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NOTE D'INFORMATION
NOTA D'INFORMAZIONE
TER DOCUMENTIE

Brussels, March 1975

COMMUNITY REGIONAL POLICY

1. On March 4th the Council reached agreement, subject to final procedures in the European Parliament next week, on the Commission's proposals for setting up the Regional Development Fund and the Regional Policy Committee. For the period 1975 - 1977 the new Regional Development Fund has been allocated 1300 million units of account to spend on development grants in the Community regions with problems resulting from the preponderance of agriculture, industrial change or structural under-employment. Together with the Fund a Regional Policy Committee will operate with the task of assisting the Commission and the Council to co-ordinate national regional policies and elaborate common Community objectives in the regional field.

2. The December 1974 Summit meeting in Paris which had decided on the amount to be allocated to the Regional Fund over the period 1975 - 1977, also agreed on the distribution of the Fund among Member States. This distribution is as follows

Belgium	1.5%
Denmark	1.3%
France	15.0%
Ireland	6.0%
Italy	40.0%
Luxembourg	0.1%
Netherlands	1.7%
Federal Republic of of Germany	6.4%
United Kingdom	28.0%

The Council have agreed that the Fund may contribute to national aid expenditures at a rate of up to 50% in respect of a given industrial investment, providing the Fund's contribution does not exceed 20% of the investment value of the project; and of up to 30% of public expenditure in respect of infrastructure.

3. The funds of the European Coal and Steel Community, the European Social Fund and the European Investment Bank have made an important contribution to regional development in the past and will continue to do so. But now, with the creation of the Regional Development Fund and Regional Policy Committee, the Community equips itself for the first time with means of tackling problems of regional development on a larger and more comprehensive scale.

4. The new Fund is designed to increase the total resources available in the Community for regional development expenditure. The Regulations make clear that a Member State may not use the Fund's resources simply to effect a saving in national public expenditure on regional development.

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This does not necessarily mean that the rate of aid to any one particular investment submitted by a Member State for financing by the Fund will in every case be higher than it would have been under existing national systems, without the Fund's contribution. The important point is that in total more money should be available for additional development projects in the Community's regions.

5. Nor must the size of the Fund itself be seen as the sum total of extra help to the regions. The Fund is intended to stimulate a capital inflow into the regions that most need it. With a multiplier effect, fund money will generate extra amounts of private capital for regional development purposes on a scale many times larger than the 1300 million units of account in the Fund.

6. The Fund will provide grants towards the setting up and development of industry and tourism and towards the provision of essential infrastructure in nationally assisted areas. Each grant from the Fund will be paid, in liaison with national regional aid, to create new jobs or keep threatened ones in being. All the main types of national regional aid to investment currently operated by Member States will be eligible to attract a contribution from the Fund. Claims for assistance from the Fund will be submitted to the Commission by the administrations of Member States, not directly by the investor.

7. The launching of the Community Fund in no way implies any interference with national regional policies. Member States will continue to be free to select those instruments of regional policy best adapted to the particular needs of their regions. While the Community contains regions so diverse as Sicily, Clydeside and Greenland, a totally harmonised approach would be absurd. But one of the aims of the regional policy of the Community is to put greater stress on coherent planning in the deprived regions. It is therefore a requirement that projects submitted by the Member States for financing by the Fund are part of overall development programmes, worked out locally and nationally, for each region. Where Member States cannot provide these programmes during the first three years of the Fund's operation, they must provide specific information about their regional policies so that Community money may have a better chance of dovetailing in with national expenditure to produce optimum benefit to the regions concerned in terms of both quantitiy and quality of investment.

8. Much of the work on ways of achieving maximum effectiveness in the use of the resources available for regional development will be done in the Regional Policy Committee. This Committee will be composed of senior officials of the Member States, with the Secretariat in the hands of the Commission. The Committee will meet regurlarly in order to compare the respective regional policies of Member States and to start to draw up a strategy for those aspects of regional development that call for a joint Community effort. Among their fields of work will be the examination of disincentive measures in respect of investment in already crowded and prosperous areas; the development of ways of assessing the success of different regional policies and instruments; the study of the best ways of drawing up development programmes, and the proper marshalling of other Community funds and instruments such as the Social Fund, the EAGGF, transport and industrial policy, etc, so that they have greater regional impact. For the Commission is conscious that the launching of the Regional Development Fund is only the beginning of a long process of learning how the Community can act usefully and comprehensively in favour of its needy regions.