

Community Funds

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– The **European Social Fund (ESF)**, a structural fund provided for by Articles 146 to 148 of the Treaty establishing the European Community (EC), seeks to promote job opportunities and to encourage the geographic and professional mobility of workers within the Community, as well as making it easier to adapt to industrial change and developments in production systems, notably through vocational training and retraining courses.

As part of Agenda 2000, Council Regulation (EC) No 1262/99 of 21 June 1999 redefined the role of the ESF: it participates in the achievement of the three Structural Fund Objectives but its activities target Objective 3 above all. Its task is to support measures for preventing and tackling unemployment, to develop human resources and to encourage social integration in the labour market in order to bring about high levels of employment, gender equality, sustainable development and economic and social cohesion.

– The **European Agricultural Guidance and Guarantee Fund (EAGGF)**, established by Regulation No 25 of 4 April 1962, is the instrument which finances the common agricultural policy (CAP). As part of Agenda 2000, CAP financing underwent a change and codification by Council Regulation No 1258/1999 of 17 May 1999. The EAGGF has two sections: the Guarantee Section and the Guidance Section.

– The Guarantee Section finances refunds on exports to third countries, intervention measures aimed at stabilising agricultural markets, rural development activities that fall outside Objective 1 programmes (except the Community Initiative for Rural Development), spending on certain veterinary measures and the cost of information campaigns about the CAP.

– The Guidance Section finances rural development activities not covered by the Guarantee Section designed to improve farm structures, rural infrastructure, marketing and processing structures, measures for reorganising agriculture and compensation payments for certain less-favoured or structurally backward areas.

– The **Financial Instrument for Fisheries Guidance (FIFG)** combines all the financial instruments related to fisheries established since 1994. FIFG is a structural fund designed to support structural measures in the fisheries and aquaculture sector, including the processing and marketing of its products, so as to encourage the restructuring of the sector by creating conditions that favour its development and modernisation, and to contribute at the same time to the achievement of the objectives of the common fisheries policy. Its scope is set out in Council Regulation (EC) No 1263/99 of 21 June 1999, adopted under Agenda 2000.

– The **European Regional Development Fund (ERDF)** is designed to help reduce the main regional imbalances within the Community (Article 160 of the EC Treaty). Established in January 1975, this structural fund assists in the economic adaptation of regions that are lagging behind in terms of their development, the economic conversion of areas affected by industrial decline, and the economic diversification of rural areas.

Under Agenda 2000, Council Regulation (EC) No 1261/99 of 21 June 1999 laid down its scope in connection with Objectives 1 and 2 and Community initiatives to support cross-border, transnational and interregional cooperation (Interreg), the economic and social regeneration of towns and districts in crisis (Urban), and innovative activities and measures for technical assistance.

– The **Cohesion Fund** provides a financial contribution to projects in the fields of environment and trans-European networks in the area of transport infrastructure, in order to encourage economic and social cohesion and solidarity between Member States (Article 161 of the EC Treaty). The Fund was established by Council Regulation (EC) No 1164/94 of 16 May 1994 (as amended by Regulations (EC) Nos 1264/99 and 1265/99).

Only Member States whose per capita Gross National Product (GNP) is less than 90 % of the Community average and who have established a programme designed to satisfy the economic convergence criteria, are eligible for assistance from the Cohesion Fund.

– The **European Development Fund (EDF)** is associated with the conventions concluded between the Community and its Member States and the developing countries as part of the development cooperation policy, such as the Yaoundé Convention with the Associated African States and Madagascar (AASM), the Arusha Agreement with Kenya, Uganda and Tanzania, the Lomé Convention and the Cotonou agreement with the African, Caribbean and Pacific (ACP) States. EDF funding is provided directly by the Member States and does not come from the European Communities budget.