aide dont il est fait mauvais usage est jugée incompatible avec le marché commun (article 16 du règlement 659/1999).
- ² Décision de la Commission n° 1999/705/CE, J.O. 1999 L 280/87. Voir également l'affaire C-382/99, Pays-Bas contre la Commission, 2002 RJC I-5163, au cours de laquelle la CJE a appuyé la décision de la Commission.
- ³ Affaire C-354/90, FNCEPA contre la France, 1991 RJC I-5505, paragraphe 13.
- ⁴ Ibid. paragraphe 12. Voir également l'avis de la Commission sur la coopération entre les tribunaux nationaux et la Commission en matière d'aide d'État, J.O. 1995 C312/8.
- ⁵ Affaire C-39/94, SFEI contre La Poste, 1996 RJC I-3547, paragraphe 44.
- ⁶ Affaires jointes C-328/99 et C-399/00, Italie et SIM 2 Multimedia SpA contre la Commission (Seleco), 2003 RJC I-4035.
- ⁸ Tableau indicateur des aides d'État, mise à jour du printemps 2004, COM (2004) 256 finale, 20.04.2004.
- ⁸ Ibid.
- ⁹ Les défenses s'appliquent aux États membres effectuant la notification comme aux autres parties intéressées, telles que le bénéficiaire de l'aide. Cependant, par souci de commodité et étant donné que les destinataires d'EIPASCOPE sont des administrations publiques, seuls les termes "États membres" seront employés dans le texte.
- ¹⁰ Article 7(5) du règlement 659/1999.
- ¹¹ Affaire C-348/93, Commission contre l'Italie, 1995 RJC I-679, paragraphe 26.
- ¹² Ibid. paragraphe 27.
- ¹³ Voir le règlement de la Commission appliquant le règlement 659/1999 (non encore publié) pour tout renseignement sur le mode de fixation du taux d'intérêt, IP/04/383.

- ¹⁴ Affaire C-480/98, Espagne contre la Commission, 2000 RJC I-8717, paragraphe 38.
- ¹⁵ Affaire 277/00, Allemagne contre la Commission (non encore communiquée), affaire C-382/99, Pays-Bas contre la Commission (supra note 3), affaire C-142/87, Belgique contre la Commission, 1990 RJC I-959.
- ¹⁶ Inutile de préciser que l'article 15 du règlement 659/1999 prévoit une défense procédurale en limitant le pouvoir de la Commission de recouvrer l'aide à une période de 10 ans à compter de la date de l'octroi de l'aide illégale au bénéficiaire.
- ¹⁷ Affaire T-67/94, Landbroke Racing Ltd contre la Commission, 1998 RJC II-1, paragraphe 183.
- ¹⁸ Affaire C-223/85, RSV contre la Commission, 1987 RJC 4617, paragraphe 17. Voir également l'affaire C-183/91, Commission contre la Grèce, 1993 RJC I-3131, paragraphe 18.
- ¹⁹ Affaire C-39/94, SFEI contre La Poste (supra note 6 de l'avocat général Jacobs, paragraphe 76).
- ²⁰ Affaire T-67/94, Landbroke Racing Ltd contre la Commission (supra note 18, paragraphe 181).
- ²¹ Affaire C-24/95, Land Rheinland-Pfalz contre Alcan Deutschland GmbH, 1997 RJC I-1591.
- ²² Affaire C-348/93, Commission contre l'Italie (supra note 12, paragraphe 16).
- ²³ J.O. 2000 L 42, p. 1.
- ²⁴ Affaire C-99/02, Commission contre l'Italie, jugement du premier avril 2004, paragraphe 11 (non encore communiqué).
- ²⁵ Affaire C-6/97, Italie contre la Commission, 1999 RJC I-2981, paragraphe 32.
- ²⁶ Affaire C-348/93, Commission contre l'Italie (supra note 12, paragraphe 26).
- ²⁷ Affaire C-52/84, Commission contre la Belgique, 1986 RJC 89, paragraphe 14. Pour tous détails concernant le recouvrement en cas de procédure de faillite, voir les affaires jointes C-328/99 et C-399/00, Seleco (supra note 7).
- ²⁸ Ibid. affaire C-52/84, Commission contre la Belgique, paragraphe 17. □

The Presidency in the EU of 25



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Abstract

Working methods in the Council of the EU are under pressure to change in the context of enlargement. New guidelines concerning the preparation and conduct of meetings have been annexed to the Council Rules of Procedure. The next few Presidencies will be important in determining how these new methods will evolve in practice. This article discusses ongoing developments concerning the way that Council business is managed, incorporating insights gained in the framework of the large-scale programme organised together with the Clingendael Institute in the framework of the Dutch Presidency preparations in the first half of 2004.

The Presidency in a changing EU environment

The Presidency of the Council plays a crucial role in EU decision-making. The success of a Presidency is usually associated with the results of Summits but its importance stretches far beyond individual events. All Council business revolves around it. Even though they cannot decide on things alone, Presidency teams can exert a significant influence on how agendas are set, what levels of ambition are pursued, when negotiations can be brought to an end, how interaction is managed with the other European Institutions. The Presidency consequently constitutes an important factor in determining not only the efficiency and effectiveness of the operations in the Council, but also influences the quality of EU policies and legislation.

For some time now, however, the way in which the Presidency is conceived (and sometimes also the way in which it is conducted) has prompted strong debate.¹

On the one hand, the six-monthly Presidency has been subject to many criticisms. To mention only the most obvious, this relatively rapid rotation between countries – whose governments wish to leave their mark and press their own priorities while at the helm – is seen as a source of discontinuity in the European agenda. Cooperation between Presidencies, and between consecutive chairs, is often considered inadequate. Some Presidencies do not prepare adequately or early enough. And it is questioned whether the smallest of the Member States simply have sufficient administrative resources to handle the Presidency.

On the other hand, the system of equal and full rotation, by which all Member States hold the Presidency in turn, is staunchly defended on political grounds, both

as a symbol of the equality of states and as a means to bring the European agenda closer to the populations of the Member States. Moreover, its defenders argue that the Presidencies of small countries have often been notably successful, and that small countries may in fact have some political advantages in this role compared to the largest ones. Yet, with the prospect of enlargement of the Union to 27 or more Member States in the coming years, even the strongest defenders have tended to agree that some rethinking is inevitable in the way the Council is organised and chaired.²

A major step in this reform process was taken at the Seville European Council in 2002. The Seville Conclusions urged Presidencies to work together more closely through annual and multi-annual programmes in which the individual programmes have to be fitted. A first step towards team Presidencies was thus taken. At this time of writing it is highly likely that the 2004 Intergovernmental Conference (IGC) will further define the size and functioning of future Presidency teams (possibly pre-established groups of three countries working together flexibly over a period of 18 months in the sectoral Councils).

The precise nature of the new Presidency system will remain uncertain for the time being, but the preliminary agreements arrived at in the IGC

indicate that some form of rotating Presidency will be retained.

With the innovation of team Presidencies, and the introduction of annual and multi-annual work programming, new ways need to be found to strengthen cooperation between countries. The new way of programming has already resulted in longer-term strategic agendas being prepared by the consecutive

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Presidencies. However, in more day-to-day work, the cooperation between Presidencies has remained of varying strengths and is not yet taking place as intended.

Moreover, with more Member States and more official languages, the efficiency of meetings has become a pressing practical issue both for the Council Secretariat – with a view to ensuring momentum in decision making and keeping meeting costs down – and for the Member States – to be able to handle the work that is involved in aligning 25 Member States. New guidelines have therefore already been adopted regarding how meetings should be prepared and managed, in an annex to the new Council Rules of Procedure adopted in the spring of 2004.

This paper discusses the likely effects that these new guidelines will actually have on the management of Council business.

The particular challenges for the Dutch Presidency

The Dutch have had particular reasons for thinking that their Presidency in the second half of 2004 will be different and in some ways particularly difficult.

Every country thinks that its term at the helm is special and fraught with idiosyncratic difficulties. These fears are to some extent part of a normal ‘pre-Presidency depression’ but they are also genuinely felt in view of difficult files on the table and tricky situations that demand attention. There are always important events that make those involved somewhat nervous, such as elections in the big countries, looming international crises, a recently elected – and hence inexperienced – government. In that sense, all Presidencies are the same.

In this perspective, in preparing for their Presidency, the Dutch have faced more or less the usual quota of uncertainties (will the Irish finish the IGC and, if not, will it be wise to let the IGC rest for a couple of months or try to finish it), possible crises (deterioration in Iraq or the Middle East more generally) and hot potatoes (accession debates, financial discussions, Lisbon process).

Yet there are some special circumstances. A new and enlarged European Parliament will start to function after the June elections, and there will be a new Commission starting at the first of November. Both institutional changes will demand creative approaches to keep up the momentum in decision-making. And there is the simple fact of an enlargement of unprecedented proportions and challenges. It is not only a question of numbers. The new Member States differ in many ways from the previous countries in terms of administrative histories, cultural backgrounds and political situations. Therefore, getting to know the new actors was an important issue already in the Dutch preparations,³ and getting used to this increased diversity will remain a challenge for some time to come.

Although the Irish were the first to deal with an

enlarged Council in the months of May and June, it is the Dutch who will have the first full Presidency in EU 25 and play a major role in seeing how to make work in practice the new guidelines for managing business in the enlarged Council. New ways have to be explored for chairing, organising the workload in the Council and stimulating cooperation between delegations. Extrapolating current ways of working in the approximately 160 working parties with table rounds (“tour de tables”) and unlimited speaking time would lead to an overload of the meeting facilities. Meetings would be more time consuming as well as more expensive in view of interpretation costs. Moreover, rooms and other facilities are already overloaded.

Chairing: business as usual?

The changes in the management of the workload of the Council in the EU of 25 that are flagged in Annex IV of the new Rules of Procedure include:⁴

- *No table rounds in principle.* Instead, more targeted discussions and distribution of information in the form of overviews and background documents are needed.
- *Limitation of speaking time to 2 minutes and prevention of repetition.* Interventions have to be managed so that they are short, and countries have to be prevented from simply reiterating ideas and objections which have already been heard.
- *Negotiations have to be conducted as much as possible outside the meetings.* The pitch of the meeting should be such that only the real sticking points are addressed in the meeting rooms. This changes not only the ways in which meetings are prepared but also the role of the chair in getting groups of countries to negotiate among themselves between meetings. Questionnaires and summary tables can be used to speed up the negotiations by distributing information on positions and sensitivities prior and between the meetings.
- *Get groups to prepare common positions.* To prevent repetition, it is now increasingly important for the chair to attempt to stimulate ‘like minded’ papers and positions – e.g. Benelux memoranda – or to get the contending parties together to solve their differences in between meetings.
- *Only send items to Coreper when the discussions in working parties have isolated the political issues.* The rationale is to unload the Coreper meetings.

In addition, there are new set of rules for interpretation in the meetings⁵ and for translating documents. A distinction is made between meetings that have full translation (‘20-20’ – referring to the 20 official languages that can be spoken in and listened to, for which the Council has only two available rooms) and more limited interpretation schemes, introducing a

Much will depend on what the next few Presidencies do to find a new balance and set new benchmarks.

“request-and-pay” system with lump sums for each language in the Council Secretariat budget. If the needs of particular Member States go beyond that, they will have to cover the costs.

These changes have consequences for the chair as they reduce flexibility. A working party that works with 20-20 cannot use all the rooms. Hence, there are now even fewer rooms to choose from. Moreover, composing the different interpretation teams according to the particular set of languages requested will add further constraints to the Presidency’s planning process. Compared to earlier practice, this means that, at the start of the Presidency, even greater attention has to be given to the allocation of rooms and interpretation facilities. In the past, chairmen would have some flexibility to add meetings at the end of the six months but this will now be even more difficult to organise. Moreover, additional meetings may imply that Member States have to pay more for interpretation if they have used up their lump sum. Priority setting in terms of translation of documents has also increased in importance. The current translation facilities in the Secretariat give preference to Ministerial meetings and publication of legislation. Other papers and meeting documents have much less priority. On the whole, interpretation and translation – always sensitive issues! – will make the life of the chair much more difficult and will demand a great deal of tact in preventing countries from being frustrated by not having documents in their mother tongues or not being able to listen to or speak their languages.

Finally, the increased importance of priority setting in the agenda means that the coordinator that each Presidency has in its Permanent Representation in Brussels will inevitably assume a much stronger position. Unavoidably, more attention has to be given to the issue of how scarce resources can be used for the items on the agenda. The traditionally sensitive relation as regards ‘who is in charge’ during the Presidency – the home capital or the Permanent Representation – will almost certainly shift in favour of the latter.

The fundamental question, however, is whether all these changes in the rules and the linguistic regime will really lead to different ways of working in the Council, that is, for the actual process of chairing meetings? After all, previous enlargements have also been accompanied by pleas for changing working methods, with rather limited results.

Indeed, it could already be seen under the Irish Presidency and in discussions with future Dutch chairs, that some people will try to implement the new rules, but that others consider it appropriate to continue more or less with the current practices of holding some kind of table rounds and of allowing countries as much time as they need to elaborate their positions.

In the first place, it is quite sensitive to cut people

short. Keeping delegations to speaking time is difficult for a number of reasons. It may be undiplomatic, because some countries genuinely have more points to make and major interests to defend, or because the phase in the negotiations make it more appropriate to be flexible with speaking time. Hence, some national as well as European officials are presently sceptical as regards the value of the Annex in the new Rules of Procedure. In addition, table rounds are seen as unavoidable in many situations, and particularly as a means of sharing information and giving countries the opportunity to vent their concerns. This is why other international organisations – which are even bigger than the EU – also rely on them. What is also clear is that many delegations actually think that lengthy table rounds are positive: they provide needed insights into each other’s positions, help to build mutual understanding, and contribute to a good atmosphere. Combined with enough speaking time, they help remove tensions, inasmuch as delegations will then feel less forced to continuously press their points.

Nevertheless, things may change. First of all, the greater transparency in the costs of interpretation may put pressure on chairmen to be more efficient and to make it really worth the time of their peers to attend meetings. In all events, the very presence of ten more countries may reinforce ‘efficiency’ as one of the evaluation criteria that the other delegations would like to see, and the clear expectation which exists that the conduct of meetings should change may in itself create further pressure.

Much will depend on what the next few Presidencies do to find a new balance and set new benchmarks.⁶ If the Netherlands, Luxemburg, the UK and Austria continue with business as usual, then the meetings in Brussels will consume more time and resources from everyone involved. On the other hand, these countries may set new trends. From discussions with some officials from Luxemburg – who take over from the Dutch – it appears that they first want to see the Dutch in action before deciding on how to run meetings. If the Dutch succeed, we may see the start of a new type of professional Presidency that is efficient and highly target-oriented. Whether this suits the social context of the meetings, and whether it supports the group processes that are inevitably needed to arrive at compromises, remains to be seen.

Points of attention for future chairs

In terms of advice to future chairmen, four general sets of recommendations can be made as to how to drive in the expected curve on the road ahead of them.

In the first place, it is essential to maintain a realistic view on the new guidelines. Some rules may make sense technically but present political risks in the course of the negotiations. They have to be seen in relation to the

If the Dutch succeed, we may see the start of a new type of professional Presidency that is efficient and highly target-oriented.

particular culture of the working party as well as to the various phases in the negotiations. To limit speaking time or to request written positions can be suitable at later stages but not at early stages of the process if countries do not have national positions ready. Also, some delegations may inadvertently state firm national interests on record, making later negotiations difficult.

Second, it will be vital to work on the basis of well-thought through strategies – or “battleplans” – for the coming six months.⁷ This will help to determine which sticking points should be dealt with earlier or later, and how many meetings are needed. Moreover, it may help to devote more time to some and less time to other topics.

The third set of recommendations relates to the management of inter-cultural differences and the necessary awareness of the own cultural characteristics. The advantage of restricting the speaking time to two minutes, taking the silence of a delegation as an assent, or preventing purely informative intervention of delegates would for example match the more ‘direct’ Dutch culture. This tendency might however not be so easily accepted by other delegates and may be perceived as being patronising.

Finally, the general advice to future chairs is to liaise even more closely with the Council Secretariat to see what is possible in terms of changing meeting techniques

– also in view of the fact that each group has its own tradition – and to interpret the new rules with flexibility.

The ‘new’ Presidency and the General Secretariat of the Council

The Presidency is not the only actor that needs to explore how best to guarantee the efficiency and effectiveness of the meetings in the Council – and of course in relations with the Commission and the European Parliament. Much will depend on the support

that the Secretariat offers chairmen in finding new ways of working, and the extent to which the Secretariat institutionalises the new procedures in its own organisation and its contacts with Presidencies. The Secretariat is currently in the process of implementing a large-

scale training programme to sharpen its services, partly in view of the need to give better support to Presidencies in their preparation and running of meetings. Particularly in view of the new working methods, the Secretariat will be important both in keeping the focus on efficiency and helping to diffuse experience with new chairing techniques. Whether the next few Presidencies will be able to work more efficiently will partly depend on whether the Secretariat will adopt the new task-oriented culture itself.

Whether the next few Presidencies will be able to work more efficiently will partly depend on whether the Secretariat will adopt the new task-oriented culture itself.

EIPA's Presidency training programmes

Better preparation of Presidencies and improved coordination between Presidencies will not be achieved only by formulating intentions and issuing rules of procedure. It also requires setting benchmarks for chairmen and diffusing experience. This kind of diffusion is needed between Presidencies and with the Secretariat. Training can serve an important function in finding out which mechanisms work, in sharing experience concerning EU negotiations and in building networks between Presidencies.

Since the 1980s EIPA has carried out different kinds of activities for Member States preparing to hold the Presidency. These have been organised in different formats for different countries, ranging from training and development programmes for the entire civil service – as has been the case with, for example, Finland, Portugal and Belgium – to smaller activities for individual ministries and Permanent Representations. In addition, we have been involved in evaluating Presidencies and the coordinating structures which Presidencies have created to manage the workload. The experience gained during the Presidency can be a major inspiration for upgrading existing EU policy coordination mechanisms within and between departments.

In the first half of 2004, EIPA carried out a large-scale Presidency programme for the Dutch Government together with the Clingendael Institute from The Hague. It consisted of three parts: 'the art of chairing' which dealt with the practical roles and responsibilities of the chair; 'chairmanship skills and cultural awareness'; and 'the political challenges'. More than 550 officials participated in the overall programme.

EIPA is already working with the Luxemburg and Austrian Governments on tailor-made Presidency programmes for chairs, for national delegates and – in view of their special responsibilities during the preparations – for management within national ministries. EIPA also organises training programmes for the General Secretariat of the Council, which makes it possible to connect experiences from national and EU officials. With the increasing importance of team Presidencies, finally, EIPA has organised intensive programmes for the officials from the consecutive countries who have to lead the sectoral Councils in more integrated ways.

EIPA will offer in the near future two- and three- day training programmes for future chairpersons in the various policy fields, starting with agriculture, transport, environment, justice and home affairs and CFSP.

These seminars are to be organised by Dr. Adriaan Schout and Nicole Bayer (project leaders). For information on our open seminars, please contact Noëlle Debie (Programme Organiser – n.debie@eipa-nl.com, Tel. +31 43 3296 226).

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- * The authors would like to thank Dr. Edward Best, Head of Unit I, European Governance and Policy Processes, for his thorough comments on an earlier version.
- ¹ Wise Men report 1979; Schout, 1998; Schout and Vanhoonacker, forthcoming.
- ² See Secretary-General of the Council, 1999 – Trumpf-Piris Report
- ³ The training assessment carried out with Institute Clingendael showed that officials were particularly keen on information about recognising and respecting cultural differences between the Twenty-Five. Understanding of the specific problems and negotiating styles of the new countries was one of the main perceived threats among the Dutch officials involved in the Presidency (Keulen, 2004).
- ⁴ Annex IV: Working methods for an enlarged Council, in: Council of the European Union, Council Decision adopting the Council's Rules of Procedure, Legislative acts and other instruments, 5163/04, Brussels 21 January 2004.
- ⁵ Council of the European Union, Decision No 56/04.
- ⁶ The current debates about the reform of the Council has been a constant factor of attention since the Helsinki Summit in 1999.
- ⁷ Guggenbühl, 2004. □

Does the EU Need the Stability and Growth Pact?



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Abstract

The Stability and Growth Pact was adopted by the Amsterdam European Council in 1997, for the purpose of preventing Member States from incurring excessive budgetary deficits in the euro area. Its implementation during the past five years has revealed how difficult it is for the Member States to comply with its strict requirements. The Stability and Growth Pact has twice been at the centre of a European debate regarding its objectives and inflexibility. The purpose of this article is to examine the provisions of the Pact and consider whether there is need for further co-operation on fiscal policy and what such co-operation may entail.

Introduction

Economic growth is facilitated by international co-operation on exchange-rate and monetary stability. No single nation can achieve prosperity by acting alone. This has been especially true for European countries.¹ During the process leading to the adoption of the euro, national governments found themselves in the unprecedented position of having to apply economic policy mostly through the instruments of taxation and government expenditure, i.e. fiscal policy tools. Even at that time monetary policy could not be used very much because national interest rates had to converge. This is even more so today when twelve EU Member States have a single monetary policy managed exclusively by the European Central Bank.

Since national fiscal decisions inevitably have spillovers into other countries, in the run-up to the adoption of the euro it became indispensable that national fiscal policy should be somehow co-ordinated and supervised centrally. For this reason Member States, at least those that aspired to converge and to eventually adopt a single currency, had to agree on measures to ensure sound management of national public policies. The result was the Stability and Growth Pact (SGP) which was adopted by the Amsterdam European Council in 1997.²

However, national authorities have seemed to “suffocate” under the strict fiscal rules of the Pact. There have already been problems, with weak compliance or even non-compliance in several Member States, i.e. Ireland, Portugal, Germany and France. In November 2003 the Commission proposed taking action against those Member States which had persistently breached the provisions of the Pact. However, the ECOFIN Council, taking a position contrary to the Commission’s recommendations, decided not to penalise Germany and France. The Commission then initiated proceedings against the Council before the European Court of Justice,

which is expected to issue its ruling soon. Irrespective of the judicial outcome, the Council decision has had serious political and economic consequences.

Seen in the broader historical context, co-operation on fiscal policy is neither novel, nor avoidable. Yet the events of the past twelve months have raised important questions as to where the boundaries of that co-operation may lie. The purpose of this article is to examine the provisions of the SGP, and to consider whether, after adoption of a single monetary policy, there is further need for co-operation on fiscal policy and what such co-operation may entail.

The two fundamental procedures of the SGP

The Pact is based on two fundamental procedures. The first incorporates the principle of Multilateral Surveillance. According to that principle, each Member State in the Eurozone should present to both the Council and the Commission a five-year³ programme regarding public accounting objectives, beginning on 1 March 1999. After that date the Member States are expected to submit annual updates.⁴ The fact that Member States outside the Eurozone are also obliged to submit convergence programmes shows that distortions of the real exchange rates can occur even for those countries which retain independent monetary policy. It is simply impossible for any single country to determine its own exchange rate, which is partly dependent on the policies of other countries as well.

The Commission’s responsibility is to supervise development of the programmes, monitor implementation, and to draw up a report including proposals to the Council whenever a country is likely to breach the set limits. On the basis of these assessments, the Council makes recommendations to the country in question.

The Multilateral Surveillance maintains a constant “dialogue” on Economic and Budgetary Policy between Member States, the Council and the Commission. The

chief element of this dialogue is the “Broad Economic Policy Guidelines” or BEPGs.

The second procedure is the Excessive Deficit Procedure (EDP),⁵ which is activated whenever there are signs that a Member State’s budget deficit is likely to rise above the ceiling of 3% of Gross Domestic Product (GDP).

The SGP also incorporates sanctions for non-compliance. The Council may impose sanctions in the form of a non-interest bearing deposit with the Community. Deposits are converted into a fine after two years if the excessive deficit is not corrected. Certain arrangements for distributing fines are also included in the Pact.

Signs of trouble

Soon after the implementation of the SGP, its first signs of weakness appeared, as the Eurozone countries faced difficulties in meeting their medium-term obligations. The Council gave early warnings to two countries, first Ireland and then Portugal, while another two, France and Germany were subject to the full Excessive Deficit procedure. However, the ECOFIN stopped the procedure, just before the sanctions stage, on 25 November 2003. To many opponents of EMU, this is the date that the SGP came to an end.

The Commission, defending its role as “guardian” for the implementation of European policies, has initiated legal action against the Council. The Court’s ruling is expected soon. Irrespective of the legal arguments, the question in many peoples’ minds is whether a SGP is needed at all.

Criticisms of the SGP

Since 25 November 2003, doubt has been cast on the feasibility of controlling national fiscal policies, and on the willingness of Member States to comply with the rules in the future. On one side of the fierce debate that has broken out are those who believe that the SGP serves no useful purpose. Summarising their main criticisms,⁶ the SGP:

- is unable to cope with large-scale recessions and adverse economic shocks;
- is asymmetric in that it makes no arrangements for savings during prosperous economic years to be used during recessions;
- discourages public investment;
- focuses on short-term commitments disregarding structural reforms;
- lays down rules which are too uniform, leading to equal levels of budget deficit for countries with different debt levels;

- does not sanction politically-motivated fiscal policies;
- is wrong in its underlying philosophy that fiscal deficits cause inflation (Bofinger);
- focuses on fiscal outcomes instead of fiscal procedures-institutions (Eichengreen);
- suffers from an unfortunate timing between the adoption of the rules and their implementation (Thygesen);
- lacks economic foundations and its rules are arbitrary and easy to breach;
- is a static instrument not promoting growth (Prodi).

Despite these criticisms, the crucial point here is that EU institutions and Eurozone countries have twice committed themselves to the SGP rules: initially in December 1991, when the political decision was taken, and again in October 2002, when the Eurogroup agreed to reduce underlying deficit by 0.5% of GDP a year from 2003 onwards.

Which are the likely consequences of non-compliance?

At present a number of national economies are clearly in breach of EU budgetary rules, and others are close to being so. In the light of the ongoing legal proceedings, the consequences are both economic and political.

There are serious economic consequences in the sense that the required mix of fiscal and monetary policy for stability and growth in Europe is not forthcoming. Too lax fiscal policies can jeopardise the ECB’s monetary policy. This is because there is a clear risk that the ECB will be

forced to raise long-term interest rates. Such a decision by the ECB will affect the exchange rate of the Euro. If nominal interest rates go up this will have a negative impact on investment, which in turn will affect economic growth and employment. Moreover, increased interest rates will have a negative impact on countries with high public debt further, worsening their public finances.

Politically, it is likely that there will be “anarchy” in the Eurozone, as the small economies, expecting to receive the same treatment as France and Germany, may relax their fiscal policies too. If fiscal policies are suddenly relaxed, then the foundations of the EMU will be at risk. Moreover, the present situation has cast doubt more generally on the effectiveness of European institutions.

Proposals for reform

Three main approaches prevail in the current debate

At present a number of national economies are clearly in breach of EU budgetary rules, and others are close to being so. In the light of the ongoing legal proceedings, the consequences are both economic and political.

about the SGP's future which may be referred to as the "Community" approach, the "governmental" approach, and the "reform" approach.

According to the first, the SGP is appropriate in its current form. There is neither any need for changing the EC Treaty, nor to reform the SGP. It is the national governments which should bear the blame because they have been unable to manage their fiscal policies properly. The supporters of this approach – that is, the Commission (although not unanimously), the ECB⁷ and a number of EU countries including Italy, the Netherlands, Portugal, Spain, Estonia and Poland⁸ – argue that the Community should insist on strict compliance with its rules. Furthermore, the role of the Commission should be enhanced to safeguard implementation of the SGP. Monitoring of the budgetary developments should be improved and be based on rigorous accounting rules and timely provision of data. The sanctions procedure should become more automatic and, most important, should be removed from the Council's discretionary authority.

To the advocates of the governmental approach, on the other hand, fiscal policy at the EU level is inefficient. National authorities should be given a more proactive role, and decisions on fiscal rules should be taken at national level. They argue that more fiscal policy autonomy for the national authorities and softer co-operation within the EU will be beneficial for all players and will lead not only to stability but also to sustainable growth. They propose replacing the SGP by new EU rules on fiscal policy, focusing on long-run sustainability targets and short-term stabilisation targets (Lars Calmfors).

Those in the third category believe that the five-year implementation record has shown that the SGP should be reformed but not abandoned. The proposals found in the literature range from minor to radical: that is, from shifting the focus of the SGP from public deficit to public debt, through to the complete centralisation of fiscal policy following the monetary policy paradigm. Among these suggestions are the following.

- The SGP should be improved through minor revisions of the existing rules, mainly by diversification of the medium-term targets. Such a revision should include greater transparency, better monitoring mechanisms to correct misbehaviour in good times, tackling procyclical fiscal bias in good times, stronger discipline and more flexibility (Eijffinger).
- National fiscal assessment should be based on an institutional index, according to which countries will or will not be subject to the EDP (Eichengreen).
- The role of short-term fiscal stabilisation should be

given to an autonomous agency, whereas national governments deal with long-term budget sustainability.

- Independent national bodies should be created with responsibility for fiscal policy. National governments should decide on the levels of expenditure and taxation, and the independent fiscal authority will ensure that the budget is in balance or near surplus (Hefeker).

An assessment

There are no simple or equitable solutions that will satisfy all Member States. On the one hand, change is necessary. On the other, changing the rules or the focus of the rules would be unfair to a number of Member States of the EU and of the Eurozone that are faced with high levels of public debt. These countries have exercised budgetary discipline which has caused hardship for their populations: fulfilment of the convergence criteria and the SGP requirements has demanded long periods of economic austerity. However, changing the focus of the present rules will favour the new Member States with low debt levels and public deficit over 3% GDP.

Independently of what has been claimed about the SGP's "death", the EU should judge the current situation

more pragmatically. There is considerable support for the SGP. Any new rules must be feasible. The SGP should be revised in such a way as to take into account the differences among EU countries. For instance, it makes sense to adopt a less homogeneous approach on the terms of application of the SGP in Member States with dif-

ferent medium and long-term prospects. So, the rules should be neither too demanding for Member States with sound fiscal positions, nor too onerous for those Member States that have a long way to go regarding structural changes and real economic and social convergence.

The Pact should be reformed in such a way as not only to guarantee stability but also to promote strong growth in line with the Lisbon Strategy's goals. As a growth-promoting factor, it should accommodate structural reforms which have beneficial effects in the longer term. For this purpose, it must not be short-sighted: it should not focus narrowly on annual budget deficits, disregarding economic potential during the business cycle. As many economists have suggested, the Pact should allow deficits over 3% of GDP when they are accompanied by structural reforms.

Moreover, deficits should be assessed in the context of the business cycle which by nature is longer than any calendar period. A solution could be the adoption of adaptable (rolling) margins according to the economic

Three main approaches prevail in the current debate about the SGP's future which may be referred to as the "Community" approach, the "governmental" approach, and the "reform" approach.

prospects and/or the degree of structural changes in Member States. This is in line with proposals already made such as the use of an index of institutional reform (Eichengreen) or the so-called “golden rule” (the exclusion of growth-promoting public investment from the calculation of the public deficit).

However, these proposals are not sufficient to remedy the problem. In addition, we need to reach consensus on the methodology and the mechanisms to be adopted for the effective implementation and the efficient monitoring of such multi-dimensional solutions. As the current legal dispute between the Council and the Commission has revealed, it would hardly be appropriate to adopt rules without having beforehand in place monitoring and evaluating mechanisms. Since the European Commission would have the task of overseeing compliance, it should make relevant proposals soon. Unfortunately, it seems that the present Commission is unlikely to put forth any proposals before its term expires in October. The EU is therefore in a state of “suspended fiscal animation”. Even though reform of SGP is important, the impending institutional changes will delay it for a considerable time.

Conclusion

There is no doubt that Europe has come a long way in economic and especially monetary cooperation, and that it has learnt some tough lessons. What is needed now is a comprehensive review of the achievements so far, together with an honest assessment of the gaps and weaknesses of the present system. The EU needs to adopt a feasible strategy that matches the current situation with objective and rational mid-term targets that can withstand the impact of enlarged membership.

Undoubtedly, discipline is needed to safeguard the proper implementation of whatever strategy is eventually adopted. Fiscal co-ordination should not be abandoned. What should be abandoned is the inflexibility of the rules. The EU needs an improved SGP rather than more onerous fiscal rules or no rules at all.

The EU needs to adopt a feasible strategy that matches the current situation with objective and rational mid-term targets that can withstand the impact of enlarged membership.

Annex I: Major Steps in International Cooperation on Economic Policy

During the last 60 years, the following episodes in international cooperation may be identified:

- The establishment of the Bretton Woods System in July 1944 by the ruined Europe and the United States.⁹
- The Treaty of Rome in 1957, although the leaders of the founding Member States did not consider at the time the need for a common monetary policy.
 - The Barre (1969) and Werner (1971) reports on European Monetary Union.
 - The narrowing of the currencies' fluctuation margins on an experimental basis in March 1971.
- The introduction of “the snake in the tunnel” mechanism in order to control currency fluctuations against the US Dollar, in March 1972.
- The establishment of the European Monetary System in March 1979, which had an Exchange Rate Mechanism, the successor of the “snake in the tunnel”.
- The adoption of the “Single Market” programme in 1985-87 and the elimination of remaining restrictions on the free movement of capital within the EC.
- The Delors Committee's proposal in April 1989 for implementation of EMU in three stages.
- The Treaty on European Union that came into force in 1993, according to which European monetary unification should be completed before the end of the century in three stages. The Treaty laid the foundations of European macroeconomic policy harmonisation. This was realised by the convergence criteria of the second stage of EMU and by the budgetary discipline the EU countries should obey, i.e., keeping government budget deficit (BD), lower than 3% of GDP and public debt (PD), below 60% of GDP. Furthermore, by the independence of the Central Banks and the establishment of the European Monetary Institute (EMI)¹⁰ were also provided by the same Treaty.

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NOTES

- ¹ See Annex I for an account of the major steps in economic policy cooperation in Europe.
- ² Official Journal C 236 of 02.08.1997.
- ³ The current year, the preceding year and the three coming years.
- ⁴ In accordance with Article 4 of Council Regulation 1466/97.
- ⁵ Article 104c of the Treaty of the European Union, & the Protocol of the Excessive Deficit Procedure. Council Regulation (EC) No. 3605/93/22.11.93 amended by Council Regulation 475/2000/28.9.2000. Council Regulation 1467/97/7.7.97 for speeding up the clarification and the implementation of the EDP.
- ⁶ Eijffinger, S. C. W., in a paper published in *Intereconomics*, January/February 2003, groups the debate's criticisms into six main lines, reported above.
- ⁷ Papademos, L., Vice-President, ECB, 3 May 2003.
- ⁸ In a letter sent on 6 February 2004 to the Irish presidency, these countries refer to the SGP as the necessary condition for sustained growth in Europe.
- ⁹ Before the US dollar, the UK sterling was the currency linked to gold in the Gold Standard System.
- ¹⁰ Treaty of the European Union, Article 109f and Protocol on the Statute of the EMI. □

Final Results of the eEurope Awards for eHealth – 2004



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The eEurope Awards have arrived at their third edition and the eHealth Awards were organised this year in the context of the Ministerial Conference under the auspices of the Irish Presidency and the European Commission.

Over 450 delegates from more than 25 countries attended the European Conference held in Cork, Ireland, on 5-6 May 2004, under the banner “Empowering the European Citizen through eHealth”. The overall objective and content of the conference reflected the current move from directive medicine to patient-centred medicine. This move was also underlined by the research report which was compiled by EIPA on “Mapping the Potential of eHealth: Empowering the Citizen through eHealth Tools and Services” (available on-line at the eEurope Awards website) and presented to the audience in Cork.

As reported in the previous EIPASCOPE (2004/1), in the framework of the eEurope Awards for eHealth – 2004 competition, a total of 109 applications were submitted under the three themes: eHealth information tools and services for citizens; eHealth administrative tools and services for citizens; and eHealth homecare and telemedicine tools and services for citizen. From these, 32 applications were invited for exhibition at the Conference in Cork, following a two-stage evaluation process carried out by independent experts and managed by the project.

The final selection of the winners took place at the conference and the awards were presented in the presence of Mr. Michael Martin, Irish Minister for Health and Children and Mr. David Byrne, Member of the European Commission. The eEurope Awards for eHealth – 2004 Ceremony was chaired by Mr. Ciaran Murphy from the University College in Cork and the chair of the final judging was entrusted to Mr. Angelo Carenzi, Director of the European Training Centre for Social Affairs and Public Health Care (CEFASS), EIPA’s Antenna in Milan.

The Winners of the eEurope Awards for eHealth – 2004 are:

- Health On the Net Foundation (HON), Geneva University Hospital, Switzerland (Theme 1).
- www.sundhed.dk, Sundhedsportalen – The Health Portal, Denmark (Theme 2).
- Diabcarnet, Aide aux Jeunes Diabétiques, France (Theme 3).

In addition to the winners, four Honourable Mentions were awarded. These are:

- Pure Quality Life, Uppsala University/CEOS, Sweden.
- eHospital Son Llátzer, Fundación Hospital Son Llátzer, Spain.
- Áit Eile, Centre for Health Informatics, Ireland.
- VEPSY, Istituto Auxologico Italiano, Italy.

Full details of these, winners and the honourable mentions can be found at the <http://www.e-europeawards.org> website or accessed via EIPA’s website at <http://www.eipa.nl/>



eEurope Awards trophy.



eHealth stand at Cork Conference.



The eEurope Awards team

NOTES

- ¹ The eEurope Awards team:
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*Mapping the Potential of eHealth: Empowering the Citizen through eHealth Tools and Services **



This report has been drafted with the collaboration of a wide number of European actors in eHealth. Its purpose is to provide the visitors of the eHealth 2004 Conference and Exhibition – *Empowering the European Citizen Through eHealth* with an introduction to and overview of some of the key issues in eHealth.

In Part One of *Mapping the Potential of eHealth*, we seek to identify the coordinates of eHealth in order to locate it on the European policy map. From there we aim to chart some of the main technical, social and political challenges which may impede the implementation of eHealth, before finally proposing some key policy arguments for addressing the challenges, so that European citizens can fully enjoy the wide range of benefits eHealth can offer.

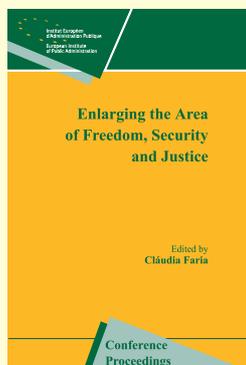
In Part Two, *Empowering the Citizen through eHealth Tools and Services*, we provide the visitors to the eHealth 2004 Conference and Exhibition – *Empowering the European Citizen Through eHealth* with an overview of the 109 submissions to the *eEurope Awards for eHealth – 2004*, and

highlight a range of tools and applications which exemplify European best practice, while presenting some of the key learning points they provide for the development of eHealth in Europe.

* Petra Wilson, Christine Leitner and Antoinette Moussalli, 2004/E/01, 52 pages
Only available in English, ISBN 90-6779-188-1, Free of charge**

** Electronic version: on line (EIPA's website: <http://www.eipa.nl/home/eipa.htm> or
eEurope Awards website: www.e-europeawards.org).

*Enlarging the Area of Freedom, Security and Justice **



The enlargement of the EU on 1 May 2004 is an historic and unique opportunity for Europe in all fields. For Justice and Home Affairs the challenges are unprecedented, particularly for the areas of border control and criminal judicial cooperation.

In a preview of the post-enlargement situation, this book presents the proceedings of the 10th Schengen Colloquium, which tackled the possible consequences of enlargement on the area of freedom, security and justice.

Over the past 10 years, editing the proceedings of the Schengen Colloquium has become a tradition at EIPA. Although much has changed during that time – the entry into force of the Amsterdam Treaty, the inclusion of the Schengen Agreements in the framework of the EU, Europe “à la carte”, the creation of new EU agencies and bodies, finalising the negotiations with the new Member States – the subject is more current than ever.

This book is not only current, it is also focused. It goes straight to the heart of the matter by elaborating upon issues where immigration plays a determining role. In less than 20 years, Europe changed from a land of emigrants to a host for immigrants coming from all points of the globe. This change has influenced national and EU policies, and shaped cities, population and politics. Enlargement brings challenges and the need for appropriate solutions.

This book brings added value to all those interested in the enlargement process, in the areas of border control and immigration and, in fact, to all concerned citizens of the new Europe. The challenges lie ahead.

- * Cláudia Faria (ed.), EIPA 2004/C/01, 77 pages, Mixed texts in English and French
ISBN 90-6779-189-X, €21.00

1st European Public Managers Forum

Special Programme for Top Executives

Objectives & Methods

This exclusive programme consists of four 2-day seminars, which can be attended as a set or individually.

Each seminar will give participants the opportunity to look **outwards** at European developments involving European partners and institutions as well as **inwards** at domestic management challenges arising from EU developments.

Through workshops, discussions of case studies and/or simulations, participants will gain:

- knowledge about Europe, new developments and their concrete impact at the national, regional and local level, which translates into practical know-how that they can use after the seminars;
- hands-on experience, which will enable them to reflect on potential organisational and procedural changes;
- broader access to professional Europe-wide networks.

The programme will not go into detail on any specific European policy but will address horizontal European issues that need to be fully understood by top executives, even if they do not take part in the “nuts and bolts” of the day-to-day dealings with Brussels.

The first three seminars (Maastricht, December 2003; Luxembourg, February 2004; and Milan, May 2004) dealt with “European Policy Management”, “EU Law Monitoring & Better Regulation” and “The European Social Agenda and the Social Dialogue in Public Administration”

It is still possible to participate in the final seminar:

- * Barcelona (E), 7-8 October 2004 – “**Multi-Level Governance & Coordination**”

Multi-Level Governance (MLG) since the Commission's White Paper 2001; Multi-Level General Interest and Subsidiarity; Coordination Challenges; The MLG Practices of Regional and Local Executive Managers.

Target Group

The EPMF is specifically designed for *top executive managers* in public administration, either in central government (ministries or agencies) or in regional or local government, who – with their staff – deal with European affairs.

In particular, the programme is aimed at top executives who work in their home administrations, managing resources (personnel, finances, ICT, etc.), and who nevertheless are expected to have a full understanding of what many of their colleagues with a closer relationship to the EU are doing.

This last seminar will also be of particular interest to managers from regional and local administrations, especially those from governments that have legislative competences in federal or strongly regionalised countries.

Participants will have the opportunity not only to meet their peers from other European countries and to share interests, professional concerns and solutions, but also to experience cultural diversity – and surprising similarities – first-hand, through interaction between the different nationalities represented at the seminars.

To ensure the best conditions for networking and exchanging views and experience, each seminar will be limited to 40 participants.

The registration fee: 1 150 EUR per seminar.

The forum will be conducted in English and French with simultaneous interpretation.

For more information and registration forms, please contact:

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1^{er} Forum européen des managers publics

Un programme spécial pour Cadres dirigeants

Objectifs et méthodologie

Ce programme exclusif consiste en quatre séminaires de deux jours, à suivre séparément ou collectivement.

Chaque séminaire donne aux participants l'occasion de considérer, sous l'angle **extérieur**, les développements européens impliquant les institutions et partenaires européens, mais aussi d'examiner – sur le plan **intérieur** – les défis nationaux en matière de gestion liés aux développements de l'Union européenne.

A travers les ateliers, études de cas et/ou simulations, les participants peuvent:

- approfondir leurs connaissances sur l'Europe, les nouveaux développements et leurs conséquences au niveau national, régional et local, développant ainsi un savoir-faire pratique qu'ils pourront utiliser après les séminaires;
- acquérir une expérience pratique, qui leur permettra de réfléchir aux changements possibles de l'organisation ou des procédures;
- élargir leurs possibilités d'accès aux réseaux professionnels au niveau européen.

L'objectif du programme n'est pas d'analyser en détail des politiques européennes spécifiques, mais d'aborder des questions européennes horizontales que les fonctionnaires dirigeants doivent parfaitement maîtriser, même s'ils n'interviennent pas dans les "détails pratiques" des relations quotidiennes avec Bruxelles.

Les trois premiers séminaires (Maastricht, décembre 2003, Luxembourg, février 2004, et Milan, mai 2004) portaient sur "La gestion des politiques européennes", "Le contrôle de l'application du droit européen et l'amélioration de la réglementation" et "l'Agenda social européen et le dialogue social dans les administrations publiques".

Il reste possible de participer au dernier séminaire:

- * Barcelone (E), 7-8 oct. 2004 – "**La gouvernance à plusieurs niveaux et la coordination**"

La gouvernance à plusieurs niveaux (GPN) depuis le Livre blanc de la Commission de 2001; L'intérêt général à plusieurs niveaux et la subsidiarité; Les défis en matière de coordination; Les pratiques de GPN par les dirigeants régionaux et locaux.

Groupe cible

Le FEMP est spécialement destiné aux **cadres dirigeants** de l'administration publique qui, avec l'aide de leur personnel, traitent des affaires européennes – tant au niveau des pouvoirs centraux (ministères ou agences) qu'au niveau des autorités régionales ou locales.

Le programme s'adresse en particulier aux cadres dirigeants qui sont chargés de la gestion des ressources (personnel, finances, TIC, etc.) au sein de leur administration nationale, mais qui doivent néanmoins avoir une bonne compréhension des activités de leurs collègues travaillant en étroite relation avec l'UE.

Ce dernier séminaire intéressera aussi tout particulièrement les cadres dirigeants des administrations régionales et locales, en particulier ceux des gouvernements des régions disposant de compétences législatives dans les pays fédéraux ou fortement régionalisés.

Les participants ont l'occasion de rencontrer des collègues venant d'autres pays européens, de discuter ainsi de leurs intérêts et de partager leurs réflexions et solutions professionnelles, mais aussi de côtoyer d'autres cultures – et de découvrir d'étonnantes similitudes – à travers l'interaction entre les diverses nationalités représentées aux séminaires.

On peut consulter l'importante documentation du Forum sur le site de l'IEAP: cliquez sur 'Conferences', puis 'Topical programmes', puis 'European Public Managers Forum (EPMF)'

Dans le but de garantir les meilleures conditions pour la constitution d'un réseau et l'échange de vues et d'expériences, le nombre de participants est limité à 40.

Les droits d'inscription au séminaire s'élèvent à 1.150 euros.

Le Forum est organisé en anglais et français avec interprétation simultanée.

Pour toute demande d'information ou inscription, adressez-vous à :

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Seminar

The Implementation of European Environmental Legislation: The Environmental Liability Directive (2004/35/EC)

Maastricht (NL)
6-7 September 2004

Three years for transposition – the important role of public authorities

The Liability Directive (2004/35/EC) entered into force on 30 April 2004 when published in the Official Journal. In the future, it will be up to the public authorities to identify liable polluters and to ensure that they undertake or finance the necessary preventive or remedial measures detailed by the Directive. Time for national and regional officials, industry and NGOs to discuss the Directive's requirements and its meaning for specific national situations. Member States will have three years to transpose the Directive into national law.

Transposition requirements and future impacts

The seminar will discuss the different requirements for the transposition of the Directive and the situation in various Member States. The Commission's view will be presented and Member State officials will describe their approach to the transposition and implementation of the Directive. In addition, industry and NGO representatives will set out their expectations vis-à-vis national implementation. How can a Member State deal with the Directive in relation to the already existing legislation on liability? What will be the roles of public authorities, citizens and NGOs under the new Directive? What are its main features, when can polluters be exempted and what environmental damage is covered by international regimes and not by the Directive? How can a direct link be ensured between the Birds and Habitats Directives and environmental liability? And how can the competitiveness of different industry branches be safeguarded?

The background to the Directive

In 1998, Spanish authorities spent more than EUR 240 million on clean-up operations when toxic mine waste contaminated the Donana Natural Park. Current liability legislation in the EU Member States only seldom covers damage to the wider environment. The fundamental aim of the new Directive on environmental liability is to hold operators whose activities have caused environmental damage financially liable for remedying this damage. This should lead to better observance of the "polluter pays principle" laid down in Article 174 of the EC Treaty.

The working language of the seminar will be English.

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The Round Table 2004 / Table ronde 2004

Sectoral Policies and European Territories:

The role of Local and Regional Actors in the New Europe of 25

Les politiques sectorielles et les collectivités territoriales européennes:

le rôle des acteurs régionaux et locaux dans la nouvelle Europe des 25

Brussels (B), 9 September 2004/
Bruxelles (B), le 9 septembre 2004

For the seventh time, the European Centre for the Regions (EIPA-ECR) – the Antenna of the European Institute of Public Administration (EIPA) in Barcelona (E) – in cooperation with the Italian Union of Chambers of Commerce (UNIONCAMERE) and the Conference of Presidents of the Italian Regions and Autonomous Provinces, will bring decision-makers from local and regional authorities together to discuss the new challenges and opportunities which Europe will be facing after the latest enlargement. Following the same methodology, the this-year policy fields are:

- Innovation, Research & Development and the Territories
- The Impact of Structural Change and Relocation on Territories in an Enlarged Europe
- The Role of Local and Regional Actors in Re-launching the EUROMED Integration Process

The 2004 Round Table will be held on Thursday 9 September 2004 at the premises of the Economic and Social Committee (ESC).

Le Centre européen des régions (IEAP-CER) – l'Antenne de l'Institut européen d'administration publique (IEAP) à Barcelone (E) – réunira pour la septième fois, en coopération avec l'Union italienne des Chambres de commerce (UNIONCAMERE) et la Conférence des Présidents des régions et des provinces autonomes italiennes, des décideurs issus des autorités régionales et locales afin de débattre des nouveaux défis et opportunités qui se présenteront à l'Europe après l'élargissement. Toujours selon la même méthodologie, la Table ronde traitera cette année des thèmes suivants:

- *Innovation, Recherche & Développement et Collectivités territoriales*
- *L'impact des changements structurels et de la relocalisation sur les collectivités territoriales dans l'Europe élargie*
- *Le rôle des acteurs régionaux et locaux dans la relance du processus d'intégration EUROMED*

La Table ronde 2004 se déroulera le jeudi 9 septembre 2004 dans les locaux du Comité économique et social (CES).

Further details about the programme and the practical organisation are available on the Institute's website (www.eipa.nl) or can be obtained from /

Pour en savoir plus sur le programme et l'organisation pratique, consultez le site Internet de l'Institut (www.eipa.nl) ou adressez-vous à :

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**EUROJUST:
An Additional Judicial Body to Europol and OLAF**

Un nouvel organe judiciaire face à Europol et à l'OLAF

Maastricht (NL)

13-14 September/13-14 septembre 2004

Eurojust is the new EU body for judicial cooperation and coordination in criminal matters. Resulting from a Council decision of 28 February 2002 and established in The Hague since December 2002, Eurojust has become a unit with legal personality. This new European body has taken its place alongside a configuration of actors, i.e. the European Judicial Network, Europol, and the European Anti-Fraud Office (OLAF), also with a view to the proposed creation of a European Prosecutor. This seminar, taking place after the IGC, aims to provide a first review of these decisive European integration issues.

Objectives

- to present the specific institutional structure (national members/college) and the functioning of Eurojust as well as its role in the fight against organised crime;
- to explain the nature of Eurojust's relations with its police counterpart, Europol, also located in The Hague, and its new links with OLAF in the framework of the protection of the Community's financial interests;
- and finally, to look ahead towards the issue of the European Prosecutor in the perspective of the Constitution, further to the work of the Convention.

Target group

This seminar is specifically aimed at officials from ministries of justice and of the interior as well as at members of crime and fraud-fighting bodies, European officials in charge of the third pillar (JHA) as well as at magistrates, judges, prosecutors and registrars.

The seminar will be conducted in English and French (with simultaneous interpretation between these two languages).

Eurojust est le nouvel organe de coopération et de coordination judiciaire en matière pénale de l'Union européenne. Issu d'une décision du Conseil du 28 février 2002, Eurojust est devenu une unité dotée de la personnalité juridique dont le siège est, depuis décembre 2002, à La Haye. Ce nouvel organe européen prend place au sein d'une configuration d'acteurs, le Réseau judiciaire européen, Europol, l'Office européen de lutte antifraude (OLAF) mais aussi dans le cadre des propositions de création d'un Procureur européen. Ce séminaire, aux lendemains de la CIG, entend établir un premier bilan de ces questions décisives de l'intégration européenne.

Objectifs

- présenter la structure institutionnelle spécifique (Membres nationaux/Collège) et le fonctionnement d'Eurojust ainsi que son rôle dans la lutte contre la criminalité organisée;
- expliciter la nature des relations d'Eurojust avec son pendant policier, Europol, également basé à La Haye, et ses nouveaux liens avec l'OLAF dans le cadre de la protection des intérêts financiers communautaires;
- envisager enfin de façon plus prospective la question du Procureur européen dans la perspective de la Constitution suite aux travaux de la Convention.

Public visé

Ce séminaire est spécialement destiné aux fonctionnaires des ministères de la Justice et de l'Intérieur et membres des organes de lutte contre la criminalité et la fraude, aux fonctionnaires européens en charge du troisième pilier (JAI) ainsi qu'aux magistrats, juges, procureurs et greffiers.

Il se déroulera en anglais et français (avec interprétation simultanée entre ces deux langues de travail).

For further information, please contact / *Pour de plus amples renseignements, veuillez contacter:*
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Seminar

The Stability and Growth Pact: A Reassessment of the Fiscal Rules for Monetary Union

Maastricht (NL)
16-17 September 2004

The European Institute of Public Administration (EIPA) is pleased to announce the second seminar on “The Stability and Growth Pact: A Reassessment of the Fiscal Rules for Monetary Union”. EIPA is organising this seminar in response to a perceived need within public administration to be informed about issues related to budget balancing and public debt. The SGP crisis at the end of 2003 as well as the ongoing non-compliance with the fiscal rules clearly show that a reassessment of the EU’s fiscal rules is really necessary and is becoming even more important after the EU’s enlargement.

The specific roles of MS authorities, the Council and the Commission might have to be reshuffled, in line with the experience gained after four years of implementation. Furthermore, revising the fiscal rules, taking into account the goals of the Lisbon Strategy, will probably offer a solution to the existing problems.

Member State representatives will present the situation in their own countries regarding the implementation of the fiscal rules. The monitoring and evaluation procedures will be also presented and discussed at the seminar.

The objectives of the seminar are to provide an insight into the institutional framework and the implementation of the SGP agreement and to reveal future prospects against the background of the current challenges.

The speakers will include representatives of the European institutions and central banks, as well as academics. The seminar is targeted at those interested and/or involved in the decision making on and the enforcement and implementation of regulations regarding public debt and excessive deficits in national budgetary systems.

The working language of the seminar will be English.

For more information and/or registration forms, please contact:

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**European Social Dialogue and Public Administration /
Dialogue social européen et administration publique**

Conference sponsored by the Dutch Presidency of the EU/
Conférence parrainée par la Présidence néerlandaise de l'UE

Maastricht (NL)

20-21 September 2004/20-21 septembre 2004

Article 139 of the EC Treaty provides that 'Should management and labour so desire, the dialogue between them at Community level may lead to contractual relations, including agreements' and that 'agreements concluded at Community level shall be implemented... by a Council decision on a proposal from the Commission'.

The European Social Dialogue, developed on this basis, has led to the adoption of several directives directly based on "Framework agreements" concluded by the social partners and consecutively transformed into European legislative acts.

When these agreements are made at the inter-sectoral level, the directives – e.g. on parental leave, part-time work, fixed-term contracts – also affect public employees and public administration.

Despite this, the competent public authorities generally in charge of public employees' conditions of employment are not involved in the negotiations leading to the agreements and directives. The ongoing debate raises issues as to the representativeness of the trade unions in the public administration sector, the possible creation of a specific Public Administration sector for this European Social Dialogue, and the structuring of a platform representing the Member States in such a dialogue.

This Conference aims to clarify this debate through a clear presentation of the legal basis for the European Social Dialogue and its modus operandi; the role of the European Commission in this area; the ways in which employees on the one side, and employers on the other are (or not) represented in the negotiating forum; and the strategies adopted by some EU Member States to influence the process before the legislative acts are adopted.

It is aimed at the officials involved in the process from the EU Institutions, the national and regional governments and relevant trade union organisations, as well as the officials in charge of HRM or personnel policies in the administrations and other people interested in social policy developments in NGOs or in academic institutions.

The working languages of the seminar will be English and French (with simultaneous interpretation).

L'article 139 du traité CE prévoit que "le dialogue entre partenaires sociaux au niveau communautaire peut conduire, si ces derniers le souhaitent, à des relations conventionnelles, y compris des accords" et que "la mise en œuvre des accords conclus au niveau communautaire intervient... par une décision du Conseil sur proposition de la Commission".

S'appuyant sur cette base, le dialogue social européen s'est développé et a conduit à l'adoption de plusieurs directives fondées sur des "accords-cadres" conclus par les partenaires sociaux et ensuite transformés en actes législatifs européens.

Lorsque ces accords sont mis en œuvre au niveau inter-sectoriel, les directives – comme celles sur le congé parental, le travail à temps partiel ou les contrats à durée déterminée – touchent également les agents publics et l'administration publique.

Pour autant, les pouvoirs publics généralement compétents en matière de conditions de travail des agents publics ne sont pas impliqués dans les négociations en vue de la conclusion d'accords et de directives. Le débat actuel soulève un certain nombre de questions quant à la représentativité des syndicats dans le secteur de l'administration publique, la création éventuelle d'un secteur de l'administration publique spécifique pour le dialogue social européen, et la mise en place d'une plate-forme de représentation des Etats membres dans ce dialogue.

Cette conférence cherche à éclairer ce débat en donnant une vision précise de la base juridique du dialogue social européen et de son mode de fonctionnement; du rôle de la Commission européenne dans ce domaine; de la façon dont les travailleurs d'une part, et les employeurs d'autre part, sont (ne sont pas) représentés dans le forum de négociations; et enfin des stratégies adoptées par certains Etats membres de l'Union pour pouvoir influencer sur le processus avant l'adoption des actes législatifs.

Cette manifestation s'adresse aux fonctionnaires participant à ce processus, qui travaillent dans les institutions européennes, les administrations nationales et régionales et les organisations syndicales concernées, ainsi qu'aux fonctionnaires chargés de la politique de GRH ou du personnel dans les administrations et à toute personne intéressée par l'évolution de la politique sociale dans les ONG ou dans les institutions universitaires.

Les langues de travail seront le français et l'anglais (avec traduction simultanée).

For more information, please contact / Pour de plus amples informations, veuillez contacter:
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Introductory & Practitioners Seminar

European Public Procurement Rules, Policy and Practice

Maastricht (NL)

21*, 22-24 September 2004

The European Institute of Public Administration is organising an Introductory & Practitioners Seminar on “European Public Procurement Rules, Policy and Practice” which will take place at the European Institute of Public Administration in Maastricht (NL), on 22-24 September 2004.

* Prior to this seminar, EIPA will provide a basic introduction to European Public Procurement for newcomers to procurement or non-procurement persons on 21 September 2004. This one-day seminar will only take place if there is sufficient demand.

Objectives

The primary aim of this combined Introductory & Practitioners Seminar is to present and explain the EC directives on public procurement in a simple and accessible way and to enhance awareness of professional procurement practices so as to increase the efficiency of the procurement process in a manner consistent with EC rules and principles. The seminar will also update participants on legislative reforms, and specific exercises and cases concerning actual procurement practice will be examined. Most importantly, the seminar will offer an excellent platform for participants to exchange experiences and concerns in dealing with public procurement, and will present ways to perfect their purchasing activities.

Target Group

The seminar is intended for public officials from national, subnational and local authorities and other public bodies of the EU Member States and associated countries who wish to familiarise themselves with European public procurement rules, policy and practice, as well as for other interested persons working in this field.

Contents

- European Public Procurement in the Context of the Internal Market
- EC Rules and Case Law
- EC Rules in Utilities and Case Law
- Enforcement of the Procurement Regime: Remedies Directives and Case Law
- The Procurement Process
- The Procurement Process: Cases and Exercises
- Cases on Procurement Practices in the Member States and EC Rules
- Reforming the European Public Procurement System: The Legislative Package and Recent Developments
- International Aspects of European Public Procurement and Sources of Information

The seminar will be conducted in English.

For background information on public procurement in Europe and EIPA activities related to public procurement, please consult: <http://www.eipa.nl/Topics/Procurement/procure.htm>

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Understanding Decision-Making in the European Union: Principles, Procedures, Practice

Comprendre le processus décisionnel de l'Union européenne: Principes, procédures et pratique

Maastricht (NL)

23-24 September 2004 / 25-26 November 2004,
les 23 et 24 septembre 2004 / les 25 et 26 novembre 2004

The European Union encompasses cooperation in an ever greater number of policy areas. This cooperation is taking place in an ever greater number of different ways, and involves more and more different actors. To understand EU decision-making processes, one cannot only think of a "Community method" in some fields and "inter-governmentalism" elsewhere, nor limit attention to European law. The "open method of coordination" and other forms of soft law are increasingly employed in the social sphere. At the same time, the Union is consolidating cooperation in Justice and Home Affairs and rapidly developing new external capabilities through the common European Security and Defence Policy. In this context, it is increasingly difficult as well as important to be aware of how European cooperation works in the different fields.

These two-day seminars are intended for all those interested in obtaining a broader understanding not only of how the European Institutions are evolving but also of how different types of policy are now being managed. They will be particularly useful for junior public officials and representatives of organisations involved in European programmes, who will be helped to develop rapidly in their specialisation while having a good feel for the bigger picture.

The courses start by presenting the functioning of the European institutions and their interaction in the classic policy cycle, which remains an essential starting point for understanding the Union. The sessions on decision-making in the Community legislative process include a simulation of a Council working party and a case study illustrating the operation of the co-decision procedure, as well as a practical guide to EU documentation on line. Some of the new methods of cooperation will then be examined. Finally, the evolution and operation of the Second and Third Pillars will be examined, including a case study on the European Union's crisis-management capabilities.

The seminars will be held in English with simultaneous translation in French.

La coopération au sein de l'Union européenne touche des domaines de plus en plus nombreux. Pour bien comprendre les processus décisionnels européens, il faut avoir une bonne connaissance de la "méthode communautaire" et du processus législatif, et avoir conscience de toutes les manières dont fonctionne la coopération, qui réunit des acteurs toujours plus variés. La "méthode ouverte de coordination" et d'autres formes de droit non contraignant sont de plus en plus utilisées pour poursuivre les objectifs de la stratégie de Lisbonne. Dans le même temps, l'Union s'emploie à renforcer la coopération dans les domaines de la justice et des affaires intérieures et à développer de nouvelles capacités sur une base plus intergouvernementale dans les domaines de la Politique étrangère et de sécurité commune, et de la Politique européenne de sécurité et de défense.

Ces séminaires intensifs de deux jours s'adressent à tous ceux qui veulent acquérir une meilleure compréhension des institutions européennes et de leur évolution, et de la façon dont les différentes politiques communautaires sont gérées à l'heure actuelle. Ils seront particulièrement enrichissants pour les jeunes fonctionnaires et représentants d'organisations traitant des affaires européennes, qui pourront ainsi bénéficier d'un soutien pour évoluer rapidement dans leur domaine de spécialisation tout en disposant d'une vision plus large.

Les séminaires débuteront par une présentation des institutions européennes et de leur interaction dans le cycle politique classique, point de départ essentiel pour comprendre l'Union. Les sessions consacrées à la prise de décision dans le processus législatif communautaire comporteront une simulation d'une réunion d'un groupe de travail du Conseil, une étude de cas illustrant le fonctionnement de la procédure de codécision ainsi qu'un bilan de l'évolution de la comitologie. L'on se penchera également sur certaines nouvelles méthodes de coopération, sur la Politique étrangère et de sécurité commune, et sur les différents aspects de la prise de décision concernant l'Espace de liberté, de sécurité et de justice. Pour conclure, les incidences de la Convention européenne et de la Conférence intergouvernementale sur le processus décisionnel européen feront l'objet d'une discussion.

Les séminaires se tiendront en anglais, avec traduction simultanée en français.

For more information and registration forms, please contact /

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Seminar

Cohesion Policy and the Environment: Rules, Instruments and Practices

Maastricht (NL)
27-28 September 2004

One of the overall objectives of the EU's cohesion policy as laid down in the Treaties is to stimulate a sustainable development of economic activities. Environmental objectives are an essential part of the broader concept of sustainability and have gained increased importance in cohesion policy over the past few years.

Environmental funds

The relation between environmental policy and cohesion policy is twofold: on the one hand European funds are meant to stimulate "environmental investments". The different structural funds and cohesion fund regulations offer a multitude of financing possibilities. In this regard, EU environmental legislation has to be complied with. One crucial objective is to finance the implementation of directives that are very costly. The seminar will highlight all the different funding possibilities for environmental projects.

Integration of environmental requirements into project planning and implementation

On the other hand, the EU also stipulates that environmental objectives of national and regional programmes and projects in all other policy sectors should be respected. This means that in for instance infrastructure projects national and regional governments have to take environmental requirements into account. Certain principles have to be observed, such as the "polluter pays principle" that affects the financial terms of certain funding schemes. Broader attention should be paid to the "environmental impact assessment" instrument, which has to be used in the programming and implementation phase. What is the relation between the new Directive on strategic environmental assessment and the requirements under the structural funds and cohesion fund regulations?

The seminar will go into the details of rules, instruments and practices in the Member States and regions. Representatives of the European Commission will explain the meaning of the technical papers and requirements that supplement the regulations. Officials of national and regional governments will present their experience with and approaches to the integration of environmental requirements into the programming and financial management of projects at different levels of government.

The working language of the seminar will be English.

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Practitioners Seminar

The Financial Management of the EU Structural Funds

Maastricht (NL)
7-8 October 2004

The European Institute of Public Administration (EIPA) is organising a practitioners seminar on the theme "Financial Management of the EU Structural Funds", on 7-8 October 2004. The seminar will take place at EIPA's premises, located in the centre of Maastricht, the Netherlands. The seminar will be conducted in English.

The objective of the seminar is to discuss ways to implement financial management rules such as the n+2 rule, eligibility rules, financial monitoring, risk assessment, financial engineering, combating fraud and irregularities etc.

The speakers at the seminar will be high-level representatives of the European institutions, including the European Commission, the European Court of Auditors, and OLAF. Representatives of various Member States' authorities will present their country's experience in applying financial management rules.

The seminar is intended for practitioners from national, sub-national and local authorities and other public bodies of the EU Member States and associated countries working with Structural Funds.

As the seminar will be of a participatory nature, the participants will be strongly encouraged to actively take part in several discussions throughout the entire programme. Moreover, the participants will have ample opportunities to informally exchange points of view related to the topics of the seminar both with the respective speakers as well as among themselves.

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Training Course

Europe on the Internet

Maastricht (NL)
18-19 October 2004

A practical training course to help those who have a need in their work to find information about the institutions and policies of the European Union and the wider Europe. The course will demonstrate that it is possible to find quickly and efficiently much useful information on the internet both from official and non-official sources. Areas covered will include: legislation; case-law; keeping up-to-date; policies; contact information; sources of finance; bibliographical information; country information; searching techniques.

The course will consist of a number of detailed talks and demonstrations of the most useful websites followed by opportunities for participants to develop hands-on expertise. As an optional part of the course, on the second day participants will have the opportunity to compile a list of key information sources on the web in a subject relevant to their work or interests under the guidance of the conference trainers.

The training course will be conducted in English.

For more information and/or registration forms, please contact:

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Seminar

The Reform of the EC Merger Regime: A Critical Assessment of the New Rules and Procedures and the Implications for Enforcers and Practitioners

Maastricht (NL)
7-8 October 2004

The new Merger Regulation came into force on 1 May 2004. It has introduced a number of radical amendments regarding substance and procedure as well as jurisdictional issues, aimed at improving the quality of decision making.

The European Institute of Public Administration is organising a seminar to evaluate these changes. The seminar, which is part of EIPA's series of activities on anti-trust and state aid issues, will:

- review the amendments to the merger regime;
- analyse in depth the evolving concept of sole and joint dominance and the impact of the new substantive test;
- provide economic analyses regarding the assessment of mergers;
- focus on the new referral system and the relevant considerations for case allocation; and
- provide input as to how national competition authorities should conduct merger investigations.

The speakers will come from different backgrounds so as to offer a variety of views and perspectives and will include Commission and national officials, economists and lawyers as well as EIPA staff. The seminar will benefit national officials in competition and regulatory authorities, judges dealing with relevant competition issues, as well as practitioners, academics and company executives. The seminar will be conducted in English.

For further information on the seminar and on EIPA's competition activities, please contact:

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Colloquium

The Mutual Recognition of Diplomas

A Quest for a more Effective/Efficient Operation of the System

– The Case of the Teaching and Paramedical Professions –

Maastricht (NL)

11-13 October 2004

This colloquium is the next in EIPA's successful series of colloquia on the issue of recognising foreign diplomas and qualifications, which even after 10 years of internal market is still a problematic area for the free movement of professionals and professional services. In this colloquium, the situation in the teaching and paramedical professions will be examined more closely.

The event aims to review and improve the understanding of the Community framework of the recognition of diplomas and to address the remaining problems in the application of this system by bringing together experts and practitioners. It will provide an opportunity for officials and professionals who deal with this subject on a daily basis to meet and to discuss the operation of the various national systems. The approaches and systems used by Member States will be reviewed and the upcoming reforms, such as the proposed new European directive in this field, will be discussed. Through this comparative review ideas can be developed to improve the system used, also making it possible to eliminate remaining problems in a pragmatic and unbureaucratic manner. There will be ample opportunity to exchange experiences and discuss ideas. Discussions will focus mainly on the European system and the national actions taken to implement it as well as on the practical steps that can be taken to make the system run more smoothly and efficiently. These discussions will involve officials who manage the respective systems. It will thus be the perfect occasion to seek clarifications and discuss ideas on improvements, as well as an opportunity for 'troubleshooting'.

This colloquium is designed to address the needs of a wide spectrum of officials, professionals and other interested persons, although it is primarily aimed at officials who are involved in the process of recognition of foreign diplomas and qualifications. Furthermore, the colloquium will also be useful to policy makers and advisers on EU issues, academics lecturing in EU law and policies and, of course, to those responsible for granting diplomas and developing the corresponding curricula.

The working languages of this seminar will be English and German (simultaneous interpretation will be provided).

For more information and registration forms, please contact:

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Conference / Conférence

Impact Assessment: A Tool for Building a Competitive Regulatory Environment

L'évaluation de l'impact, un outil pour créer un environnement réglementaire compétitif

Conference sponsored by the Dutch Presidency of the EU
Conférence parrainée par la Présidence néerlandaise de l'UE

Maastricht (NL), 18-19 October 2004 / 18-19 octobre 2004

In the general framework of the **Lisbon Strategy**, aimed at making the EU the most competitive and dynamic knowledge-based economy in the world, several developments are foreseen, including a more simple, streamlined, efficient and competitive Regulatory Environment.

This Conference aims at looking at the 'Better Regulation' debate in the context of the Lisbon Strategy, at examining various methodological developments as well as the existing tools for achieving better regulation, and at drawing lessons to capitalise on best practices with a view to making progress in the field.

During the Conference, the work initiated by the Mandelkern Report and further developed by the European Commission's Working Group on "Better Regulation" will be presented.

The Commission's approach, in particular the Integrated Impact Assessment tool, which combines assessments of the potential economic, social and environmental impact of any significant new (or even existing) legislation will be presented, together with its guidelines for implementation, illustrated by case studies.

Other instruments and methodologies including the OECD approach to Regulatory Impact Assessment will also be discussed.

All participants will be invited to contribute by drawing lessons both from their experience and the presented case studies and to join the debate on whether the use of RIA should be made mandatory, both for the adoption of EU legislative norms and for national (or regional) legislation.

RIA instruments have been more widely used in recent years and are seen as crucial in the common goal to move ahead with the Lisbon Strategy. They are relevant at all legislative levels: European, national and – in the countries where regional governments are vested with their own legislative power – regional.

Policy-making officials in all policy areas and at all levels of government are therefore invited to join this Conference.

The working languages of the seminar will be English and French (with simultaneous interpretation).

Dans le contexte général de la stratégie de Lisbonne, visant à

faire de l'Union européenne l'économie de la connaissance la plus compétitive et la plus dynamique du monde, plusieurs évolutions sont prévues, notamment un environnement réglementaire plus simple, plus rationalisé, plus efficient et plus compétitif.

Cette conférence sera consacrée au débat sur l'amélioration de la réglementation dans le cadre de la stratégie de Lisbonne, et examinera divers développements méthodologiques ainsi que les instruments existants pour améliorer la réglementation. Elle tentera également de tirer des enseignements de manière à capitaliser les bonnes pratiques et à progresser dans ce domaine.

Les travaux initiés par le Rapport Mandelkern et développés par le groupe de travail "Mieux réguler" de la Commission européenne seront présentés lors de la conférence.

L'on examinera également l'approche de la Commission, et plus particulièrement la méthode d'évaluation intégrée de l'impact, qui combine les analyses de l'impact économique, social et environnemental éventuel de toute nouvelle législation (ou même existante) importante, ainsi que ses orientations de mise en œuvre, illustrées par des études de cas.

D'autres instruments et méthodologies, y compris l'approche de l'OCDE concernant l'évaluation de l'impact réglementaire, seront également abordés.

Les participants seront invités à contribuer en tirant des leçons non seulement de leur propre expérience mais aussi des études de cas présentées, et à prendre part aux discussions sur la question de savoir si les instruments d'évaluation de l'impact régional devraient être rendus obligatoires, à la fois pour l'adoption des normes législatives européennes et de la législation nationale (régionale).

L'utilisation des instruments d'évaluation de l'impact régional s'est répandue ces dernières années; ceux-ci sont considérés comme essentiels pour atteindre l'objectif commun qui est de faire progresser la stratégie de Lisbonne. Ils jouent un rôle important à tous les niveaux législatifs: européen, national et – dans les pays où les gouvernements régionaux sont dotés d'un pouvoir législatif – régional.

Les fonctionnaires responsables de l'élaboration des politiques dans les différents domaines et à tous les niveaux d'administration sont donc invités à participer à cette conférence.

Les langues de travail seront le français et l'anglais (avec traduction simultanée).

For more information, please contact / Pour de plus amples informations, veuillez contacter:

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Seminar

The Implementation of European Environmental Legislation: The Water Framework Directive

Maastricht (NL)
25-26 October 2004

On 22 December 2000, Directive 2000/60/EC of the European Parliament and of the Council establishing a framework for Community action in the field of water policy – or in short the Water Framework Directive – entered into force. The transposition and implementation process raises a number of shared technical challenges for the Member States, the Commission, the observer and candidate countries and other stakeholders, and the first deadlines are looming (e.g. for economic analysis). Against the background of the different deadlines laid down by the Directive, current activities at European, national and regional level will be presented and discussed. This seminar is a follow-up to EIPA's previous very intensive and interactive seminars on the topic.

In contrast with other implementation processes, the Member States, Norway and the Commission launched a Common Implementation Strategy for the Water Framework Directive in 2001. The key activities of this strategy are developing guidance and information sharing, as well as data management, application, testing and validation. The seminar will give an overview of these key activities and will go into detail on developments in fields such as economic analysis, heavily modified water bodies, pilot river basins, public participation and pressure, and impact analysis. What are the experiences of officials involved in the different preparatory activities? What has happened so far in the Member States? What is the Commission's view on the results of the strategy? What about the participation of the regions, and how do observer and candidate countries and NGOs feel about the process? The participants will have the opportunity to exchange views and raise questions in intensive workshops chaired by officials involved in the process.

The seminar is intended for officials from European, national, regional and local levels who deal with water policy and issues relating to the implementation of European legislation.

The working language of the seminar will be English.

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Legislative Decision-Making in the Enlarged Union: An Advanced Course for EU Practitioners

La prise de décision législative dans l'Union élargie: cours de perfectionnement pour les praticiens de l'UE

Maastricht (NL)

8-9 November 2004 / 8-9 novembre 2004

The practice of EU decision-making is going to be affected dramatically both by enlargement to 25 Member States. The year 2004 will also see a new European Parliament and Commission. In this context, EU practitioners need both to acquire a good understanding of the implications of the changes for EU procedures and to reflect on how to prepare appropriately and perform effectively.

This seminar-workshop is intended for public officials directly involved in EU decision-making processes at home or in Brussels who already have a good knowledge of EU affairs. It aims to provide the most recent information and practical insights into developments in the institutions and in EU procedures. At the same time it constitutes a forum in which EU practitioners can exchange ideas and concerns about how to face the challenges.

The seminar will start with an overview of the main issues arising for the decision-making framework. The first day then concentrates on the impact of these developments on the internal practice and operating culture of each of the three main institutions concerned, as well as on interinstitutional relations. These sessions will mainly take the form of structured discussions with the participation of senior officials from the institutions.

The second morning will be devoted to a detailed analysis of the practice and politics of co-decision, involving officials directly concerned from the Council, Parliament and Commission. This will be based on a specific case study, and also consider the particular issues posed by enlargement.

The second afternoon will examine implications of all the above for the work of national administrations interacting with the institutions and other EU actors, as well as between themselves.

The seminar will be held in English and French with simultaneous translation.

L'élargissement à 25 Etats membres auront un impact décisif sur le processus décisionnel de l'UE. L'année 2004 verra aussi l'élection d'un nouveau Parlement européen et la nomination d'une nouvelle Commission. Dans ce contexte, les praticiens de l'UE doivent bien cerner les implications de ces changements pour les procédures européennes et réfléchir à la meilleure façon de s'y préparer et d'agir avec efficacité.

Ce séminaire-atelier est destiné aux fonctionnaires qui participent directement aux processus décisionnels de l'UE, depuis leur pays d'origine ou à Bruxelles, et ont déjà une bonne connaissance des affaires européennes. L'objectif est de leur présenter les informations les plus récentes et d'aborder de manière pratique les changements qui s'opéreront au sein des institutions et dans les procédures européennes. Parallèlement, le séminaire offre un forum de discussion où les praticiens de l'UE peuvent échanger leurs idées et préoccupations sur la manière de relever ces nouveaux défis.

Pour commencer, le séminaire examinera les principales questions en ce qui concerne le cadre décisionnel. Le premier jour sera ensuite consacré à l'impact de ces changements sur la pratique interne et la culture de chacune des trois grandes institutions concernées, ainsi qu'aux relations interinstitutionnelles. Ces sessions se dérouleront essentiellement sous forme de discussions structurées, auxquelles participeront un certain nombre de hauts fonctionnaires des institutions.

La matinée du deuxième jour sera consacrée à l'analyse détaillée de la pratique et des aspects politiques de la codécision, avec la participation de fonctionnaires du Conseil, du Parlement européen et de la Commission directement concernés. L'exercice s'appuiera sur une étude de cas et abordera également les questions spécifiques posées par l'élargissement.

L'après-midi, le séminaire se penchera sur les conséquences de cette évolution pour le travail des administrations nationales qui entretiennent des rapports avec les institutions, avec d'autres acteurs de l'UE et entre elles.

Le séminaire se déroulera en anglais et en français, avec traduction simultanée dans ces deux langues.

For more information and registration forms, please contact /

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Seminar for Practitioners

Appraisal, Monitoring and Impact Assessment Techniques for EU Structural Funds

Maastricht (NL)
8-9 November 2004

The aim of this seminar is to help managers and economic actors with the essential practical tasks involved in evaluating Structural Funds actions. The seminar covers the 3 principle stages of evaluation: ex-ante appraisals, monitoring procedures, and ex-post impact assessment studies.

The seminar will bring together local, regional, national and European Community officials, as well as expert consultants, in order to address important tasks and issues such as:

- the quantification of Development Plans, Support Frameworks and Operational Programmes, with focus on suitable indicators and targets;
- Ex-ante project appraisal techniques;
- Monitoring responsibilities and procedures for programmes and projects;
- Ex-post impact assessment techniques and issues, for example, survey design;
- plus, the Commission's approach to evaluation and the requirements after 2006.

Emphasis will be placed on the presentation of cases, workshops involving practical exercises and the informal exchange of information and experience.

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2004 Maastricht Forum on European Integration

Making the Constitution Work

Maastricht (NL)
19-20 November 2004

The Maastricht Forum on European Integration is hosted by the European Institute of Public Administration (EIPA). It reflects EIPA's mission to be a bridge between theory and practice, addressing the challenges posed to public administrations in managing the goals of European integration as agreed by the EU Member States. It gives academic scholars and expert practitioners room to reflect on the consequences of the main developments in European integration each year. The Forum is organised in cooperation with the European Studies Programme of Maastricht University and the Standing Group on the European Union of the European Consortium of Political Research.

In 2004, the Forum will look at the challenges and consequences of implementing the EU Constitution. After a keynote address and open discussion, the Forum will focus – in different sessions – on the ways in which fundamental political issues for the EU will arise when the Constitutional Treaty is going through the ratification process and is ultimately put into practice.

Papers on specific topics within three broad themes will be presented:

- the relationship between the Union and the Member States;
- the democratic accountability of constitutionalisation;
- the new dynamics of EU institutional politics.

Each session will be chaired by a senior expert in the field. The sessions will give participants the opportunity to present papers. Each session will consist of 1 or 2 panels with 2-3 paper presentations each and comments from a discussant. The Forum will conclude with a podium discussion involving the keynote speaker and session chairs.

The Forum will be held in English.

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Conference

Keep Ahead with European Information

Maastricht (NL)

22-23 November 2004

The European Institute of Public Administration (EIPA) is organising the seventh annual conference “Keep Ahead with European Information” to be held at EIPA, Maastricht, on 22 and 23 November 2004.

The conference is aimed at experienced European information professionals. It will look at new and important issues, products and services of interest to those who work daily with European information.

The conference will be useful for those working in the EU institutions, public authorities, information professionals working with EU information as well as related organisations, and anyone else interested in the issues to be discussed.

The working language of the conference will be English.

For more information and/or registration forms, please contact:

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Die Europäische Union Verstehen und Gezielt Recherchieren

Ein Seminar für Übersetzerinnen und Übersetzer

Maastricht (NL)

6. - 8. Dezember 2004

Das Europäische Institut für öffentliche Verwaltung (EIPA) in Maastricht wird vom 6. - 8. Dezember 2004 unter dem Titel “Die Europäische Union verstehen und gezielt recherchieren” erneut ein Einführungsseminar zum Thema Europäische Union für Übersetzerinnen und Übersetzer mit Deutsch als Arbeitssprache veranstalten.

Das Seminar soll helfen, ein umfassendes Grundwissen über die Europäische Union zu erwerben, mit dessen Hilfe europabezogene Texte verstanden und eingeordnet werden können. Daneben werden die elektronischen Werkzeuge – Rechts- und Terminologiedatenbanken – erläutert, die über das Internet ein Auffinden authentischer Übersetzungen offizieller Dokumente sowie den Erhalt der korrekten Terminologie ermöglichen.

Die Teilnahmegebühr beträgt EUR 695 und beinhaltet die Dokumentation, drei Mittagessen und ein Abendessen.

Weitere Informationen und/oder Anmeldeformulare sind erhältlich bei:

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Workshop

State Aid Procedures and Enforcement

Maastricht (NL)
29-30 November 2004

The European Institute of Public Administration (EIPA) is organising a new workshop on “State Aid Procedures and Enforcement”. The two-day workshop will take place in Maastricht, the Netherlands, on 29-30 November 2004.

The European Community has developed an elaborate system of procedures to control the granting of state aid by Member State authorities (Council Regulation No. 659/1999). In addition, block exemption regulations for SMEs, for training aid, for employment and for SMEs in the agricultural sector have been adopted with a view to reducing the administrative burden as regards specific types of aid. In order to further simplify and modernise its procedures in view of the enlargement, the Commission recently adopted Implementing Regulation No. 794/2004 while draft Communications for the assessment of lesser amounts of aid (LASA) and limited effects on intra-Community trade (LET) have also been prepared, particularly to speed up the assessment of cases involving insignificant amounts of aid.

The purpose of the workshop is to examine in depth the interpretation and application of these procedural rules. Recovery of aid, which constitutes a weak spot in the enforcement, third parties' rights and the application of state aid rules by national courts are some of the topics that will be analysed in detail. The workshop will also provide a forum for comparing national experiences as regards administrative arrangements for notifying and registering aid and the enforcement of recovery decisions. There will also be a working group exercise dealing with the assessment of cases that combine state aid with structural funds. Speakers will include officials from EU institutions and Member State administrations, academics and practitioners.

The workshop aims to meet the needs of middle managers and senior officials from all levels of government and local authorities, officials from public enterprises, representatives of business and trade associations and lawyers and economists involved in state aid procedures.

EIPA, which is organising and hosting the workshop, has extensive experience and a well-established track record in professional training activities. The workshop is also a continuation of the Institute's research and seminars in the broader area of competition policy.

The working language of the workshop will be English.

For further information and registration, please contact:

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Website: <http://www.eipa.nl>

Seminar

The Internal Market and the Free Movement of Goods Current State of the Development of the Harmonisation of Standards and Mutual Recognition

Recent Rulings of the European Court of Justice in this Field

Maastricht (NL)

29-30 November 2004

Description

This 1.5-day seminar will present the rules governing the free movement of goods, their main principles (such as mutual recognition and non-discrimination) and their impact on national authorities at all levels of government. The rules, their evolution, origins and reasons will be set out and explained so as to provide the participants with a solid base for dealing with this issue and to show them when these matters are relevant to them.

Objective

The aim is to brief the participants on the basic principles and rules governing the internal market so as to prevent them from inadvertently committing breaches of law. At the end of the seminar, the participants should not only have knowledge of the relevant rules but also have internalised them, resulting in a confident and correct application of these rules in their daily work and thereby avoiding problems and litigation.

Method

The seminar will offer a productive mix of presentations and discussions to support the exchange of ideas, opinions and tips between the experts and participants. Apart from briefings, there will be panel discussions and working groups so as to enable points of particular interest or concern to be discussed among the participants and speakers, many of whom are responsible for deciding whether a foreign diploma is recognised.

Target Group

Officials from national, regional and local government working in areas related to the free movement of goods, product standards, consumer protection and market supervision.

The seminar will be conducted in English.

For more information and registration forms please contact:

Ms Gediz Cleffken, Programme Organiser, EIPA

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E-mail: g.cleffken@eipa-nl.com

Website: <http://www.eipa.nl>

Seminar

The Internal Market and the Free Movement of Persons and Services Current Developments and Recent Rulings of the European Court of Justice in this Field

Maastricht (NL)

30 November-1 December 2004

Description

This 1.5-day seminar will present the rules governing the free movement of persons and the freedom to provide cross-border services, their main principles (such as mutual recognition and non-discrimination) and their impact on national authorities at all levels of government. The rules, their evolution, origins and reasons will be set out and explained so as to provide the participants with a solid base for dealing with this issue and to show them when these matters are relevant to them.

Objective

The aim is to brief the participants on the basic principles and rules of the internal market so as to prevent them from inadvertently committing breaches of law. At the end of the seminar, the participants should not only have knowledge of the relevant rules but also have internalised them, resulting in a confident and correct application of these rules in their daily work and thereby avoiding problems and litigation.

Method

The seminar will offer a productive mix of presentations and discussions to support the exchange of ideas, opinions and tips between the experts and participants. Apart from briefings, there will be panel discussions and working groups so as to enable points of particular interest or concern to be discussed among the participants and speakers, many of whom are responsible for deciding whether a foreign diploma is recognised.

Target Group

Officials from national, regional and local government working in areas related to the free movement of persons and services, professional standards, consumer protection and market supervision.

The seminar will be conducted in English.

For more information and registration forms please contact:

Ms Gediz Cleffken, Programme Organiser, EIPA

P.O. Box 1229, NL-6201 BE MAASTRICHT

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E-mail: g.cleffken@eipa-nl.com

Website: <http://www.eipa.nl>

Seminar

Developing the Project Pipeline for Structural Funds Operations

Maastricht (NL)
February 2005

The European Institute of Public Administration (EIPA) is organising a 2-day seminar on the theme “Developing the Project Pipeline for Structural Funds Operations” in February 2005. The seminar will take place at EIPA’s premises, located in the centre of Maastricht, the Netherlands.

It is a standard 2-day seminar consisting of illustrated presentations, group discussions and workshops. The seminar provides a step-by-step guide to developing projects, from deciding what the priorities and possibilities are, generating ideas and partnerships, finding the finance, using ex-ante project appraisal techniques, developing project indicators, preparing applications, to the consideration of eligible expenditure and how to get your project selected. The responsibilities and tasks required to manage and deliver projects successfully will also be discussed.

Regional practitioners, expert consultants and EU officials will give presentations, and discussions and exchanges of experience will be encouraged. Mini-workshops and exercises will be used to carry out simulations of key elements and to provide a clear view of good practice in the key disciplines involved.

At the end of the seminar the participants should have a clear understanding of how to generate good projects and how to maximise the probability of getting projects selected. Participants will therefore have at their disposal a quick and effective tool kit for developing the project pipeline and a guide to the essential tasks of project management.

The seminar is intended for project managers and developers from the regions, officials from central, regional and local government and programme officers and managers involved in the implementation of Structural Funds projects and programmes. The seminar is also open to economic and social partners involved in developing Structural Funds projects, such as NGOs, higher education establishments, and employers’ representatives.

For further information and programme, please contact:

Ms Lisette Borghans, Programme Organiser, EIPA

P.O. Box 1229, NL – 6201 BE MAASTRICHT

Tel.: +31 43 3296 334; Fax: +31 43 3296 296

E-mail: l.borghans@eipa-nl.com

Website: <http://www.eipa.nl>

EIPA Staff News

* Newcomers

Maastricht

Seppo MÄÄTTÄ (FIN) joined EIPA on 1 June 2004 as seconded national expert in the Unit on Comparative Public Administration.

He has a Master of Science Degree in Public Management. Before joining EIPA, he held the position of Senior Adviser for Management at the Finnish Ministry of Finance where he was responsible for the Ministry's strategic planning and for specifically assigned expert missions in the field of government reform and modernisation. His fields of specialisation include public governance, policy making and strategic management (Balanced Scorecard, Action Scenario, EFQM).

During his professional career, he worked as a Senior Consultant for the Finnish Institute of Public Management, as a Senior Adviser for the Nordic Council of Ministers in Copenhagen and as a Special Researcher for the State Audit Office in Helsinki.

As a national expert at EIPA he will concentrate on public management and economic governance in the context of the European growth and competitiveness strategy (Lisbon agenda).



EIPA Publications

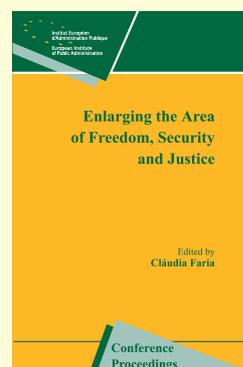
Mapping the Potential of eHealth: Empowering the Citizen through eHealth Tools and Services

Research Report presented at the eHealth Conference
Petra Wilson, Christine Leitner and Antoinette Moussalli
EIPA 2004, 52 pages
ISBN 90-6779-188-1, Free of charge*

Enlarging the Area of Freedom, Security and Justice

Cláudia Faria (ed.)
EIPA 2004, 77 pages
ISBN 90-6779-189-X, €21.00
Mixed texts in English and French

- * Electronic version: on line (EIPA's website:
<http://www.eipa.nl/home/eipa.htm> or
eEurope Awards website: www.e-europeawards.org).



EIPA Recent Publications

European Civil Services between Tradition and Reform

Christoph Demmke

EIPA 2004/01, 202 pages,
ISBN 90-6779-185-7, €30.00
(the German version is forthcoming)

eGovernment in Europe's Regions:

Approaches and Progress in IST Strategy, Organisation and Services, and the Role of Regional Actors

Alexander Heichlinger

EIPA 2004/03, approx. 118 pages,
ISBN 90-6779-187-3, €15.00
(Only available in English)

Wegweiser EU-Information – 4. Auflage

Veerle Deckmyn

EIPA 2003, 79 pages: €20.00
(Auch in Englisch und in Französisch erhältlich)

Continuity and Change in the European Integration Process

Essays in honour of Günther F. Schäfer
(EIPA 1984-2003)

Christoph Demmke and Christian Engel

EIPA 2003, 273 pages: €31.75
(Texts in English, French and German)

eGovernment in Europe: The State of Affairs

Christine Leitner

EIPA 2003, 63 pages:

- An electronic version can be found on line
(<http://www.eipa.nl/home/eipa.htm>).

Guide de l'information sur l'Union européenne – 4e édition

Veerle Deckmyn

EIPA 2003, 77 pages: €20.00
(Disponible également en anglais et en allemand)

The Case for eHealth

Denise Silber

EIPA 2003, 32 pages:

- An electronic version can be found on line
(<http://www.eipa.nl/home/eipa.htm>), for
hardcopies, postage costs will be charged.

Beyond the Chapter:

Enlargement Challenges for CFSP and ESDP

(Current European Issues Series)

Simon Duke

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Quality Management Tools in CEE Candidate Countries:

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Christian Engel

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(Only available in English)

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* Details of all previous Schengen publications can be found on EIPA's website <http://www.eipa.nl>

All prices are subject to change without notice.
A complete list of EIPA's publications and working papers is available on <http://www.eipa.nl>

About EIPASCOPE

EIPASCOPE is the Bulletin of the European Institute of Public Administration and is published three times a year. The articles in EIPASCOPE are written by EIPA faculty members and associate members and are directly related to the Institute's fields of work. Through its Bulletin, the Institute aims to increase public awareness of current European issues and to provide information about the work carried out at the Institute. Most of the contributions are of a general character and are intended to make issues of common interest accessible to the general public. Their objective is to present, discuss and analyze policy and institutional developments, legal issues and administrative questions that shape the process of European integration.

In addition to articles, EIPASCOPE keeps its audience informed about the activities EIPA organizes and in particular about its open seminars and conferences, for which any interested person can register. Information about EIPA's activities carried out under contract (usually with EU institutions or the public administrations of the Member States) is also provided in order to give an overview of the subject areas in which EIPA is working and indicate the possibilities on offer for tailor-made programmes.

Institutional information is given on members of the Board of Governors as well as on changes, including those relating to staff members, at EIPA Maastricht, Luxembourg, Barcelona and Milan.

The full text of current and back issues of EIPASCOPE is also available on line. It can be found at: <http://www.eipa.nl>

EIPASCOPE dans les grandes lignes

EIPASCOPE est le Bulletin de l'Institut européen d'administration publique et est publié trois fois par an. Les articles publiés dans EIPASCOPE sont rédigés par les membres de la faculté de l'IEAP ou des membres associés et portent directement sur les domaines de travail de l'IEAP. A travers son Bulletin, l'Institut entend sensibiliser le public aux questions européennes d'actualité et lui fournir des informations sur les activités réalisées à l'Institut. La plupart des articles sont de nature générale et visent à rendre des questions d'intérêt commun accessibles pour le grand public. Leur objectif est de présenter, discuter et analyser des développements politiques et institutionnels, ainsi que des questions juridiques et administratives qui façonnent le processus d'intégration européenne.

En dehors des articles, EIPASCOPE contient également des informations sur les activités organisées par l'IEAP et, plus particulièrement, ses séminaires et conférences ouverts qui sont accessibles à toute personne intéressée. Notre bulletin fournit aussi des renseignements sur les activités de l'IEAP qui sont réalisées dans le cadre d'un contrat (généralement avec les institutions de l'UE ou les administrations publiques des Etats membres) afin de donner un aperçu des domaines d'activité de l'IEAP et des possibilités qu'il offre pour la réalisation de programmes sur mesure adaptés aux besoins spécifiques de la partie contractuelle.

Il fournit également des informations institutionnelles sur les membres du Conseil d'administration ainsi que sur les mouvements de personnel à l'IEAP Maastricht, Luxembourg, Barcelone et Milan.

EIPASCOPE est aussi accessible en ligne et en texte intégral sur le site suivant: <http://www.eipa.nl>

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