

WRITTEN QUESTION E-2424/01

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to the Commission

Subject: Implementation of the ESF in the Netherlands from 1994 to 1996

On 20 July 2001 Director-General Quintin wrote to the Netherlands government informing it of the commencement of the procedure provided for in Article 24 of Council Regulation (EEC) 4253/88<sup>1</sup> of 19 December 1988 in respect of the implementation, in the Netherlands, of projects financed by the European Social Fund over the period 1994 to 1996.

1. For 33 of the 45 projects selected an investigation has been carried out on the basis of the project administration that is still in place. In the case of seven projects, owing to the absence of a project administration, a review has been conducted on the basis of accountants' reports. Of these seven projects, in five cases the ESF subsidy was qualified as 'regular', and in 2 cases as 'uncertain'. Nonetheless, all seven projects were taken as being in the category 'uncertain/irregular' by extrapolation. As a result, the adjustment proposed by the Commission amounts to 41% instead of 25%. Does the Commission not consider that in cases where the accountants' reports indicate a positive outcome the project should be given the benefit of the doubt, and should, in any case, not be considered negative as a result of extrapolation?

2. Up until the spring of 1997 there was uncertainty regarding the exact rules relating to the allocation of ESF resources. On 11 March 1996 the Ecofin Council asked the Commission to eliminate all sources of uncertainty regarding the eligibility of expenditure so as to guarantee that the best possible use be made of Community resources, in accordance with the regulations in force. On the basis of that request, the Commission adopted Decision 97/320/EC<sup>2</sup> in respect of the Netherlands. Article 1(2) of that decision says that 'to the extent that the provisions of the Annex impose new or complementary charges or conditions on Member States or beneficiaries, they shall apply only to investments, operations, measures and projects comprising part of the forms of assistance mentioned in the first paragraph and selected after 1 May 1997'. Can the Commission indicate whether the regularity of expenditure relating to the 45 projects selected has been assessed in the light of the provisions of Article 1(2)?

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<sup>1</sup> OJ L 374, 31.12.1988, p. 1.

<sup>2</sup> OJ L 146, 5.6.1997, p. 7.