The Audit Commission's report 'Urban Regeneration and Economic Development: the Local Government Dimension' was published in September 1989. Since then the Audit Commission's auditors have been reviewing the economic development activities of a selection of local authorities where the issue is of significance.

This paper was prepared by Hall Aitken Associates Ltd. of Glasgow, at the Audit Commission's request, as part of the advice provided to auditors for these reviews. The impact of the Single European Market (SEM) and the assistance available from the three European Community (EC) Structural Funds are becoming increasingly important in preparing and implementing economic development strategies. The Audit Commission has issued this paper in the belief that others will find a succinct account of this complex and rapidly developing area of use in their work. Opinions expressed in the paper are those of the authors and should not be attributed to the Audit Commission.

The aims of the research were:
— to review the background to the EC Single Market Programme;
— to outline the SEM and the relationship between the SEM and the EC grant funds for economic development and vocational training;
— to demonstrate the role played by local authorities in the delivery of EC funded initiatives and programmes;
— to consider how local authorities are involved in the monitoring and evaluation of EC programmes.

At the end of the paper there is a checklist of key questions for local authorities, to address the impact of Europe on their economic development activities.
INTRODUCTION

1 The European Community (EC*) is engaged in an ambitious programme of legislation to create a Single European Market (SEM) by the end of December 1992. The EC's objective is to remove all existing physical, technical and fiscal barriers to the movement of both individuals and commercial enterprises within the Community. This will involve the enactment of some 282 pieces of legislation by the member states.

2 Its primary intention was to integrate the twelve individual national markets into a Single Market. However, the European Commission's 1985 White Paper 'Completing the Internal Market' was also conceived as a tactical instrument for promoting more effective decision-making within the Community (achieved through the Single European Act in mid-1987) and for making the SEM the top political priority. More fundamentally, the programme was part of a wider-ranging effort to stimulate the European economy, revive the ideals of the 'Common Market' and promote the economic and political role of the European Commission (hereafter referred to, in this paper, as 'the Commission').

3 Completing the SEM has a compelling economic logic but, as the programme has progressed, it has raised an increasing number of questions about the impact on peripheral regions, on particular industries and on the workers in those industries and regions. The rationale underlying the Reform of the Structural Funds is an attempt to reduce these impacts on regional economies.

4 The process of change in the business environment has already begun – with obvious changes taking place at the national and European level – through mergers and takeovers for example. The local effects of these changes have yet to work themselves through, in terms of closures (or expansions), retraining or other requirements.

5 The phrase the 'Single European Market' which has come into use in the UK is worth a comment as it is not used in the Single European Act (SEA). It conveniently combines the SEA and the Internal Market in three words but it does so by confusing the original meaning of the word 'Single' in the SEA, which was so called because it combined in a single legal instrument two texts of different origins, one amending the Treaty of Rome and one dealing with cooperation in the sphere of foreign policy.

6 The SEA, which is essentially an up-dating of the Treaty of Rome, was adopted by the Council of Ministers in December 1985 and came into force in July 1987. It provides the necessary political impetus and legal framework for the 'completion' of the Internal Market in the Community by 1992. Significant changes to Community decision-making are also enshrined in the Act, such as an extension in the decisions to be taken by qualified majority voting in the Council of Ministers and an extension of the role of the European Parliament. The Act also contains provisions regarding the promotion of research and technological development, protection of the environment and the achievement of social and economic cohesion.

PROGRESS TO DATE

7 By the end of September 1990 the Council had adopted 60% of the total number of measures set out in the 1985 White Paper. If 'common positions' – the stage of the cooperation procedure where the Council can be considered to have reached political agreement – are added, the figure rises to 64% (181 decisions out of the 282 proposals). Significantly, of the 101 measures awaiting agreement, an increasing proportion requires unanimity in voting by the Council.

8 Overall progress has been good, particularly in relation to the removal of technical barriers to trade in goods, to the liberalisation of capital movements and public procurement. In other areas, however, progress has been disappointing. This is true not only of the plant and animal health issues – crucial to the abandonment of border checks, but especially in the fiscal area – the approximation of VAT and excise duties. By April 1990 all the original White Paper measures had been drawn up and put to the Council. As the deadline draws closer new problems have begun to emerge. One of these lies in the European Parliament which is taking an increasing time to deliver Opinions on some Directives, due simply to overwork and bottlenecks in particular committees.

9 By September 1990 only 24 of the 109 eligible measures had been incorporated into legislation in all 12 member states. The record varies from one member state and field to another.
Those countries with the best record are Denmark and the UK, followed by France and the Netherlands. During 1990, 28 measures adopted by the Council are due to be enacted by the member states. They include arrangements for public procurement and the first ‘new approach’ technical harmonisation Directives.

10 In making an overall assessment there is a danger of using the White Paper as the only yardstick, yet some of the more difficult issues such as Energy or External Trade were left out of the original proposals and remain contentious. New proposals have emerged since the White Paper was prepared in areas such as public procurement. The Commission has to date identified at least another 20 measures – mainly in chemicals and telecommunications – that are required and others will no doubt be identified.

11 Other measures such as Economic and Monetary Union, the Social Dimension, environmental proposals and the exercise of Competition Policy powers are additional to the formal Single Market proposals.

IMPACT STUDIES
THE CECCHINI REPORT

12 In 1986, the European Commission, invited Paolo Cecchini, to organise a comprehensive inquiry into the likely economic impact of completing the programme set out in the 1985 White Paper. A large number of independent economic experts, consultants and research institutes contributed to this project, which was fully supported by the Commission. The study was published in early 1988.

13 The conclusions of the report were that:
— the completion of the Internal Market will help to regenerate industry and services. Savings could be as high as 200 BEcu (1988 prices) and, in the medium term, between 1.5 and 5 million jobs could be created;
— the economic advantages should increase GDP by up to 5% of the 1988 level. The medium-term gain (within five to six years) might reach 7%.

14 The Cecchini Report makes little comment on and has little evaluation of the potential ‘downside’. The report merely estimates that there will be short term job losses of approximately 0.5 million. This assumption is based on the premise that all Internal Market measures were to be implemented simultaneously. This is clearly not the case. In addition, the report does not fully address or assess the impact of increased competition, industrial restructuring through merger, regroupings, co-operation agreements and the potential loss of jobs arising out of the subsequent rationalisations, especially in the early years. Thus, it presents long-term potential, rather than likely short-term effects.

15 Restructuring will be more rapid in some sectors than in others. Ongoing studies carried out by the Commission to identify the vulnerable manufacturing sectors include the following:
— boiler making
— electrical equipment
— telecommunications equipment
— ship-building and repair
— railway equipment
— medical, surgical and orthopaedic equipment
— pharmaceutical products
— cocoa, chocolate, sweets
— brewing and malting
— still and carbonated mineral water.

16 Estimates of impact have varied considerably, although the key for most sectors is certain to be whether the Single Market results in prolonged and sustained economic growth, so that trade creation outweighs trade diversion. Changes in public procurement practices will have an increasing impact.

17 Closely related to the sectoral impact will be the regional impact, a particularly important issue given the geographical concentration of a wide range of industrial activities.

18 Following the Cecchini Report, more than sixty studies dealing directly or indirectly with the sectoral, regional and social consequences have been launched by Commission Directorates-General.

EMPLOYMENT IN EUROPE

19 In May 1989, the Commission published – “Employment in Europe 1989”. The report, which is to be published annually, is in twelve chapters ranging across the whole sweep of employment issues from technological change to likely future patterns of mobility.
Its analysis of the likely overall impact of 1992 is particularly interesting in the light of the earlier forecasts of the Cecchini report. This suggested that the 1992 process could create a minimum of 1.8 million new jobs by 1995. The new report suggests that both the job gains and losses are likely to occur more gradually than initially thought.

It forecasts that there will still be a net loss in jobs as a result of the Single Market as late as 1992, although this will be only 100,000 rather than the 500,000+ forecast in the Cecchini report. Job gains will take place more slowly. “Employment in Europe” estimates that, rather than 1.8 million new jobs by 1995, there will just be over one million.

Nevertheless, the report remains optimistic about the overall effect of the Single Market. It states “while the exact employment effects ... will depend on the outcome of a large number of interdependent factors, the various alternative calculations made so far all show positive employment benefits”.

1. THE REFORM OF THE STRUCTURAL FUNDS

SINGLE EUROPEAN ACT

The reform of the Community’s three Structural Funds – the European Regional Development Fund (ERDF), European Social Fund (ESF) and European Agricultural Guarantee and Guidance Fund (EAGGF) – came about as a result of agreement on the Single European Act.

A key contribution of the SEA was the recognition:
— that the prosperity resulting from the completion of the Internal Market would not automatically be evenly spread;
— that certain geographical areas and economic sectors which were already weak would, in all likelihood, be the ones to miss out or to benefit only marginally from the new prosperity;
— that the weaker and poorer areas had the right to share in the benefits of the Single Market by means of an effort at Community level to reduce regional disparities;
— that the necessary public support for the completion of the market would be forthcoming throughout the Community only if this effort to reduce disparities was visible and effective.

The link between the SEA and the Structural Funds comes in Article 130A which requires that the Community should aim to develop "social and economic cohesion". Article 130B states that this is to be achieved through the conduct and co-ordination of national economic policies of the member states and by being taken into account in the implementation of the Internal Market and in the preparation and implementation of the common policies, for example, the environment, R & D, transport, agriculture, public procurement and competition. In particular, Article 130D sets the objective that the efficiency and co-ordination of the Structural Funds be improved in order that the gap between the various regions be reduced. To assist in this process, the Commission introduced policy guidelines in February 1987, within the context of the wider ranging policy document entitled 'Making a Success of the Single Act'.

IMPLEMENTATION

The principles of this policy document were converted into a series of new pieces of legislation which substantially altered the method of working of the three previously independent funds. The basis for this new co-ordination was set out in a Framework Regulation which was agreed by the Council in June 1988. The Commission agreed its proposals for the four implementing regulations in December 1988. By this agreement, the previous system of three independent regulations was replaced from 1st January 1989 by a hierarchy of regulations:
— the Framework Regulation: a comprehensive regulation which set out the principles and general conditions under which the funds would operate, defined the list of Objective 1 regions and set out the criteria for eligibility under Objectives 2 and 5(b) (See para. 37 et seq.). (Regulation 2052/88);
— the "Horizontal" Regulation: laying down the common provisions and the co-ordinated provisions concerning the funds’ activities (Regulation 4253/88);
— the Implementing Regulations: the three, separate regulations relating to the individual funds (Regulation 4254/88 – ERDF; 4255/88 – ESF; 4256/88 – EAGGF).
The three Structural Funds are:

— **European Regional Development Fund** (ERDF) contributes to the correction of the main regional imbalances and to the reinforcement of economic and social cohesion through assistance for infrastructure, local development and business support;

— **European Social Fund** (ESF) encourages expansion of job opportunities through assistance for vocational training and short term wage subsidies;

— the **Guidance Section of the European Agricultural Guidance and Guarantee Fund** (EAGGF Guidance) contributes to the speeding up of the adjustment of agricultural structures and the development of the less-developed and rural development regions.

These three financial mechanisms are administered by the Commission and can help to fund measures or projects carried out in the member states and which meet the following common objectives:

— economic development of the regions
— promotion of employment
— environmental protection
— energy conservation
— provision of linking infrastructure
— adaptation of activity sectors.

### RESOURCES

From the time of the discussions on the SEA in 1985-86 the Commission estimated that in order for the Single Market Programme to succeed, the budget required for the Structural Funds needed to be doubled in real terms by 1993 in relation to 1987. The Brussels Summit of February 1988 agreed to this proposal. The funds in the adopted regulations are 7.7 BEcu (£5 bn) for 1988, increasing to 14.3 BEcu (£9.3bn) by 1992 (at a 1988 price base). Table 1 shows the 1989 and 1990 allocations to each of the Structural Funds. (The Ecu is a weighted average of specified amounts of the 12 European currencies. The £/Ecu rate varies over time, but for the purposes of this paper, all conversions are at a rate of 1 Ecu = £0.65, as at August 1990.)

### AIMS OF THE REFORM

Among the more significant changes now agreed are:

— clearly defined objectives;
— a greater defined objectives;
— a greater (ie tighter) geographical concentration of the Funds' resources;
— a stronger role for the Commission in the selection of the geographical areas which will benefit;
— the foundation of decentralised management of Fund assistance and a strengthening of the partnership between the Community and the member states;
— a greater reliance on programming, and an intensification of monitoring;
— more straightforward financial procedures;
— a more harmonised approach to the rates of assistance.

There are now five clear objectives to which the funds subscribe. Of these, three have specific geographical areas determined by criteria set out in the Framework Regulation. The three are:

— Objective 1: less-developed regions;
— Objective 2: industrial conversion areas;
— Objective 5(b): rural development areas.

The remaining priorities are not geographically restricted. Objective 3 (combatting long-term unemployment) and Objective 4 (integrating young people) are sectorally based while Objective 5(a) deals with the adjustments to agricultural structures.

The three Structural Funds contribute towards the needs of the five objectives in different combinations (Exhibit 1, overleaf).

The Commission expects the reform to lead to a real improvement
CONTRIBUTION OF THE THREE STRUCTURAL FUNDS TO THE OBJECTIVES

The three funds are designed to meet different objectives.

<table>
<thead>
<tr>
<th>Objective</th>
<th>ERDF</th>
<th>ESF</th>
<th>EAGGF (Guidance)</th>
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Source: European Commission

In the efficiency of Community operations, arising from the principles which underlie the reform:

— **Concentration** of assistance to ensure a real economic impact. Assistance to the Objective 1 regions is to be doubled by 1992 with up to 80% of the ERDF devoted to these regions.

— **The Programme Approach** to funding initiatives which will enable the Commission to place development measures in an overall regional, national or sectoral perspective. At the same time, it should simplify the administrative treatment of requests for assistance.

— **A partnership** between the Commission and national, regional and local authorities. This is reflected both in the decision-making system and at the operational level. The member states, acting on behalf of the regions concerned, submitted Regional and Social Conversion plans to the Commission (for groups of counties in England and Wales, designated for EC statistical purposes as Level 2 Regions). These were analysed and discussed in the partnership framework with the intention of offering greater flexibility on the precise measures to be financed provided there was agreement on the development priorities. The Commission then prepared its response in the form of a Community Support Framework (CSF). The CSF (which covers a three year period in Objective 2, 3 and 4 areas, and five years in 5(b) areas) outlines the development priorities to be supported and the types of financing involved, an indicative financing plan and reference to studies and technical assistance.

— **Increased co-ordination** between the Community financial instruments. The Community can combine grant assistance with loans from the European Investment Bank (EIB) and the European Coal and Steel Community (ECSC).

— **Improved evaluation and monitoring:** an evaluation was meant to have taken place before the CSFs and Operational Programmes were agreed to determine clear objectives and targets, monitoring during the lifetime of the programme to assess effectiveness, and after operations have been completed to verify whether the original objectives have been met and subsequently to assess the impact on the regional economy or employment sector.

THE INTEGRATED APPROACH

35 Since the late 1970s the Commission has been attempting to integrate its actions under the Structural Funds. Initially, the emphasis was placed on co-ordinating ERDF and ESF actions. This Integrated Development Operation (IDO) approach reached a peak during the late 1980s. The IDOs are comprised of infrastructural funding from the ERDF, delivered through National Programmes of Community Interest (NPCI), and Vocational Training funding from the ESF.

36 Under the current legislation (Regulation 4253/88) there is still provision for an ‘integrated approach’ to be adopted on the initiative of the member state or of the Commission (in agreement with the member state concerned). An Operational Programme may be implemented in the form of an integrated approach if:

— the programme involves financing by more than one fund, or at least one fund and one financial instrument other than a loan instrument;

— the measures to be financed by different funds or financial instruments are to be mutually reinforcing and significant benefits are likely to accrue from close co-ordination between all the parties involved;
— the appropriate administrative structures are provided at national, regional and local level in the interests of the integrated implementation of the programme.

Details of how integrated approaches are to work are set out in general terms in the Structural Fund Regulations.

THE GEOGRAPHICAL PRIORITIES

OBJECTIVE 1

Within the overall spending by Structural Funds, there is a clear priority in favour of the less developed, Objective 1, regions with over 60% of total expenditure (up to 80% of ERDF) being directed to them. The list of Objective 1 regions applies for five years and a qualified majority decision of Council of Ministers will then be able to revise it. In the UK, the only Objective 1 region is Northern Ireland. Agreement on the allocation of the 36.2 BEcu (£23.5 bn) resources between the Objective 1 regions for 1989 to 1993 was agreed in September 1989. The UK was awarded 793 MEcu (for Northern Ireland).

OBJECTIVE 2

The Objective 2 areas were agreed in March 1989 (see Appendix). The criteria which were used to define the eligible areas included:

— unemployment levels above the Community average;
— the percentage share of industrial employment equal to or above the Community average;
— an observable fall in industrial employment.

As well as the regions normally associated with the problems of high unemployment and structural change, bids for assistance were lodged by some areas in inner London. Although some of these areas met the statistical thresholds, the capital is largely prosperous and the bids were rejected. The UK has now made successful proposals to the Commission for pilot actions and studies in London under the provisions of Article 10 of the ERDF Regulation, and for training measures under Article 1.2(2) of the ESF Regulation (see paragraphs 54 and 83).

Decisions on the allocation of the funding resources under Objective 2 were made in December 1989. The allocation to Britain was 1289 M Ecus for 1990 and 1991 (nearly 40% of the total available) of which 980 M Ecus was for England & Wales (Exhibit 2).

This is not all new money in that the allocations contain within them existing commitments for multi-annual programmes begun under the ‘old’ ERDF Regulation, both in the form of the Integrated Development Operations (Table 2, overleaf) and National Programmes of Community Interest (Table 3, overleaf), in addition to the new style Operational Programmes (Table 4, overleaf).

OBJECTIVE 5(B)

The Objective 5(b) areas were agreed in May 1989 (see Appendix). The criteria which were used to define them included:

— high share of agricultural employment in total employment;
— low level of agricultural income;
— low level of socio-economic development (GDP per capita);
— peripherality or less-favoured area status;
— low population density.

Decisions on the allocation of the rural development funding under Objective 5(b) were made in May 1990, with Britain receiving £249 m over the period 1989 to 1993. This amounts to 13.4% of the total funding (including allocations to existing approved programmes). Funding of £52.7 m went to the assisted areas in Devon and Cornwall and £78.9 m for Rural Wales (Dyfed, Gwynedd, Powys). The allocations are very heavily weighted in favour of ERDF
2. THE EUROPEAN REGIONAL DEVELOPMENT FUND

INTRODUCTION
44 The ERDF was established in 1975 with a remit of funding development in the 'less favoured' regions. This is a euphemism for areas of high unemployment, either in rural areas still dependent on agriculture or de-industrialising areas where steel, ship building and textiles were the dominant industries.

45 Assistance is by way of grants, up to a maximum of 50%. The applications, now in the form of multi-annual programmes, are submitted by the national governments. The areas eligible for funding, until the recent review, were defined by the national governments.

46 The ERDF may assist by means of:
— investment in firms, to enable the creation or maintenance of jobs;
— infrastructure investment;
— development of indigenous potential, through business and financial assistance to local development initiatives and ‘small and medium sized enterprises’ (SMEs) as well as the provision of small scale infrastructure;
— measures aimed at environmental protection where such investment is linked to regional development.

IMPLEMENTATION
47 In the UK, the funding is currently directed through both existing IDO/NPCI and new Operational Programmes. These programmes may be instigated by the member state or by

support. Applications for Dumfries & Galloway (£9.8m) and the Highlands & Islands (£98m) have yet to be approved by the European Commission.
the Commission. The programmes must cover:
— those features which make it possible to check on consistency with the CSF;
— a precise description of the measures, with the conditions for the grant of aid;
— an indication of the beneficiaries;
— an estimate of the cost;
— the progress of the measures envisaged;
— arrangements for follow-up, evaluation and monitoring.

BALANCE BETWEEN INFRASTRUCTURE AND PRODUCTIVE INVESTMENT

48 Regional Fund support has been heavily biased (over 75% of total expenditure 1975 to 1988) in favour of physical infrastructure – particularly in roads, water, drainage and sewerage treatment. The Commission now considers that an increased proportion of the ERDF's resources in the future in Objective 2 areas should be devoted to productive investment. The Commission view was set out in the Third Periodic Report on the Social & Economic Situation in the Regions of Europe (1987) which stated:

"in view of the importance of business investment for greater real convergence, an effective Community Regional Policy ought to be reflected in a higher weight given to assistance for productive investment under the Regional Fund".

49 This re-focusing has resulted in the Objective 2 CSFs for the UK limiting physical infrastructure to on-site services and only such off-site services as are essential for industry, business, or tourism development. In addition, the Commission is looking to its support for productive investment being combined with ESF support for training.

50 In February 1989, the Commission published a Guidance Note to clarify the principles and priorities which would guide the discussion on the CSF. The indicative priorities reflected the Commission's concerns for:
— the re-use of derelict land;
— the refurbishment of industrial property;
— disposal of industrial waste;
— encouraging SMEs;
— promoting local development;
— promoting research and technological development (R&TD);
— provision of vocational training facilities;
— development of tourism activities.

51 These priorities were pressed consistently by the Directorate General for regional policy (DG XVI) on the UK authorities during the discussions on the CSF and eventually included, in a modified form, in the adopted texts. The Commission also took the opportunity provided by the Regulations to vary the rate of support – reducing infrastructure to 25% while keeping other measures at 50%.

NATIONAL AID SCHEMES

52 ERDF is also used for the partial reimbursement of expenditure on national aid schemes (Enterprise Initiative and Regional Enterprise Grants). Receipts of ERDF aid allow for a higher level of expenditure on these schemes than would otherwise be possible. Local authority support for business development measures is also possible as set out in the Community Support Frameworks.

STUDIES AND PILOT ACTIONS

53 Up to 0.5% of the Fund's annual resources can be used to finance preparatory, accompanying and assessment studies, technical assistance or information measures (in particular, the promotion of trans-national networks of local and regional authorities). It is this provision which funds the pilot and demonstration measures under Article 10 of the Regulation.

54 Article 10 sets out the types of studies and pilot schemes at Community level which the Fund may support i.e. those linked to the promotion of productive investment, infrastructure and indigenous development. Amongst the pilot schemes there is provision for schemes which encourage the pooling of experience and development co-operation between Community regions. It is this provision which is being used to support inner city pilot schemes and studies. Areas in London, Hamburg, Marseilles and Rotterdam were submitted for consideration. The projects in London and Marseilles are the first to get underway: 5 MECu has been allocated to economic regeneration projects and environmental improvements in eight London boroughs.

REGIONAL PARTNERSHIP

55 The Community's Regional Policy is increasingly being carried out in
consultation between the Commission, the member state concerned and the competent authorities designated at regional level. There is continuing dialogue between the UK Government and the Commission on this issue. One problem the UK authorities have had is that Britain does not have a tier of regional administration. Preparation of the new Operational Programmes has required the setting up of ad hoc regional groupings to prepare and implement the programmes.

**ADDITIONALITY**

56 The Commission is attempting through the mechanism of the Community Support Framework to ensure that the increase in the funds up to 1992-93 has a genuine additional economic impact in the regions concerned and results in at least an equivalent increase in the total volume of structural aid in the member state concerned. The UK Government argues that ERDF receipts are taken into account in setting levels of national support for the regions. This is termed 'Global Additionality' by which the UK government maintains responsibility for the national distribution of spending ability, although local authorities receiving EC assistance benefit from a reduction in the funding required to be raised by other means. A limited exception has been made for local environmental services where local authorities are to be given greater freedom.

**ELIGIBILITY OF PRIVATE SECTOR PROJECTS**

57 Discussions between the UK government and the Commission over the eligibility of water companies have agreed: -

**Operational Programmes**: The CSF restricts infrastructure support to job-creating projects. In addition, the revenue-generating capacity of the investment will be taken into account and set at the level necessary to allow the project to proceed.

**NPC/IDO**: The grant is to be paid only on that proportion of the investment of benefit to industry. Grant is also to be reduced to take account of revenue-generating capacity.

**COMMUNITY PROGRAMMES**

58 These programmes are intended:

— to help resolve the adverse effects of other Community policies;
— to promote the application of Community policies at regional level;
— to help resolve problems common to certain categories of region.

59 The ancestry of the Community Programmes can be traced back to the non-quota ERDF steel, shipbuilding, textiles and fisheries measures which were launched between 1980 and 1985. Eligible areas included parts of the North, North-West, Yorkshire-Humberside and South Wales.

60 These Community initiated programmes are implemented through specific Intervention Programmes (IPs) for each eligible region. The IPs are agreed by the Commission and each member state and are subsequently administered by the member state concerned. RESIDER (to promote restructuring in steel closure areas) and RENAVA (for shipbuilding areas) were adopted during 1988. A summary of these Programmes is given below: -

**RESIDER (1988 to 1992)**: The aim of RESIDER is to assist the conversion of industrial regions affected by the restructuring of the steel industry. With a budget of 300 MECU, ERDF can finance the removal of obstacles to job creation and environmental improvement. Aid can be used to assist industrial investment projects (through national aid schemes) or infrastructure development, although ERDF assistance is limited to 55% of total public expenditure on a programme (50% for infrastructure projects). Member states had until April 1990 to submit applications supporting the designation of areas eligible under RESIDER. The currently eligible areas include South Yorkshire and Scunthorpe, although other areas are under consideration by the Commission.

**RENAVAL (1988 to 1992)**: The RENAVA programme is running largely in parallel to RESIDER but with the aim of assisting the conversion of declining industrial regions affected by the restructuring of the shipbuilding industry. The budget of 200 MECU is somewhat lower than that of RESIDER, but the eligible ERDF financial measures and the deadline for area designation were the same. The currently eligible areas include the Plymouth TTWA, Tyne & Wear and the districts of Middlesbrough and Langbaurgh in Cleveland County, though other areas, eg Wirral and Sefton in Merseyside, are still under consideration by the Commission.

61 Current programme proposals
include: environmental measures (ENVIREG), promoting research, technology and innovation in the regions (STRIDE), as well as a coalfields initiative (RECHAR) and cross-border (INTERREG), support measures for remote areas (REGIS) and an energy networks initiative (REGEN). Other embryonic Community Programmes that are being considered are PRISMA for promoting certification and standards, TELEMATIQUE for improving telecommunication links, HORIZON for the training of disadvantaged groups and LEADER for improving the economic situation of rural areas.

In November 1989 the Commission, in consultation with the member states, adopted some of these Community Initiatives. Two which apply, although not exclusively, to England and Wales and their indicative funding over the years 1990 to 1993, are as follows:

RECHAR 300 MEcu
STRIDE 400 MEcu

(RECHAR funding also covers Scotland and STRIDE Northern Ireland). Both of these are described in more detail below.

**RECHAR**

The most developed of these new Community Programmes is RECHAR. The Commission Decision on the programme was made in December 1989. The areas were agreed in April 1990 (including some areas in England not previously classified as Objective 2) and the draft programmes were submitted to Brussels in late July. RECHAR is aimed at the Objective 1, 2 and 5(b) areas as well as areas where the local economy was strongly dependent on the coal industry in the past, or where heavy job losses had occurred since 1984 (see Appendix). The programme runs from 1990 to 1993. It clearly demonstrates the main features in the latest phase of Commission thinking, with its use of additional statistical criteria to define the eligible areas, its combination of ERDF and ESF monies and its clear targeting of resources. RECHAR is also the latest in the series of programmes dealing with the restructuring of declining industrial areas.

Additional ERDF funding for the programme is to be 300 MEcu, plus 120 MEcu of ECSC conversion loans and 40MEcu from the ESF for retraining. The measures include:

- environmental work;
- provision of industrial sites, workshops and factory units;
- measures to promote and encourage small firms;
- vocational training;
- promotion of local development, enterprise, co-operative development;
- development of tourism (particularly heritage tourism).

**STRIDE**

STRIDE is intended to complement the existing R&TD programmes in the Community by supporting a range of measures in the Objective 1 & 2 regions to allow them to participate more fully in the programmes. The majority of funds will be allocated to the Objective 1 regions. Funding is to be 400 MEcu spread over the period 1990 to 1993. Loans from the EIB and ECSC may also be available. The Guidelines were published in August 1990. It includes provision for infrastructural, business support and human resource development measures. STRIDE is the first of a new series of programmes promoting the application of Community policies at regional level.

**PROGRAMME IMPLEMENTATION**

The ERDF is now administered through a series of programme committees. There is a complex web of committees emerging. There are IDO/NPCI Programme Committees and Working Groups, which involve officials and elected members. In addition, there are Objective 2 Committees with responsibility for monitoring and evaluation, and a series of Operational Programme Committees charged with implementation. Additional to this structure is a further set of Committees to implement and monitor the Community initiatives – RENAVAL, RESIDER and RECHAR.
3. THE EUROPEAN SOCIAL FUND

INTRODUCTION

68 The European Social Fund (ESF) was established in 1957; whilst it has gone through many versions of the Guidelines controlling its operation, the basic purpose remains:

"to improve the employment opportunities for workers in the Common Market and to contribute thereby to raising the standard of living ... by rendering the employment of workers easier ... and increasing their geographical and occupational mobility". (Article 123 Treaty of Rome).

69 Article 130A of the Single European Act restates this purpose as being to contribute:

"to promoting economic and social cohesion, increase the impact of Community actions and help to make a reality of the social dimension of the Internal Market".

CONTEXT

70 The ESF is involved in financing vocational training (including vocational guidance) and employment subsidy schemes. Up to 5% of the Fund is available for innovatory operations, studies, technical assistance, exchange of experience between member states and follow-up and evaluation of measures supported by the Fund. As was indicated earlier, it can provide assistance under all five Objectives. Support is limited to a maximum of 45% of the eligible public expenditure on training and guidance measures and a ceiling (fixed annually) for employment subsidy schemes.

VOCATIONAL TRAINING

71 Vocational training is defined in the ESF Regulation (4255/88) as "any measure aimed at providing the skills necessary to carry out one or more specific types of employment, with the exception of apprenticeship schemes, and any measure with the relevant technology content required by technological change and requirements and developments of the labour market ... and, in the Objective 2 ... areas, any vocational training and further training required for the use of new production and/or management techniques in SME".

72 In the ESF definition, unemployment is taken to mean that trainees are unemployed, available for and capable of work. However, people on work-related Government schemes such as ET and YTS are considered by the UK government to be part of the workforce in employment.

IMPLEMENTATION

73 In the UK, the ESF is now allocated on a sectoral or regional basis by means of Operational Programmes. There are now 23 Operational Programmes in the UK. Under Objective 2, these are regionally focused, with the intention of complementing the initiatives funded by the ERDF. Under Objectives 3 and 4, they are national initiatives linked to labour market requirements for the training of young people and the long-term unemployed. Finally, under Objective 5(b), Operational Programmes are regionally focused to ensure that the fund is assisting in the process of development of human resources in the rural areas.

74 In the case of Objectives 3 and 4 the key organisations are local authorities; Training Agency; voluntary organisations operating through the National Council for Voluntary Organisations (NCVO); Women's Training Network (WTN); Industrial Common Ownership Movement (ICOM); Industry Training Boards (ITB) and Higher Education. These organisations are responsible in the first instance for selecting projects within the indicative allocations announced by the Department of Employment (DE). These projects will be recommended to the Department, which will give its formal approval.

75 In the case of Objective 2 there will be a series of Regional Working Groups and/or Operational Programme Committees, depending on whether the programme covers an IDO or an ESF programme. It will be for these committees, working within the indicative allocation announced by the Department of Employment, to consider projects before the Department gives formal approval. Arrangements for Objective 5(b) will be similar to those for Objective 2.

OBJECTIVE 2

76 In the Objective 2 areas, the ESF actions are designed to encourage job stability and develop new employment possibilities for unemployed people and those threatened with unemployment. The priorities are as follows:

— assistance for development of business and small and medium sized enterprises;
— improving the image of the area;
— development of tourism;
— support for R&D and vocational training.

All the priorities can support both vocational training and/or employment subsidy schemes.

77 The ESF allocations made to the Objective 2 areas for 1990 are as follows (Table 5):

Table 5
OBJECTIVE 2 ALLOCATIONS (1990)

<table>
<thead>
<tr>
<th>Region</th>
<th>Allocation (£m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>North East England</td>
<td>14.0</td>
</tr>
<tr>
<td>North West England</td>
<td>29.3</td>
</tr>
<tr>
<td>West Cumbria</td>
<td>0.7</td>
</tr>
<tr>
<td>West Midlands</td>
<td>10.5</td>
</tr>
<tr>
<td>East Midlands</td>
<td>10.7</td>
</tr>
<tr>
<td>South Wales</td>
<td>7.9</td>
</tr>
<tr>
<td>North Wales</td>
<td>1.2</td>
</tr>
<tr>
<td>Eastern Scotland</td>
<td>2.5</td>
</tr>
<tr>
<td>Western Scotland</td>
<td>10.4</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>87.2</strong></td>
</tr>
</tbody>
</table>

Source: DTI

78 Local authorities could expect to receive about 50% of the total. It is impossible to be precise as the commitments include IDO allocations and bids submitted under Operational Programmes, where projects will be considered on their merits in the new Programme committees.

Objective 3

79 Under Objective 3 (all regions in England and Wales), the ESF supports training measures for the long-term unemployed (i.e. over 12 months' unemployment), designed to:
— promote occupational and social integration;
— provide employment subsidies /enterprise allowances;
— provide assistance for women to re-enter the labour force;
— promote training and retraining for disabled people and migrants.

80 Support can be given towards vocational training and/or employment subsidy schemes. Training projects can be undertaken in conjunction with similar projects in other member states. A total of £12.5m was allocated to local authorities in England and Wales for 1990.

Objective 4

81 Objective 4 (all regions in England and Wales) is concerned with the employment of young people (i.e. under 25 years of age). Measures supported under this objective include:
— basic training leading to a recognised qualification;
— higher skills training;
— training and retraining for disabled people, migrants and women.

82 Support can be given towards vocational training and/or employment subsidy schemes in a limited number of cases. Training projects can be undertaken in conjunction with similar projects in other member states. A total of £24.5m was allocated to the local authorities in England and Wales for 1990.

ARTICLE 1.2

83 The ESF Regulation also makes specific provision for vocational guidance and counselling relating to employment, where it does not overlap with provision under general applications under Objectives 3 and 4. The indicative allocation to local authorities is £0.9m for 1990.

Objective 5(B)

84 Objective 5(b) measures are designed to encourage job stability and developing new employment possibilities for people both threatened with unemployment and those who are unemployed. The priorities are as follows:
— assistance for development of rural enterprise and the promotion of small and medium sized enterprises;
— development of tourism;
— support for vocational training associated with rural development and overcoming peripherality.

85 All priorities can support vocational training and/or employment subsidy schemes.

86 The ESF indicative allocations for 1990 are as shown in (Table 6): A single Operational Programme is to be prepared for each region.

Table 6
ESF INDICATIVE ALLOCATIONS (1990)

<table>
<thead>
<tr>
<th>Region</th>
<th>Allocation (£m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dumfries &amp; Galloway</td>
<td>0.240</td>
</tr>
<tr>
<td>Highlands &amp; Islands</td>
<td>2.080</td>
</tr>
<tr>
<td>Rural Wales</td>
<td>1.873</td>
</tr>
<tr>
<td>Devon and Cornwall</td>
<td>1.907</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>6.100</strong></td>
</tr>
</tbody>
</table>

Source: DTI

Objective 3/4 Guidelines and Priorities

87 In February 1989 the Commission published a set of Management Guidelines for the Objective 3/4 applications. These Guidelines introduced a set of sectoral and regional (ie Objective 2/5(b))
priorities. The CSF set out priorities favouring trans-national and innovatory schemes. In May 1990 a further restriction was placed on certain priority axes favouring those young people unemployed for over 6 months.

PRIORITY AXES

88 The Operational Programme (under Objectives 3/4) which had been prepared originally in mid 1989 by groups representing sector interests – local authorities, voluntary sector, ITBs, higher education, etc – were aggregated in early 1990 into the following 6 priority axes:

OBJECTIVE 3
Priority 3.1 – Training and retraining of the long-term unemployed
Priority 3.2 – Creation of stable jobs and self-employed activities for the long-term unemployed
Priority 3.3 – Training, retraining and the creation of stable jobs for disadvantaged groups of long-term unemployed:
— disabled people
— migrants
— women.

OBJECTIVE 4
Priority 4.1 – Basic vocational training for young people, who have been unemployed 6 months or more
Priority 4.2 – Higher skills training for young people
Priority 4.3 – Training, retraining and the creation of stable jobs for disadvantaged groups of young people:
— disabled people
— migrants
— women.

These six Operational Programmes were adopted by the Commission in August 1990.

NATIONAL PARTNERSHIP GROUP

89 The DE organised a Partnership Working Group to discuss the organisation of ESF bids under Objectives 2, 3 and 4. The Group first met in April 1989 and is comprised of key staff from the DE (Social Fund Branch), representatives of the local authority associations, the voluntary sector (NCVO), the ITBs, women's training network (WTN) cooperatives (ICOM) and the higher education sector.

90 The remit of the Partnership Working Group has been to act as a co-ordinating body for the views of the organisations represented by members of the Group, to advise the DE on matters concerned with ESF procedures and to disseminate to their members information from DE and the Commission.

DECISION MAKING PROCESS

91 Under Objectives 3 and 4 each sector group will have an advisory committee which will receive project applications and select eligible projects within the indicative allocations announced by DE on the basis of agreed criteria. In the case of the local authorities, the advisory groups are being organised on a regional basis. These groups will select projects and forward their recommendations to the DE for formal approval.

92 The membership, activities and terms of reference of the local authority regional advisory committees have recently been agreed with the DE. Funding to run the secretariats on either a permanent or ad hoc basis may come from the £1.2m for Technical Assistance, 'indicatively' allocated to local authorities by the DE. A bid for assistance was lodged in August 1990. Technical assistance only covers work outside the realm of normal project overheads and administrative costs.

93 Under Objective 2/5(b) it will be up to the regional committees, working within the indicative allocations to select projects, and for the DE to give formal approval.

MONITORING

94 The ESF Regulation required that an Objective 3/4 National Monitoring Committee be established. Currently discussions are under way to establish the membership of this committee. The committee will be chaired by the DE.

95 The National Monitoring Committee will have overall responsibility for monitoring the pattern of spending, power to pull together the results of the six priority axes and the various sector groups. Arrangements below the National Monitoring Committee are still under consideration. Similar Monitoring Committees will be established for the Objective 2 and 5(b) programmes.
4. THE ROLE OF LOCAL AND REGIONAL AUTHORITIES

96 The European Commission has, since 1978, formally recognised that local authorities have a role to play in promoting local and regional development. This role as one of the partners in the European funded programmes has been reinforced:

— through the Consultative Council of Regional Local Authorities. The Council will be consulted on "any matter relating to regional development and in particular, on the formulation and implementation of Community Regional Policy, which includes the regional and local implications of the other Community policies" (Decision 88/487, 24th June 1988);

— through the links between local and regional authorities and the European Parliament Intergroup and the Regional Policy and Planning Committee.

97 The Consultative Council is based on the need perceived by the Commission to develop partnership between all levels of government in European policy-making and implementation. Matters to be tabled by the Commission for early discussion include:

— the promotion of local economic development
— inter-regional and trans-frontier co-operation
— the role of local and regional authorities in environment and technology policy.

98 The Consultative Council is there to represent the collective interests of all types of local and regional authorities in relation to Community policies and to provide advice to the Commission.

99 Most recently, the Commission called the Objective 2 Regional Working Groups to a meeting in Brussels to discuss directly with them progress on the preparation of the Operational Programmes as well as issues related to implementation, monitoring and evaluation.

100 Local authorities need to prepare themselves for the impact of the Single European Market on their areas. They need to assist the local economy to be as competitive as possible to meet the challenges and opportunities. Box 1 provides a list of key questions for local authorities.

5. CONCLUSIONS

101 The European Commission has now arrived at a view on what it wants in a programme i.e. problem analysis, measurable objectives, strategies and themes, indicative projects and eligibility criteria. There has been discussion between the Commission and the UK on the priorities for productive investment and reuse of derelict sites, which the Commission attached to Objective 2 ERDF Programmes.

102 The Community Programmes are clearly moving away from the industrial restructuring role to an emphasis on the regional dimension of other policies – energy, environment, R & T D, or the completion of essential networks or services. Increasingly these programmes contain

**BOX 1: KEY QUESTIONS FOR LOCAL AUTHORITIES**

The key questions for local authorities active in promoting local economic initiatives are:

— does the authority have a policy on 1992?
— does it have staff co-ordinating the 1992 effort?
— has the authority identified a core group of specialists to assess the implications of the authority/area?
— is the authority in close touch with other interest groups in assessing the impact on the local economy?
— has the authority assessed its strengths and weaknesses, eg:
  — is the local economy heavily represented in ‘sensitive’ sectors?
  — are local firms able to meet increasing competition eg in the area of public procurement?
— are European opportunities for sub-contracting, licensing, distributorship etc. being promoted locally? Should the local authority be playing a role? Is it cooperating with other agencies and bodies?
— is the authority keeping its senior decision-makers fully informed on developments in the 1992 and related programmes?
— does the authority consider the effects of Community policy on its area, rather than on itself?
— has the authority considered that the Community can offer resources other than cash, through networking and collaboration?
— has the authority reviewed the broader range of actions and initiatives that the Community is undertaking?
— has the authority reorganised its own structures and procedures in order to adopt a wider ranging view of European influence on its services?
an element of ESF funds in addition to the ERDF.

103 The Commissioner for Regional Policy recently emphasised the importance of the reform of the Structural Funds to the completion of the Single Market. In particular, he singled out the Community Support Frameworks as one of the principal innovations introduced by the reform, for three reasons. First, it ensures that all EC regional policy measures are geared towards the promotion of one of the five common objectives established by the Framework Regulation. Second, the CSF represented an indicative financial commitment on the part of the Community for a three year period (in Objective 2 regions), thereby providing a sound basis for planning. Lastly, it involved a partnership of regional and local authorities with the Commission in the pursuit of common objectives.

104 The years 1990 and 1991 are likely to be an important watershed in the evolution of Community Regional Policy. With respect to the CSFs agreed under Objective 2, the Commissioner for Regional Policy expects to see a significant departure from the past practice of simply substituting EC money for national expenditure plans. The new framework should contribute to a general strengthening in a co-ordinated EC regional policy by 1992. Yet with the successive enlargements of the Community to include southern European countries, the case for regional assistance in these member states has become stronger and more pressing than that for the UK.

105 Significantly, the Commission is accumulating, through reports, studies, pilot projects and networking initiatives, information to aid decision-making on future Operational Programmes and prioritising areas for EC support under Community Initiatives.

106 An increasingly important Community concern is to promote the development of a trans-European network to promote the exchange of experience and good practice. Developing proposals in this area requires an appreciation of the potential benefits to the participating local authorities, and an understanding of the place of such networks in achieving or testing Community priorities, such as:

— "solidarity" i.e. the linking of northern and southern Europe
— "subsidiarity" i.e. the identification of the lowest appropriate level of administration to implement actions.

ACKNOWLEDGEMENTS

The preparation of this paper has drawn extensively on material published by the European Information Service (EIS) Bulletin (Local Government International Bureau), the European Policies Research Centre (University of Strathclyde) as well as a range of European Commission documentation.
This Appendix lists the areas eligible for assistance from the Structural Funds under Objectives 2, 5(b) and RECHAR, by region and travel to work area. The TTWA are generally not coincident with local authority areas – for example, the Newcastle upon Tyne TTWA lies partly in Northumberland, as well as in Tyne and Wear. The appendix therefore does not define the areas in precise terms.

A. OBJECTIVE 2 AREAS

ENGLAND

North/North East: Northumberland: Alnwick and Amble, Morpeth and Ashington, Newcastle upon Tyne; North Yorkshire: Castleford, Pontefract (part), Middlesbrough (part); South Yorkshire: all; Tyne and Wear: all; Durham: all; Cleveland: all.

East: Humberside: Doncaster (part), Goole and Selby (part), Grimsby (part), Hull (part), Scunthorpe (part); Nottinghamshire: Gainsborough (part), Mansfield (part), Nottingham (part), Nottingham City (UPA), Retford, Worksop (part); Derbyshire: Chesterfield, Mansfield (part), Worksop (part).

North West: Greater Manchester: all; Lancashire: Accrington and Rossendale, Blackburn, Bolton and Bury (part), Burnley, Liverpool (part), Pendle, Rochdale (part), Wigan and St Helens (part); Merseyside: all; Cheshire: Liverpool (part), Widnes and Runcorn (part), Wirral and Chester (part).

West Midlands: West Midlands County (all); Shropshire: Telford and Bridgnorth, Wolverhampton (part); Staffordshire: Birmingham (part), Walsall (part), Wolverhampton (part); Warwickshire: Birmingham (part), Coventry and Hinckley (part).

Note: these areas are not all identical with the UK Government's Assisted Areas.

WALES

Clwyd: Flint and Rhyl, Wrexham; Dyfed: Llanelli, Swansea (part); Mid Glamorgan: all; South Glamorgan: Cardiff (part); West Glamorgan: all; Gwent: Ebbw Vale & Abergavenny (part), Merthyr & Rhymney (part). Newport, Pontypool & Cwmbran; Powys: Ebbw Vale & Abergavenny (part), Aberdare (part), Swansea (part).

B. OBJECTIVE 5(B) AREAS

ENGLAND

Devon and Cornwall Assisted Areas: travel to work areas of Plymouth and Bude, Bodmin and Liskeard, Newquay, Redruth and Camborne, Falmouth, Helston, Penzance and St Ives and the Isles of Scilly.

WALES

Dyfed, Gwynedd and Powys excluding areas covered under Objective 2, that is parts of Swansea, Ebbw Vale, Abergavenny and Aberdan, Llanelli and part of the Conway and Colwyn travel to work area in Gwynedd.

SCOTLAND

Highlands & Islands, Assisted Areas of Highland Region, and the Island areas of Orkney, Shetland and the Western Isles,Argyll and Bute plus Arran and the Cumbraes and parts of Moray district (i.e. Highlands & Islands Development Board Area); and Intermediate Areas of Dumfries & Galloway - Stranraer, Newton Stewart travel to work areas and part of Girvan travel to work area.

C. RECHAR AREAS

ENGLAND

Merseyside (part), South Yorkshire (part), West Yorkshire (part), Northumberland (part), Tyne & Wear (part), Durham (part), Nottinghamshire (part).

WALES

Powys (part), Mid-Glamorgan, Gwent, Dyfed (part), West Glamorgan (part).

SCOTLAND

Highlands & Islands, Assisted Areas of Highland Region, and the Island areas of Orkney, Shetland and the Western Isles,Argyll and Bute plus Arran and the Cumbraes and parts of Moray district (i.e. Highlands & Islands Development Board Area); and Intermediate Areas of Dumfries & Galloway - Stranraer, Newton Stewart travel to work areas and part of Girvan travel to work area.
<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>CSF</td>
<td>Community Support Framework</td>
</tr>
<tr>
<td>DE</td>
<td>Department of Employment</td>
</tr>
<tr>
<td>DoE</td>
<td>Department of Environment</td>
</tr>
<tr>
<td>DG</td>
<td>Directorate General</td>
</tr>
<tr>
<td>DTI</td>
<td>Department of Trade &amp; Industry</td>
</tr>
<tr>
<td>EAGGF</td>
<td>European Agricultural Guarantee and Guidance Fund</td>
</tr>
<tr>
<td>EC</td>
<td>European Community</td>
</tr>
<tr>
<td>ECSC</td>
<td>European Coal and Steel Community</td>
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<tr>
<td>EIB</td>
<td>European Investment Bank</td>
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<tr>
<td>ERDF</td>
<td>European Regional Development Fund</td>
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<tr>
<td>ESF</td>
<td>European Social Fund</td>
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<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
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<tr>
<td>ICOM</td>
<td>Industrial Common Ownership Movement</td>
</tr>
<tr>
<td>IDO</td>
<td>Integrated Development Operation</td>
</tr>
<tr>
<td>IP</td>
<td>Intervention Programme</td>
</tr>
<tr>
<td>ITB</td>
<td>Industry Training Board</td>
</tr>
<tr>
<td>NCVO</td>
<td>National Council for Voluntary Organisations</td>
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<tr>
<td>NPCI</td>
<td>National Programme of Community Interest</td>
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<tr>
<td>RECHAR</td>
<td>EC-funded restructuring programme for coal-mining areas</td>
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<tr>
<td>RENAVAL</td>
<td>EC-funded restructuring of ship building areas</td>
</tr>
<tr>
<td>RESIDER</td>
<td>EC-funded restructuring of steel closure areas</td>
</tr>
<tr>
<td>R &amp; T D</td>
<td>Research &amp; Technological Development</td>
</tr>
<tr>
<td>SEA</td>
<td>Single European Act</td>
</tr>
<tr>
<td>SEM</td>
<td>Single European Market</td>
</tr>
<tr>
<td>SME</td>
<td>Small and Medium Sized Enterprise</td>
</tr>
<tr>
<td>STRIDE</td>
<td>EC-funded programme to promote research, technology and innovation in the regions Structural Funds A collective term used to group together the three Community funds which provide grants for investment in capital and human resources.</td>
</tr>
<tr>
<td>TTWA</td>
<td>Travel to work area</td>
</tr>
<tr>
<td>WTN</td>
<td>Women’s Training Network</td>
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