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## NOTE D'INFORMATION • INFORMATORISCHE AUFZEICHNUNG NOTA D'INFORMAZIONE • TER DOCUMENTATIE • INFORMATION MEMO

Brussels, October 1973

REGIONAL POLICY: COMMISSION PROPOSALS REGARDING LISTS OF REGIONS AND AREAS ELIGIBLE FOR BENEFIT UNDER THE GUIDANCE SECTION OF EAGGF AND THE REGIONAL DEVELOPMENT FUND.

## INTRODUCTION

In July this year the Commission agreed on two draft regulations designed to set up and administer the Regional Development Fund. It also forwarded to Council a draft Decision on the Committee for Regional Policy. It decided on the size of resources in respect of the Regional Development Fund which shall be recommended to the Council for its operation over the next three years.

On Wednesday 10th October the Commission agreed on the following two proposals:

1) A proposal for a regulation to replace that presented by the Commission to the Council on the 12th December 1972 defining the priority agricultural regions cligible for financial support under the Guidance Section of EAGGF (European Agricultural Guidance and Guarantee Fund).

The following are the criteria which were particularly taken into consideration:

- a) a higher percentage of the active population employed in agriculture than the Community average
- b) the GDP per inhabitant at factor cost being lower than the Community average
- c) a lower percentage of the active population employed in industry than the Community average.

Furthermore areas (within regions) with an excess of the active population employed in agriculture may be classed as "priority" even where they are situated in regions which may not otherwise be so classified.

(NB. In 1971, on a basis of the Nine member states, the average of the active population employed in agriculture was 9.8%; the average GDP per capita at factor cost was 2,420 units of account; the average of the active population employed in industry was 43.9%) SEE MAP ANNEXED: MAP OF REGIONS AND AREAS : EAGGF

2) A proposal for a regulation regarding a list of regions and areas eligible for intervention from the European Regional Development Fund (ERDF).

In accordance with point 5 of the final communique of the Heads of State Summit Conference in Paris in October 1972 a proposal for a regulation establishing a Regional Development Fund has already been agreed. Article 3 of this proposed regulation provides that Council should draw up - and modify as necessary by a qualified majority - a list of regions and areas eligible for benefit under the ERDF. They must all be aided under national regional schemes. In addition to a lower GDP ten deplace than the Community average one or more of the following criteria are used to define disequilibria:

- a) heavy dependence on agricultural employment
- b) heavy dependence on employment in declining industrial activities
- c) a persistently high rate of unemployment and/or a high rate of net outward migration.

(NB. In order to identify category t) a basis of 20% employment in industries in regression or likely to be so at Community level, such as coal and textiles, was used. These regions or areas must also fulfil one of the following: either unemployment over a number of years of at least 2% or a net outward migration over a long period.

"High unemployment rate" means an average, over a number of years, of at least 20% more than the national average and reaching at least 3.5%.

A high rate of net outward migration means at least 10 per 1000 over a long period.

Finally, in order to include particularly serious cases of general underemployment in a region or area a GDP per capita of less than 50% Community average was also adopted.)

For practical purposes only territories with at least 100,000 inhabitants and an area of 500 square kilometres are considered. Similarly for industrial change the principle was also applied that the number of employees in declining sectors should be at least 5,000.

SEE MAP ANNEXED : MAP FO REGIONS ERDF



