

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(82) 572 final

Brussels, 6 September 1982

AMENDMENTS TO THE

PROPOSITION FOR A MODIFICATION OF THE COUNCIL REGULATION

CEE 724-75 concerning the creation of a European Regional Development

Fund, following consultation of the European Parliament

(presented by the Commission to the Council,

pursuant to the second paragraph of article 149 of the EEC treaty)

COM(82) 572 final

COMMUNICATION FROM THE COMMISSION TO THE COUNCIL

The European Parliament, at its meeting on 22 April 1982, gave a favourable opinion on the proposal for a Council Regulation amending the Regulation (EEC) No 724/75 establishing a European Regional Development Fund.

The Commission has agreed a certain number of amendments voted on that occasion by the Parliament.

In consequence, the Commission, pursuant to Article 149 of the EEC Treaty, amends the proposal for a regulation submitted to the Council on 26 October 1981 by making the additions and changes contained in the annex to this communication.

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PREAMBLE AND RECITALS

Preamble and first seven recitals unchanged.

After the third recital, take in the new recital 3(a)

"Whereas such coordination must also cover the regional consequences of both national and Community economic policies and in particular sectoral policies;"

After the sixth recital, take in the new recital 6(a)

"Whereas concentration of the Fund's resources in regions with particularly serious structural problems can only fully contribute to the achievement of the objectives of Community regional policy if there is effective coordination between the Regional Fund and the other Community funds and financial instruments;"

After the seventh recital, take in the new recital 7(a)

"Whereas assistance by the Fund is important for creating new jobs and protecting the level of employment, particularly in the home regions of the workers concerned;"

Compared with the text of the proposed regulation submitted to the Council on 25 October 1981, additions and amendments to the text have been underlined.

TITLE I : COORDINATION OF REGIONAL POLICIES

Article 1

§ 3 - paragraph 3 becomes a new paragraph 3(a)

- add a new paragraph 3(b)

b) "For the regions located near internal Community frontiers, the Member States concerned shall ensure transfrontier coordination of regional development and cooperation between the regional and local bodies involved."

Article 2

§ 2 - modify as follows the text of paragraph 2

"The Commission, working in close association with the Regional Policy Committee, shall prepare a periodic and up-to-date report on the situation and socio-economic changes in the regions of the Community and on national regional policies. To this end, Member States shall provide the Commission with the relevant information which should permit an analysis to be made of as far as possible comparable economic regions or sub-regions. This report shall be prepared at regular, two and a half year intervals, with every other report coinciding with the examination of the medium-term economic policy programmes. On the basis of this report, the Council, acting on a proposal from the Commission and after consulting the European Parliament and the Economic and Social Committee, shall adopt the regional policy guidelines and priorities."

§ 3 - modify as follows the text of paragraph 3(a)

"Member States shall communicate to the Commission their regional development programmes, and any amendments thereto, for the regions and areas covered by a regional State aid scheme. Such programmes shall be prepared in accordance with the joint outline drawn up by the Economic Policy Committee (1) and in the light of the Commission Recommendation of 23 May 1979 (2). They shall be indicative in nature and shall specify the objectives concerned and the practical measures to be applied. They shall be prepared in close ..."
(retain the existing paragraph 3).

§ 4 - modify as follows the text of paragraph 4 which becomes paragraph 4(a)

"The Commission is analysing the regional impact of the main common policies and essential measures which it proposes to the Council. It is informing the latter and the European Parliament of the way in ..."(retain the existing paragraph 4).

TITLE II : GENERAL PROVISIONS RELATING TO THE EUROPEAN REGIONAL
DEVELOPMENT FUND

Article 3

- amend as follows the text of Article 3
- "The reduction and the prevention of regional imbalances and the elimination of backwardness in the weak regions must be among the main objectives of all the common policies. The European Regional Development Fund, hereinafter referred to as 'the Fund', is intended to correct the principal imbalances within the Community resulting in particular from agricultural preponderance, industrial change and structural underemployment."

Article 4

- § 3(b) - modify as follows the text of the first paragraph of 3(b)
- b) "specific Community regional development measures to assist regions particularly affected by :
 - recent and serious problems of industrial decline;
 - the effects of certain Community policies;
 - serious problems linked to their situation as frontier, peripheral or insular regions or to their depopulation.

The assistance allotted to these measures may not exceed 20% of the Fund's resources."

TITLE III : COMMUNITY MEASURES TO ASSIST REGIONS EXPERIENCING ESPECIALLY
SERIOUS STRUCTURAL PROBLEMS

Chapter 1 : Geographical scope

Article 6

§ 1 - insert the phrase "and after consulting the European Parliament"

"The list of regions and zones referred to in Article 4(3)(a) may be revised by the Council, acting by a qualified majority on a proposal from the Commission and after consulting the European Parliament, in particular ..." (retain the existing paragraph 1).

§ 3 - insert a new paragraph 3 in Article 6

"If the periodic report on the situation and socio-economic changes in the regions shows that underdevelopment or decline in specific zones within the confines of the areas specified in Article 4(3)(a) has become relatively more acute, the Fund's resources shall be re-deployed accordingly within the quotas established under Article 4 above."

Chapter 2 : Operational rules

Article 7

§ 2 - insert in Article 7, paragraph 2, the two following paragraphs:

- "- Infrastructures to be financed under investment programmes shall be those infrastructures that contribute to the development of the region or the zone in which they are situated.
- When fixing the overall annual endowment of the Fund, the Commission shall take account of the desirability of a progressive increase in the share of resources devoted to industrial craft and service investments.
- Investments which also relate to agricultural infrastructures must be coordinated with the various structural projects financed by the Guidance Section of the EAGGF."

Article 8

§ 3 - modify as follows the text of points (a) and (g) of paragraph 3

- "(a) expected results, where possible in quantified form, particularly where they relate to the creation of jobs";
- "(g) a statement of the environmental consequences to which the programme may give rise and of the measures envisaged to protect the environment in the regions or areas concerned;"

Article 9

§ 1 - modify the paragraph as follows:

"1. Programmes that might qualify for assistance from the Fund shall be submitted to the Commission by the Member State in question. They shall be drawn up on the basis of close cooperation between the competent central and regional authorities."

Article 11

§ 3 - replace "40 million ECU" by "50 million ECU" in paragraph 3.

Article 12

§ 1 - replace the first indent by the following text:

"In the case of investment projects in industry, the craft sector or the services sector, the amount of the Fund's contribution shall be equal to 20% of the investment cost; it may not, however, exceed 50% of the aid granted to each project by the public authorities under a regional aid scheme" (the remainder of the line is deleted).

- in the second indent take out the words "It shall amount to 20 000 ECU per job created."

The new text becomes:

"In the case of the services sector and the craft sector, the Fund's contribution will be 50% of national aid."

- replace the fifth indent by the following text:

"The Fund's contribution must be additional to the aid granted by the national public authorities for implementing the investment project whilst respecting competition rules. In all cases, the financial effort by the Member State in the relevant region must be increased by the amount of Community assistance."

§ 2 - replace "5 million ECU" by "7 million ECU" in paragraph 2.

Article 13

§ 1 - the former point (e) becomes point (g)
add under new point (e) the following text:

e) "the elaboration of projects covering several regions which are not necessarily adjacent and belong to different Member States but which have a common interest in the investment being made;"

- add as new point (f) the following text:

"f) backwardness and imbalances arising from the insular nature of the area in which the investment project is to be carried out;"

§ 2 - replace "5 million ECU" by "7 million ECU" in paragraph 2.

Article 14

- Replace 5 million ECU by 7 million ECU in paragraphs 2, 3 and 5.

Article 15

§ 2 - After "the nature and location of each project" add the words "the name of the investor".

Article 16

- Modify the text as follows:

"The Fund shall contribute to the financing of operations aimed at exploiting the local development potential of regions eligible for aid. In doing so, the Fund shall operate within the framework of the programme contracts and the integrated operations outlined in article 29 and, at the same time, operate independently.

1. To this end, the Commission shall establish, through an implementing regulation drawn up according to the procedure set out in Article 31, the procedures for providing aid to small and medium-sized undertakings in the industrial, agricultural and craft fields and in that of rural recreation, and notably those actions which concern:

- (a) the development of small and medium-sized firms through opening up access for them on the capital market,
- (b) financing the transfer of technology through operating aids for agencies compiling and disseminating information on product and technological innovations and for conducting feasibility studies and projects permitting the introduction of these innovations in undertakings.

With the object of according preferential treatment to investments in the industrial, craft and service sectors, the Fund will reserve an amount equivalent to 3% of its global endowment for the granting of interest rate subsidies. These subsidies apply to loans accorded by the European Investment Bank from its own resources, to Community loans from the New Community Investment for the promotion of investments,
They are restricted to small and medium size firms and are attributed according to criteria to be defined by the Commission.

2. With the same end in view, the Fund may, in collaboration with the national and regional institutes responsible for aid and development, help to finance the following types of aid schemes:

- (a) aid for surveys which will make it easier to identify the possibilities for the local development of the regional zones which might qualify for Fund assistance;
- (b) aid for sectoral and market studies with a view to providing fuller information on access to national, Community and external markets and to encourage the dissemination of information concerning the findings of such studies;
- (c) aid to increase the efficiency of undertakings by making it easier for them to obtain management and organizational advice; this aid shall cover the expenditure of undertakings relating to services provided by consultancy firms and bodies;
- (d) starting-up aids to facilitate the introduction of services to be used jointly by two or more undertakings and covering in part operating expenditure relating to the common services;
- (e) aid to promote more effective exploitation of regional potential in the field of rural tourism and related to a part of the operating expenses of agencies responsible for the promotion and coordinated management of tourist accommodation;
- (f) aid for setting up local institutes of applied research to further the indigenous development of the regions.

3. The Fund shall provide assistance for the regional or local authorities in working out a programme and making the technical and financial preparations for, and in implementing, operations that might qualify for Fund assistance in the framework of actions described under Titles III and IV of this Regulation, as well as in improving the performance of the agencies called on to fulfil these tasks."

Article 25

§ 1 - add to paragraph 1 a new second indent

"Operations for which no payments have been made for four years and where no explanation of the delay has been provided by the Member State concerned within a period to be determined by the Commission, shall be regarded as operations which have not been carried out."

TITLE IV : SPECIFIC COMMUNITY REGIONAL DEVELOPMENT MEASURES

Article 27

§ 2 - modify as follows the text of paragraph 2

"The measures referred to in this Title may differ in whole or in part from the measures referred to in Title III. They shall be aimed at Community regions and zones particularly affected:

- either by certain Community policies or by measures adopted by the Community in order to facilitate the implementation or to mitigate the regional consequences of these policies;
- or by recent, serious problems of industrial decline;
- or by serious problems linked to the absence of equal development on both sides of a frontier, or to their situation as a peripheral or insular region, or as a result of depopulation.

These measures may not have as their object the internal reorganisation of declining sectors but may, by establishing new economic activities and the implementation of new technology, promote the creation of employment in regions or areas experiencing difficulties.

These measures shall be financed jointly by the Community and by the Member State or States concerned."

TITLE V : GENERAL AND FINAL PROVISIONS

Chapter 2 : Other provisions

Article 31 (a)

- add a new Article 31 (a)

"The Commission shall make sure that account is taken of the situation and perspectives for female employment and the different age groups as far as statistics allow,

- when drawing up the coordination instruments set out in Article 2 above and in particular in the regional development programmes and the reports on their implementation;
- in the requests for assistance for programmes and investment projects;
- in the Fund assistance decisions concerning these applications;
- as well as in the drawing up of the report on the application of this Regulation set out in Article 36."

Article 37:

Replace "1st January 1982" by "from the time of its entry into force".