

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(82) 658 final

Brussels, 18 November 1982

SECOND SERIES OF SPECIFIC COMMUNITY REGIONAL DEVELOPMENT MEASURES UNDER ARTICLE 13 OF THE FUND REGULATION (NON-QUOTA SECTION)

Proposal for a Council Regulation amending Council Regulation (EEC) No 2615/80 instituting a specific Community regional development measure contributing to overcoming constraints on the development of certain French and Italian regions in the context of Community enlargement

Proposal for a Council Regulation instituting a specific Community measure contributing to the regional development of certain Greek regions in the context of Community enlargement

Proposal for a Council Regulation amending Regulation (EEC) No 2616/80 instituting a specific Community regional development measure contributing to overcoming constraints on the development of new economic activities in certain zones adversely affected by the restructuring of the steel industry

Proposal for a Council Regulation amending Regulation (EEC) No 2617/80 instituting a specific Community regional development measure contributing to overcoming constraints on the development of new economic activities in certain zones adversely affected by the restructuring of the shipbuilding industry

Proposal for a Council Regulation modifying Regulation (EEC) No 2618/80 instituting a specific Community regional development measure contributing to improving the security of the supply of energy in certain regions of the Community by better use of new technologies for hydro-electrical power and alternative energy sources

Proposal for a Council Regulation instituting a specific Community regional development measure contributing to overcoming constraints on the development of new economic activities in certain zones adversely affected by the restructuring of the textile and clothing industry

(presented by the Commission to the Council)

COM(82) 658 final

EXPLANATORY MEMORANDUM

1. The creation in 1979 of the non-quota section of the ERDF made it possible to reinforce the unique character of Community regional policy.

The justification for specific measures under this section lies in the fact that they should be linked to Community policies and measures adopted by the Community so as to better take account of their regional dimension or to alleviate regional consequences. This justification responds to the realisation that regional policy cannot restrict itself to remedying, through ex post action, disparities which have been aggravated by sectoral or other policies pursued by the Community. On the contrary it should contribute to their prevention and enable the Community to fulfil its responsibility vis a vis its regions.

2. On a proposal of the Commission, a first series of non quota section measures was adopted by the Council on October 7, 1980. These measures sought to contribute to the development of certain Mediterranean regions in the context of the future enlargement of the Community, the development of new activities in certain of the regions affected by the crisis in the steel and shipbuilding industries, as well as improving the security of energy supply in certain zones within the Mezzogiorno region. Furthermore a measure in favour of the border areas of Ireland and Northern Ireland was also adopted. Since these first proposals, adopted by the Council without significant modification, the Commission has sought to confirm the specific character of non-quota measures : intervention zones defined on the basis of Community criteria, implementation through multiannual programmes and not individual projects, a high level of Community financing, and amongst the measures proposed new "pump-priming" aids aimed at supporting productive initiative in the region.

3. The European Parliament has constantly indicated an interest in this section of the ERDF based on Community criteria. It approved almost unanimously the Commission's first proposals and the criteria for implementing them. On several occasions since, it has expressed its concern that the resources of the non-quota section be increased. In its Opinion of March 11, 1980, the Parliament underlined the desirability of considering other themes in the future, including a measure related to textile policy: it regretted that the Commission had made a very restrictive choice of zones, particularly in the steel measure and, likewise, that the initial measure had been accorded financial resources "quite insufficient to meet the problems posed".

In October 1981, following the guidelines set out in the report of the execution of the Mandate of 30 May 1980 (1), the Commission responded in large measure to the wishes of Parliament. In envisaging a sharp concentration of the quota section on regions seriously affected by problems of structural underdevelopment it proposed (2) that the part of the resources of the Fund allocated to the non-quota section should be increased to 20 % of the total endowment of the ERDF and that interventions in this section should be concentrated in regions of the Community particularly affected by serious current problems of industrial decline.

4. The current proposals, which constitute a second series of non quota measures should be seen in the perspective of the revision proposed by the Commission. They embody the mobilisation of substantial financial resources representing more than three times the amounts attributed to the first series of measures, namely 710 million ECUS (3). They are characterised in the first place by the continuation and financial reinforcement of measures already in hand in the Southern regions of the Community as well as the introduction of specific measures benefitting Greece (4).

(1) COM 81 300 Final of 24 June 1981

(2) COM 81 589 Final of 26 October 1981

(3) For programmes covering the period 1983-87

(4) - Proposal for a Council regulation modifying Council Regulation (EEC) no. 2615/80 of October 7 1980, instituting a specific Community regional development measure contributing to the development of certain French and Italian regions in the context of Community enlargement.

- Proposal for a Council regulation modifying Council Regulation (EEC) no. 2618/80 of 7 October 1980 instituting a specific Community regional development measure contributing to improving security of energy supply in certain Community regions by way of improved use of new technologies for hydro-electric power and alternative energy sources.

- Proposal for a Council regulation instituting a specific Community regional development measure contributing to the development of certain Greek regions in the context of Community enlargement.

In the second place, by a considerable development, as much on the financial level as on that of the measures envisaged, of measures contributing to the development of new economic activities in regions particularly affected by the consequences of the restructuring of declining industrial sectors (approximately two thirds of the total packet foreseen) (1).

5. The Commission proposes, in the first place, to increase the financial resources available for existing measures. Such an increase would be broadly equivalent to a doubling of the amounts already decided, concerning both the programmes relating to southern regions as well as those which have been adopted in the more limited framework of the first sectoral measures, namely "Enlargement", "Energy", "Steel" and "Shipbuilding".

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- Proposal for a Council Regulation modifying Council Regulation (EEC) no. 2616/80 of October 7, 1980, instituting a specific Community regional development measure contributing to overcoming constraints on the development of new economic activities in certain zones adversely affected by the restructuring of the steel industry.
 - Proposal for a Council Regulation amending Council Regulation (EEC) no. 2617/80 of October 7, 1980, instituting a specific Community regional development measure contributing to overcoming constraints on the development of new economic activities in certain zones adversely affected by the restructuring of the shipbuilding industry.
 - Proposal for a Council Regulation instituting a specific Community regional development measure contributing to overcoming constraints on the development of new economic activities in certain zones adversely affected by the restructuring of the textile and clothing industry.

The Commission proposes this increase of resources, even though the implementation of particular measures has encountered certain delays. In effect, the novelty of certain measures has at times necessitated the adoption of a range of special national regulations. On the other hand, the transition from "individual projects" to "multiannual programme" procedures is, in a number of cases, also responsible for delays. However, all non-quota measures have now effectively begun to be implemented and the responsible authorities have advised the Commission of the need to increase the resources available to them in order to best exploit the mechanisms set up and to ensure optimal effectiveness of the measures.

6. The Commission also proposes to bring the non-quota section into operation in Greece, in conformity with its communication to the Council of June 14, 1982, concerning the Greek government's memorandum of 19 March 1982. The "Enlargement" and "Energy" measures have been adapted to the particular requirements of Greece, and particularly its islands where agricultural production is characterised by the predominance of so-called Mediterranean products and where energy dependency restricts development, factors aggravated by the handicap created by the islands' extreme peripheral location.

7. When approving the implementing programmes for the specific measures, the Commission will ensure the compatibility of investment aids with the principles of co-ordination for regional aids. In certain cases, by virtue of article 3, paragraph 2 of the ERDF regulation, non-quota action will apply to zones which are not the object of regional aid; this only if the member state concerned has intervened or intervenes at the same time to resolve the problems which are the object of the Community's aid. The Commission will ensure when this intervention is limited, as much by its object and intensity as its duration, the necessary arrangements for adjusting the specific Community measure.

8. The worsening of the situation in the steel industry, the problems posed in the textile sector and the persistence of difficulties in shipbuilding, has led the Commission to intensify non-quota section action in regions affected by industrial decline.

As regard the new "Steel" measure, the Commission considers that it should be even more closely tied to its measures in this field. It would be applied firstly to an enlarged territory, including, in addition to the British, Belgian and Italian zones already covered, new areas in the United Kingdom and France.⁽¹⁾ This grouping has been defined on the basis of Community socio-economic criteria which are broader than in the past and than sectoral criteria. The zones concerned are characterised, moreover, by the fact that they have already suffered considerable job losses in the steel sector. The same measure will eventually be applied, with increased financial resources, to the regions already included, or new ones, which are threatened, in the next few years, by job losses linked to an adjustment of production capacities; this as soon as the Commission has adopted a position on the steel industry restructuring programmes introduced by the Member States in the framework of the Community rules for aids to steel. Thus, this Second phase could interest all the Member States.

To increase the chances of success of the policy thus undertaken, it is vital to link action planned in the framework of the specific measure to the granting of Community loans.

(1) The Commission, having instigated a procedure under article 93 paragraph 2 of the EEC Treaty for the aided zones of the "arrondissement" of Nancy, reserves the right to adapt the present proposal, where necessary, taking account as well of the steel industry restructuring programme submitted by the French authorities.

9. A new non-quota regional development measure is proposed for regions affected by the restructuring of the textile and clothing industry. The role of the Community is important in this respect. It is exercised on the one hand in the implementation of a system of national aids to the sector, defined by the Commission by articles 92 et seq. of the Treaty and on the other hand through the participation of the Community in the Multi-fibres Agreement intended to take account of the difficulties in the international textiles and clothing market. The measures taken by virtue of this Multifibres agreement "should not interrupt or discourage the autonomous process of industrial adjustment," and should "encourage enterprises which are less competitive at international level to become progressively more involved in other more viable forms of production or in other economic sectors". Furthermore, in the context of the economic crisis and the stagnation of consumption, there is a risk that the textile and clothing industry will continue to shed jobs for several years. The existence of Community measures, through Article 13 of the ERDF regulation, allows a link to be established between the situation of certain regions and the implementation of Community policies.

This measure concerns the principal textile areas in Belgium, France, Ireland, Italy, the Netherlands ⁽¹⁾ and the United Kingdom where the Commission has been able to establish that there have been significant job losses to date.

The Commission is ready to examine, in particular, the extension of the textiles measures to Greece, in the light of information to be provided to it by the Greek government concerning the situation of the textile zones in that country.

10. The measure already under way in the shipbuilding sector is to be reinforced by doubling the amounts allotted to it and by the introduction as in the two preceding measures, of new means.

(1) The Commission, having instigated a procedure under Article 93 paragraph 2 of the EEC Treaty for the Twente "COROP-Gebied", reserves the right to adapt the present proposal, where necessary, taking account as well of the textile industry restructuring programme which may be submitted by the Dutch authorities.

11. The situation in the regions affected by industrial decline has led the Commission to give priority, in accordance with "New guidelines and priorities in Regional Policy" which it forwarded to the Council on July 24, 1981 (1), to the objective of creating productive employment in these regions. It proposes to incorporate in the non-quota actions three types of measures, which are partially new, the combination of which appears to be particularly effective when implemented in the framework of multiannual programmes.
12. This involves, in the first place, the elimination of fundamental obstacles to the development of new activities by stepping up the development of derelict industrial sites through clearance, and improvements relating to practicability and aesthetic appeal.
13. It is further proposed to include in these measures an aid to investment in favour of small and medium sized enterprises (SME). This aid would be available to the beneficiary in the form of a supplementary financial incentive relative to the most favourable aid available under the existing scheme. It would be conditional on the completion of market analyses whose results would ensure greater economic viability for the investment. Moreover, the Commission proposes to vary the forms of aid available for investments. In addition, besides capital aids described above, a series of interest rebates on global Community loans will be made available in the steel measure to make the conditions of EIB, NCI and ECSC loans more attractive.
14. But apart from these aids to capital, the Commission proposes to develop and complete its system of "pump priming" aids aimed at stimulating economic initiatives. The mobilisation of indigenous development potential, which is also one of the priorities of Community regional policy, requires that a more determined and potential-orientated approach to the management of public aids be adopted. It is necessary both to establish a liaison between economic actors, existing or potential, and their environment in the wider sense (public authorities, potential market, holders of technological innovation, management consultants, common services) and to help actors to be aware of and to call on aid systems for which they are eligible.

(1) COM(81) 152 Final

15. Experience gained from the first measures as regards budgetary procedures has led the Commission to propose an improvement in the current mechanisms. The possibility of several budgetary commitments in the same year, as programmes are executed, and taking account of budgetary availability, should be expanded. It is also intended to accelerate the timing of payments by the introduction of a simpler and more rapid system of advances.
16. For the period 1983-87 as a whole, the Commission considers it necessary, in the context of the present proposals, to provide for Community involvement as follows:

Enlargement	120
Enlargement (Greece)	40
Energy (incl. Greece)	43
Steel (1st and 2nd tranches)	230
Textiles	260
Shipbuilding	17
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Total	710 MECU

17. This Community involvement does not take account of the resources necessary to finance new specific measures in Ireland and Northern Ireland which the Commission will present shortly. These measures will be directed towards expansion of the economic development base of these regions.
18. The amounts proposed for each action will be either added to those available under the special programmes already approved or made available for new special programmes. They are provisional in nature and will be confirmed upon approval of the programmes by the Commission.

When programmes under way are taken into account, the total non-quota commitments foreseen for the period 1983-87 are estimated at 836.6 MECU broken down as in the table below.

MECU

	1983	1984	1985	1986	1987	TOTAL
Programmes under way (first series)	58.2	41.5	26.9	-	-	126.6
Second series	67.3	123.6	167.0	203.2	148.9	710
Total	125.5	165.1	193.9	203.2	148.9	836.6

The requirements indicated above represent 7 % of the total ERDF allocation for the period 1983-87 on the conservative assumption of an average annual allocation equivalent to the amount proposed by the Commission for 1983, namely 2 400 MECU. The Commission reserves the right, in all events, to present in due course other proposals for specific non-quota measures.

Summary Financial Table

(millions ECUS)

	UK.	IRL.	B.	FR.	I.	GR.	NL.	D.	LUX.	DK.	TOTAL
Enlargement				55	65	40					160
Shipbuilding	17										17
Energy					23	20					43
Textiles	105	3	8	80	57		7				260
Steel - 1st part	33		13	42	4						92
Steel - 2nd part	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.	p.m.	138
Total	155	3	21	177	149	60	7				710

PROPOSAL FOR A COUNCIL REGULATION

amending Council Regulation (EEC) No 2615/80 instituting a specific Community measure contributing to the development of certain French and Italian regions in the context of Community enlargement

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Regulation (EEC) N° 724/75 of 18 March 1975 establishing a European Regional Development Fund⁽¹⁾, as last amended by Regulation (EEC) N° 3325/80⁽²⁾, and in particular Article 13(3) thereof,

Having regard to the proposal from the Commission⁽³⁾,

Having regard to the opinion of the European Parliament⁽⁴⁾,

Having regard to the opinion of the Economic and Social Committee⁽⁵⁾,

Whereas Article 13 of Regulation (EEC) N° 724/75, (hereinafter referred to as the "Fund Regulation") provides, independently of the national allocation of resources fixed by Article 2 (3)(a) of that Regulation, for participation by the Fund in financing specific Community regional development measures which are in particular linked with Community policies and with measures adopted by the Community, in order to take better account of their regional dimension or to reduce their regional consequences;

Whereas, pursuant to that Article, the Council adopted on 7 October 1980 an initial series of Regulations instituting specific Community regional development measures and in particular Regulation (EEC) N° 2615/80 instituting a specific Community regional development measure contributing to the development of certain French and Italian regions in the context of Community enlargement⁽⁶⁾, hereinafter referred to as the "specific measure";

(1) OJ N° L 73, 21.3.1975, p.1

(2) OJ N° L 349, 23.12.1980, p.10

(3)

(4)

(5)

(6) OJ N° L 271, 15.10.1980, p.1

Whereas, pursuant to that Regulation and in particular Article 3 thereof, the Commission has approved special programmes relating to the regions of Aquitaine, Languedoc-Roussillon and Midi-Pyrénées and of the Mezzogiorno respectively and has at the same time decided to allocate appropriations to those programmes;

Whereas, the Member States concerned have provided the Commission with information on regional problems which might be the subject of a specific Community measure; whereas, as a result of the need to improve economic structures in these regions, the measures laid down in the specific measure in force should be strengthened and supplemented;

Whereas investment in small and medium-sized undertakings (hereinafter referred to as "SMUs") should be encouraged by making Community aid conditional upon the grant by the Member State of additional aid for this investment.

Whereas economic activity in the zones concerned should be further stimulated by especially active management of the public aids and services available, particularly those provided for under the special programme; whereas to this end there is a need to establish or extend advisory services responsible for informing existing or potential undertakings about the availability of such aids and services and to help those undertakings to take advantage of them;

Whereas, in order to accelerate the implementation of the special programmes, the rules laid down by Regulation (EEC) No 2615/80 concerning budgetary commitments and advances made from the Fund should be amended;

Whereas additional financial resources are required to implement the specific measure so strengthened;

Whereas each of the Member States concerned should submit to the Commission an amended special programme,

HAS ADOPTED THIS REGULATION:

Article 1

Regulation (EEC) No 2615/80 is hereby amended as follows:

1. The following paragraph 6a is inserted in Article 3:
"6a. When approving the special programme, the Commission shall satisfy itself that the programme is compatible with Article 20 of the Fund Regulation."
2. Article 3(8) is replaced by the following:
"8. Once it has been approved, the special programme shall be published for information by the Commission."
3. In Article 4, point 1(b) is replaced by the following:
"(b) additional aids to investment in SMUs designed to create new undertakings or to assist in the adaptation of production to market potential by existing undertakings when justified by the analysis mentioned under (a) or other market studies. Such investments may also concern common services provided for a number of undertakings."
4. The following point 5 is added to Article 4:
"5. Economic animation:
Establishment or extension of animation agencies:
(a) for opening up possibilities, through direct contacts at local level, for economic ventures by giving advice about access to available public aids and services, particularly those provided for under the special programme, and
(b) for contributing to the success of these ventures by helping existing or potential undertakings to take advantage of such aids and services."
5. Article 5(1)(a)(ii) is replaced by:
"(ii) operations relating to investment under point 1(b) of Article 4:
50% of the public expenditure resulting from the granting of aid to the investment provided that this aid contains a supplementary element in relation to the most favourable existing regional arrangements. The supplementary aid may be up to 10% of the cost of the investment. The public aid may take the form of a capital grant or interest rebate."
6. In Article 5(1)(b)(ii) the words "and limited to 50 000 ECU per study" are replaced by the words "and limited to 150 000 ECU per study".
7. The following is added to Article 5(1)(d)(i):
"however, until the necessary measures have been taken by the Member State concerned, and this being for a transitional period ending not later than 16 October 1984, the investment aid shall be provided entirely by the Community; this aid shall be 50% of the cost of the investment,"
8. The following point (e) is added to Article 5(1):
"(e) for operations relating to economic animation under point 5 of Article 4:
50% of expenditure linked to operating costs arising from the activities of the animation agencies. These activities which must be new and must relate specifically to the regions covered by Article 2, may be entrusted by the Member State concerned to specific bodies."

9. Article 5 is replaced by the following:

"5. Budgetary commitments relating to the financing of the special programme shall be implemented by annual tranche. The first tranche shall be committed at the time of the Commission's acceptance of the programme. The commitment of subsequent annual tranches shall be made according to budgetary availability and progress made on the programme.

10. Article 6 (1)(c) is replaced by the following:

"(c) at the request of a Member State, an advance of 80% of the amount of each annual tranche may be made according to progress made on operations or budgetary availability. From the beginning of operations, an advance on the Fund contribution concerning the first annual tranche may be paid by the Commission. Requests for advances concerning other annual tranches may be made when operations under the preceding tranche have reached at least 30% of forecasts. The balance of each advance shall be paid at the request of the Member State when it has been certified that the operations corresponding to the tranche in question may be considered as finished, and on presentation of the amount of public expenditure which had been committed."

11. The following point 6 shall be added to the Annex:

"6. Description of measures planned under the programme for economic animation."

Article 2

- 1. France and Italy shall amend the special programmes referred to in Article 3 of Regulation (EEC) N° 2615/80 and approved by the Commission⁽¹⁾, in accordance with the amendments set out in Article 1.
- 2. The amended special programmes shall be approved by the Commission in accordance with Article 3(6) of Regulation (EEC) N° 2615/80.
- 3. Without prejudice to the provisions of Article 5(4) of Regulation (EEC) N° 2615/80, the amount of the Fund's assistance to the amended special programmes may not exceed the amount fixed by the Commission at the time of approval of the programmes.

4. The duration of the amended special programmes shall be extended until the end of the fifth year starting from the sixtieth day after the date on which this Regulation enters into force.
5. Expenditure connected with the amendment of the special programmes which is incurred from the date of entry into force of this Regulation shall be eligible.

Article 3

This Regulation shall enter into force on the day following its publication in the Official Journal of the European Communities.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at

For the Council
The President

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FINANCIAL RECORD

1. Relevant budget heading

Title V
Chapter 51
Article 510

2. Title of project

The reinforcement of the specific Community regional development measure contributing to the development of certain French and Italian regions in the context of Community enlargement, adopted by Council Regulation (EEC) N° 2615/80 of 7 October 1980.

3. Legal basis

Article 13 of Regulation (EEC) N° 214/79

4. Description of project

The importance of economic adaptation problems in the regions of Aquitaine, Languedoc-Roussillon and Midi-Pyrénées on the one hand, and the regions of the Mezzogiorno on the other, make it necessary to reinforce the specific measure already undertaken in favour of these regions. This reinforcement involves the allocation of additional funds to the special programmes introduced by the Member States concerned, in accordance with Regulation (EEC) N° 2615/80 and approved by the Commission. In addition, it involves the introduction of a new measure, aimed at encouraging economic animation in these regions. As a result, these special programmes will be adapted and extended.

5. Financial implications

The estimated total amount of the Fund's participation in the adaptation of these special programmes is estimated at 120 million ECU for the period 1983-1987.

6. Estimated amount for the special programme covering the French regions

a) Indicative breakdown by operation of the overall allocation to the programme

Article	Operation	(MECU)
4.1	SME	24.8
4.2	Innovation	11.0
4.3	Artisan	4.4
4.4	Rural tourism	13.7
4.5	Economic animation	1.1
	TOTAL	55.0

b) Indicative schedule of appropriations for commitment

	MECU					
	1983	1984	1985	1986	1987	TOTAL
(MECU)	11	11	11	11	11	55

c) Appropriations for payment

Article 6 paragraph 1(c) of the Regulation provides for the disbursement each year of up to 80 % of the contracted commitments; the remainder subsequently.

7. Estimated amount for the special programme covering the Italian regions.

a) Indicative breakdown by operation of the overall allocation to the programme

Article	Operation	(MECU)
4.1	SME	32.5
4.2	Innovation	6.5
4.3	Artisan	9.1
4.4	Rural Tourism	15.6
4.5	Economic animation	1.3
	TOTAL	60.0

b) Indicative schedule of appropriations for commitment

MECU

	1983	1984	1985	1986	1987	TOTAL
(MECU)	13	13	13	13	13	65

c) Appropriations for payment

Article 6 paragraph 1(c) of the Regulation provides for the disbursement each year of up to 80 % of the contracted commitments; the remainder subsequently.

8. Estimated total amount of the Community's participation

a) Indicative breakdown by operation of the overall allocation to the programme

Article	Operation	(MECU)
4.1	SME	57.3
4.2	Innovation	17.5
4.3	Artisan	13.5
4.4	Rural tourism	29.3
4.5	Economic animation	2.4
	TOTAL	120.0

b) Indicative schedule of appropriations for commitment

	MECU					
	1983	1984	1985	1986	1987	TOTAL
(MECU)	24	24	24	24	24	120

c) Appropriations for payment

Article 6 paragraph 1(c) of the Regulation provides for the disbursement each year of up to 80 % of the contracted commitments; the remainder subsequently.

PROPOSAL FOR A COUNCIL REGULATION

instituting a specific Community measure
contributing to the development of certain regions of
Greece in the context of Community enlargement

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,
Having regard to Council Regulation (EEC) N° 724/75 of 18 March 1975
establishing a European Regional Development Fund ⁽¹⁾, as last amended by
Regulation (EEC) N° 3325/80 ⁽²⁾, and in particular Article 13 (3) thereof,
Having regard to the proposal from the Commission ⁽³⁾,
Having regard to the opinion of the European Parliament ⁽⁴⁾,
Having regard to the opinion of the Economic and Social Committee ⁽⁵⁾,

Whereas Article 13 of Regulation (EEC) N° 724/75, hereinafter referred
to as the "Fund Regulation", provides, independently of the national
allocation of resources laid down by Article 2 (3) (a) of that Regulation,
for participation by the Fund in financing specific Community regional
development measures which are linked with Community policies and with
measures adopted by the Community, in order to take better account of
their regional dimension or to reduce their regional consequences;

(1) OJ N° L 73, 21.3.1975, p. 1
(2) OJ N° L 349 23.12.1980, p. 10
(3) OJ N°
(4) OJ N°
(5) OJ N°

Whereas the Member State concerned has provided the Commission with information regional problems which might be the subject of a specific Community measure;

Whereas the Fund's resources are allocated with due regard to the relative severity of regional imbalance within the Community;

Whereas the negotiations on the accession of Portugal and Spain to the Community were opened on 17 October 1978 and 15 February 1979 respectively;

Whereas the Southern regions of the Community could be affected by its enlargement, particularly because of increased competition in markets for certain agricultural products and because of problems involved in adapting their economic fabric;

Whereas, among these regions, the Mezzogiorno and the three regions of France adjacent to Spain are already benefitting, in this context, from a specific Community regional development measure instituted by Council Regulation (EEC) No 2615/80⁽¹⁾, as amended by Council Regulation (EEC) No⁽²⁾;

Whereas, in addition, Greece has been a member of the Community since 1 January 1981; whereas the development of some of that country's regions could also be adversely affected by the future enlargement of the Community to include Portugal and Spain;

Whereas this is particularly the case with the Greek islands, which are characterized by a very high dependence for employment on agriculture, which is itself heavily dependent on Mediterranean products, by a very weak economic structure and, furthermore, by their remoteness from the centres of economic activity owing to their particular geographical position;

Whereas it is in the Community's interest that the enlargement process should take place harmoniously; whereas it is therefore necessary, even before the accessions become effective, to undertake vigorous structural measures in order that these regions may be able to adapt to enlargement;

(1) OJ No L 271, 15.10.1980, p.1

(2) OJ No

whereas it is appropriate that the Community should make a special contribution to measures to be undertaken to this end by the Member State concerned by instituting a specific Community regional development measure on behalf of these regions;

Whereas other assistance from Community Funds, capable of being usefully combined, should be given in these regions;

Whereas the measures provided for in Regulation (EEC) N° 2615/80 can be applied effectively in these regions; whereas, furthermore, if the economic base of these regions is to be strengthened and if outlets are to be found for their agricultural products, it is vital to improve communications between these regions and mainland Greece and between the regions themselves, particularly in the case of small or remote islands, through the provision of transport infrastructures and the development of transport services;

Whereas the conservation of the environment, particularly through the improvement of water quality monitoring installations and waste treatment plant, is necessary if tourist activities are to be developed in those regions;

Whereas the Community measure must be implemented in the form of a special multiannual programme; whereas, the Commission, in approving this programme, must satisfy itself that the operations planned thereunder comply with the provisions of this Regulation;

Whereas the special programme must respond to certain objectives encompassed by the regional development programmes provided for under Article 6 of the Fund Regulation;

Whereas the Commission must verify that the special programme is properly carried out by examining the annual reports which the Member State concerned will present to it for this purpose;

Whereas the Council, the European Parliament and the Economic and Social Committee must be informed regularly on the implementation of this Regulation,

HAS ADOPTED THIS REGULATION :

Article 1

A specific Community regional development measure (hereinafter referred to as the "specific measure") within the meaning of Article 13 of the Fund Regulation is hereby established, contributing to the development of certain regions of Greece in the context of Community enlargement.

Article 2

The specific measure shall concern the Greek islands, with the exception of those which are not covered by a national regional aid scheme.

Article 3

1. The specific measure shall be implemented in the form of a special programme (hereinafter referred to as the "special programme") to be presented to the Commission by the Member State concerned.
2. The objective of the special programme shall be to reinforce the economic structures and to create employment in the regions referred to in Article 2. To this end, it shall aim at developing small and medium-sized undertakings and craft industries, particularly by facilitating their access to markets, on the basis of market analyses, by adapting and developing both their production facilities and the surrounding infrastructures, and by improving their management. It shall also have the aim of promoting innovation, boosting the potential for tourism and improving communications between the islands and mainland Greece and between the islands themselves.
3. The special programme shall fall within the framework of the regional development programmes referred to in Article 6 of the Fund Regulation.

4. The special programme shall contain appropriate information as specified in Article 7 for analysis of the situation and needs related to the objectives stated in paragraph 2, the operations proposed, the timetable for carrying them out and, in general, all factors necessary to enable its consistency with regional development objectives to be assessed.
5. The duration of the special programme shall be five years starting from the 60th day after the date on which this Regulation enters into force.
6. The special programme shall be approved by the Commission after intervention by the Fund Committee in accordance with the procedure laid down in Article 16 of the Fund Regulation.
7. When approving the special programme, the Commission shall satisfy itself that the programme is compatible with Article 20 of the Fund Regulation.
8. The Commission shall inform the European Parliament of the amounts adopted for the regions when the special programme is approved.
9. Once it has been approved, the special programme shall be published for information by the Commission.

Article 4

1. Article 4 of Regulation (EEC) N° 2615/80 shall apply.
2. In addition, the Fund may contribute, within the framework of the special programme, to the following operations :
 - a) in the case of small or remote islands, improvement of the communications between the islands and mainland Greece and between the islands themselves, in conjunction with the operations referred to in Article 4 of Regulation (EEC) No 2615/80.
 - measures to make the islands more easily accessible by establishing or improving sea or air transport infrastructure,
 - development of transport services;

- b) conservation of the environment and support of the potential for developing tourism by providing water quality analysis and monitoring installations and constructing or improving waste treatment and disposal plant;
- c) sea-water desalination plant;
- d) in addition, the activities of the agencies provided for under point 5 of Article 4 of Regulation (EEC) N° 2615/80 may also apply to appropriate information activities aimed at Greek nationals, established in other Member States of the Community, who are unemployed or whose employment is at risk. These measures shall be implemented in close collaboration with the Member States concerned.

Article 5

1. Article 5 of Regulation (EEC) N° 2615/80 shall apply.
2. In addition, in respect of the operations referred to in Article 4 (2), the Community contribution is laid down as follows:
 - a) for operations relating to transport infrastructure under the first indent of (a): 50% of the public expenditure;
 - b) for operations relating to transport services under the second indent of (a): in the first year, 50% of the public expenditure resulting from a contribution to the net operating costs of the services. The aid shall last for three years and be degressive;
 - c) for operations relating to water analysis installations and waste treatment and disposal plant under (b): 50% of the public expenditure;
 - d) for operations relating to sea-water desalination plant under (c): 50 % of the public expenditure.
3. For the aid referred to in paragraph 2 (a), (c) and (d) the aggregation of aid from the quota and non-quota sections of the Fund is excluded.

Article 6

Article 6 of Regulation (EEC) N° 2615/80 shall apply.

Article 7

The special programme shall include the information provided for in the Annex to Regulation (EEC) N° 2615/80. It shall also include:

- a) an analysis of requirements regarding communications between the islands and mainland Greece and between the islands themselves covering both transport infrastructures and transport services; a description of existing aid schemes for such transport services, with details of average annual public expenditure thereunder;
- b) a description of requirements regarding water quality analysis and waste treatment;
- c) in connection with the operations referred to in Article 4 (2) :
 - i) a description of measures planned to aid transport services;
 - ii) the nature and location of transport infrastructures; a programme for installing waste treatment plant, water analysis equipment and sea-water desalination plant.

Article 8

This Regulation shall not prejudice the current re-examination of the Fund Regulation provided for in Article 22 of that Regulation.

Article 9

This Regulation shall enter into force on the day following its publication in the Official Journal of the European Communities.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at

For the Council

The President

FINANCIAL RECORD

1. Relevant Budget Heading

Title V
Chapter 51
Article 510

2. Title of project

Specific Community measure contributing to the regional development of certain Greek regions in the context of Community enlargement.

3. Legal basis

Article 13 of Regulation (EEC) N° 214/79

4. Description of project

This measure involves the Greek islands, and is to be implemented by means of a special five-year programme. This programme includes similar objectives to those in the special implementing programmes of the specific measure established by Regulation N° 2615/80 (development of SME and artisanal enterprises, promotion of innovation and rural tourism as well as the stimulation of economic animation). It aims, in addition, at improving both inter-island and island-Greek mainland communication, preserving the environment and creating sea-water desalination plants.

5. Financial implications

The estimated total amount of the Fund's participation in this special programme is estimated at 40 million ECU for the period 1983-1987.

6. Estimated amount for the special programme covering Greek regions

a) Indicative breakdown by operation of the overall allocation to the programme

Article	Operation	(MECU)
<u>Regulation 2615/80 amended</u>		
4.1	SME	} 10.0
4.3	Artisan	
4.2	Innovation	1.6
4.4	Rural tourism	7.4
4.5	Economic animation	2.0
<u>Current Regulation</u>		
4.2 a)	Communications	7.0
4.2 b)	Environment	4.0
4.2 c)	Desalination	8.0
	TOTAL	40.0

b) Indicative schedule of appropriations for commitment

	MECU					
	1983	1984	1985	1986	1987	TOTAL
(MECU)	2.8	5.2	10	14	8	40

c) Appropriations for payment

Article 6 paragraph 1(c) of the Regulation provides for the disbursement each year of up to 80 % of the contracted commitments; the remainder subsequently.

PROPOSAL FOR A COUNCIL REGULATION

amending Regulation (EEC) N° 2616/80 instituting a specific Community regional development measure contributing to overcoming constraints on the development of new economic activities in certain zones adversely affected by restructuring of the steel industry

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Regulation (EEC) N° 724/75 of 18 March 1975 establishing a European Regional Development Fund⁽¹⁾, as last amended by Regulation (EEC) N° 3325/80⁽²⁾, and in particular Article 13(3) thereof,

Having regard to the proposal from the Commission⁽³⁾,

Having regard to the opinion of the European Parliament⁽⁴⁾,

Having regard to the opinion of the Economic and Social Committee⁽⁵⁾,

Whereas Article 13 of Regulation (EEC) N° 724/75 (hereinafter referred to as the "Fund Regulation"), provides, independently of the national allocation of resources fixed by Article 2(3)(a) of that Regulation, for participation by the Fund in financing specific Community regional development measures which are in particular linked with Community policies and with measures adopted by the Community, in order to take better account of their regional dimension or to reduce their regional consequences;

Whereas, pursuant to that Article, the Council adopted on 7 October 1980 an initial series of Regulations instituting specific Community regional development measures and in particular Regulation (EEC) N° 2616/80 instituting a specific Community regional development measure contributing to overcoming constraints on the development of new economic activities in certain zones adversely affected by restructuring of the steel industry⁽⁶⁾, hereinafter referred to as the "specific measure";

(1) OJ N° L73, 21.3.1975, p.1.

(2) OJ N° L 349, 23.12.1980, p.10.

(3)

(4)

(5)

(6) OJ N° L 271, 15.10.1980, p.9.

Whereas, pursuant to that Regulation and in particular Article 3 thereof, the Commission has approved special programmes relating to certain zones in Belgium and the United Kingdom and has at the same time decided to allocate appropriations to those programmes;

Whereas the worsening problems in the steel industry require that the specific measure be extended to new zones in the United Kingdom and France and that the Member States concerned have provided the Commission with information relating to regional problems which would be a suitable subject for a specific Community measure;

Whereas, in addition, the presence of excess capacity in the steel industry is one of the basic causes of difficulties in this sector and the effort to reduce capacity which must be undertaken in accordance with the "General objectives for steel" defined by the Commission is likely to affect regional employment;

Whereas by its decision N° 2320/81/ECSC of 7 August 1981 establishing Community rules for aids to the steel sector (1), the Commission laid down that aids to the steel industry can be considered as compatible with the orderly functioning of the common market provided that "the recipient undertaking or group of undertakings is engaged in the implementation of a systematic and specific restructuring programme" and "the said restructuring programme results in an overall reduction in the production capacity of the recipient undertaking or group of undertakings".

Whereas the Commission must rule on the requests concerning aid which are submitted in the framework of restructuring programmes and which were to be notified to it by 30 September 1982 at the latest;

Whereas the specific measure should be applicable immediately in areas marked by an important and recent decline in the steel industry in such a way as to have contributed already to the aggravation of existing regional disparities;

Whereas the specific measure should also be applicable to those areas marked by an expected significant reduction in employment linked to the necessity to reduce steel production capacity as soon as the Commission has adopted a position on the national programmes for restructuring the steel industry;

Whereas the specific measure must be supplemented by the introduction of certain new types of assistance with the object of strengthening the economic fabric of the said areas in such a way as to contribute to the creation of alternative employment;

(1) OJ No L 228 of 13.8.1981, p. 14

Whereas the development of small and medium-sized undertakings, hereinafter referred to as "SMUs", may be accelerated by allowing them better to adapt their production potential in particular through investment aids;

Whereas these investments may be encouraged by the provision of capital grants which top up the existing national schemes of assistance or the grant by the Commission of interest rebates on Community global loans;

Whereas economic activity in the zones concerned should be further stimulated by especially active management of the public aids and services available, particularly those provided for under the special programme; whereas to this end there is a need to establish or extend advisory services responsible for informing existing or potential undertakings about the availability of such aids and services and to help those undertakings to take advantage of them;

Whereas in order to accelerate the implementation of the special programmes, the rules laid down by Regulation (EEC) No 2616/80 concerning budgetary commitments and advances made from the Fund should be amended;

Whereas additional financial resources are required to implement the specific measure so strengthened and extended to cover new areas;

Whereas those Member States in respect of which a special programme has already been approved should amend those programmes and that France should submit to the Commission a special programme in accordance with Regulation (EEC) No 2616/80, and, in addition, the other Member States concerned should present a special programme at a later date;

HAS ADOPTED THIS REGULATION :

Article 1

Regulation (EEC) N° 2616/80 is hereby amended as follows :

1. Article 2 is replaced by the following:

"Article 2

1. The specific measure shall concern the zones which benefit from national regional aid schemes and whose economies depend in large part upon the steel industry and which experience one or other or both of the following :

- a) a recent and important decline in the steel industry which has already contributed to a worsening of existing regional disparities;
- b) an expected significant reduction in employment linked to the necessity to reduce steel production capacity.

2. a) The specific measure is applicable on the entry into force of the present Regulation to the following zones to the extent to which they conform to the criterion laid down in paragraph 1 a):

Belgium :

The provinces of Hainaut, Liège and Luxembourg (Commission decision of 22 July 1982).

Italy :

The province of Naples.

United Kingdom :

The Strathclyde region, the counties of Cleveland, Clwyd, South Glamorgan, West Glamorgan (including those parts of the travel-to-work area of Port Talbot which are situated in the county of Mid Glamorgan) and Gwent, the employment office area of Corby, the travel-to-work area of Llanelli in the county of Dyfed and the

counties of Durham, Humberside and South Yorkshire.

France

The "departments" of Moselle, Nord, Pas-de-Calais and Meurthe-et-Moselle, including in this latter the urban area of Nancy.

- b) The specific measure shall apply to those zones referred to in paragraph 1 b) as soon as the Commission has adopted a position on the restructuring programmes for the steel industry, transmitted by the Member States in accordance with the Commission's decision N° 2320/81/ECSC of 7 August 1981 establishing Community rules for aids to the steel sector⁽¹⁾.

2. The following paragraph 6a is inserted in Article 3:

"6a. when approving the special programme, the Commission shall satisfy itself that the programme is compatible with Article 20 of the Fund Regulation."

3. Article 3 (8) is replaced by the following:

"8. Once it has been approved, the special programme shall be published for information by the Commission".

4. The following points are added to Article 4:

"7. Preparation of sectoral analyses intended to provide SMUs with information on the potential of national, Community and external markets and on the effects to be anticipated therefrom on the production and organisation of SMUs;

8. Additional aids to investment in SMUs designed to create new undertakings or to assist the adaptation of production to market potential by existing undertakings when justified by the analyses mentioned under point 7 or other market studies. Such investment may also concern common services provided for a number of undertakings;

9. Investment aids in the form of interest rebates on global loans in favour of small industrial projects with the aim of encouraging the creation and development of SMUs, granted either from the own resources of the European Investment Bank (EIB) or as a result of Council decisions enabling the Commission to borrow in order to make loans under the New Community Instrument or under Article 56 of the ECSC Treaty.

(1) OJ n° L 228 of 13.8.1981, p. 14

10. Economic animation:

Establishment or extension of economic animation agencies:

- a) for opening up possibilities, through direct contacts at local level, for economic ventures by giving advice about access to available public aids and services, particularly those provided for under the special programme, and
- b) for contributing to the success of these ventures by helping existing or potential undertakings to take advantage of such aids and services."

5. In Article 5(1)(g), the words "and limited to 50 000 ECU per study" are replaced by the words "and limited to 150 000 ECU per study".

6. The following points are added to Article 5(1):

- "i) operations relating to sectoral analyses under point 7 of Article 4 :
70 % of their cost;
- j) operations relating to investments under point 8 of Article 4 :
50 % of the public expenditure resulting from the granting of aid to the investment, provided that this aid contains a supplementary element compared to the most favourable existing regional arrangements. The supplementary aid may be up to 10% of the cost of the investment;
- k) operations relating to interest rebates under point 9 of Article 4 :
the interest rebate shall be 3 % over 5 years. It shall be financed by the Community;
- l) operations relating to economic animation under point 10 of Article 4 :
50 % of expenditure linked to operating costs arising from the activities of the animation agencies. These activities which must be new and must relate specifically to the zones covered by Article 2, may be entrusted by the Member State to specific bodies."

7. Article 5(2) is replaced by the following:

"2. For the aid referred to in paragraph 1(a), (j) and (k), aggregation of aid from the quota and non-quota sections of the Fund is excluded."

8. Article 5(5) is replaced by the following:

"5. Budgetary commitments relating to the financing of the special programme, except with regard to the interest rebates on Community global loans, shall be implemented by annual tranche. The first tranche shall be committed at the time of the Commission's acceptance of the programme. The commitment of subsequent annual tranches shall be made according to budgetary availability and the progress made on the programme. Concerning the interest rebates under point 9 of Article 4, decisions shall be taken by the Commission for each global loan, subject to the grant thereof, when formulating its opinion to the Bank, or at the time of its decision on a global loan under the New Community Instrument or under the ECSC budget."

9. The following paragraph (6) is added to Article 5:

"6. The total amount of the Fund's contribution for the specific measure shall be provided in two parts, 40% in accordance with the criterion laid down under Article 2(1)(a) and 60% in accordance with the criterion laid down under Article 2(1)(b).

In the latter case, the Commission shall grant the sums available by taking into account the effects on employment which will result from the implementation of the restructuring programmes for the steel industry specified under Article 2(2)(b). Again in the latter case, for zones which do not comply with the criterion laid down under Article 2(1)(a), the number of steel jobs lost since 1979 shall be taken into account."

10. In Article 6(1), the introductory section is replaced by the following:

"1. With the exception of the interest rebates under point 9 of Article 4, the amount of the Fund contribution in respect of the measures included in the special programme shall be paid to the Member State concerned (or in accordance with the instructions the latter communicates to this end to the Commission) according to the following rules:"

11. Article 6(1)(c) is replaced by the following:

"(c) At the request of a Member State, an advance of 80 % of the amount of each annual tranche may be made according to progress made on operations or budgetary availability. From the beginning of operations, an advance on the Fund contribution concerning the first annual tranche may be paid by the Commission. Requests

for advances concerning other annual tranches may be made when operations under the preceding tranche have reached at least 30% of forecasts.

The balance of each advance shall be paid at the request of the Member State when it has been certified that the operations corresponding to the tranche in question may be considered as finished, and on presentation of the amount of public expenditure which had been committed."

12 . The following paragraph 1a is inserted in Article 6:

"1a. Interest rebates allowed on global Community loans shall be so allowed with a view to their utilisation for the secondary loans made to firms.

Appropriate procedures will be established between the Commission, the European Investment Bank and the financial institutions to which global loans are granted in order to ensure the management of these aids and the necessary controls."

13 . The following sentence is added to Article 6(2):

"These reports shall be supplemented by information supplied by the Commission on the implementation of Community aids made in the form of interest rebates on Community global loans.

14* The following subparagraphs are added to point 3 (b) of the Annex :

"Particulars of the nature of sectoral analyses bearing on production structures, market potential and measures to be implemented in order to adapt and develop production and marketing.

Description of rules governing investment aids provided within the programme framework.

Description of measures planned under the programme for economic animation."

Article 2

1. Belgium, Italy and the United Kingdom shall amend the special programmes referred to in Article 3 of Regulation (EEC) N° 2616/80 and approved by the Commission⁽¹⁾, in accordance with the amendments set out in Article 1.

(1) OJ n°

2. The amended special programmes shall be approved by the Commission in accordance with Article 3(6) of Regulation (EEC) N° 2616/80.
3. Without prejudice to the provisions of Article 5(4) of Regulation (EEC) N° 2616/80, the amount of the Fund's assistance to the amended special programmes may not exceed the amount fixed by the Commission at the time of approval of the programmes.

Article 3

The duration of the special programme to be submitted by France shall be five years starting from the sixtieth day after the date on which this Regulation enters into force. The duration of the amended special programmes referred to in Article 2 shall be extended for the same period.

Article 4

Expenditure connected with the amendment of the special programmes, and with the special programme to be submitted by France, and which is incurred from the date of entry into force of this Regulation shall be eligible.

Article 5

This Regulation shall enter into force on the day following its publication in the Official Journal of the European Communities.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at

For the Council
The President

FINANCIAL RECORD

1. Relevant Budget Heading

Title V
Chapter 51
Article 510

2. Title of project

Reinforcement and extension of the specific Community regional development measure contributing to overcoming constraints on the development of new economic activities in certain zones adversely affected by restructuring of the steel industry, adapted by Council Regulation (EEC) N°. 2616/80 of 7. October 1980.

3. Legal Basis

Article 13 of Regulation (EEC) N°. 214/79

4. Description of project

The importance of economic adaptation problems in the zones affected by restructuring of the steel industry make it necessary to reinforce the specific measure already undertaken in favour of these zones. This reinforcement involves the allocation of additional funds to the special programmes introduced by the Member States concerned, in accordance with Regulation (EEC) N°. 2616/80 and approved by the Commission. In addition, it involves the introduction of new measures, aimed at accelerating the development of SME (aids for sectoral analyses and investment) and stimulating economic animation in these zones. Finally, the specific measure is extended to new zones in the United Kingdom and France, and will be so extended later, to zones which experience significant reductions in employment in relation to the necessary adjustment of steel production capacity.

As a result, the special programmes under way will be adapted and extended, and new special programmes lasting five years will be introduced.

5. Financial implications

The estimated total amount of the Fund's participation in the adaptation of the special programmes under way and to the new special programmes is estimated at 230 million ECU for the period 1983-1987.

6. Estimated amount for the special programme covering the British zones

a) Indicative breakdown by operation of the overall allocation to the programme

Article	Operation	(MECU)
4.1	Reclamation of sites	6.6
4.2	Housing	-
4.3	Management, organisation	13.2
4.4	Common Services	
4.5	Innovation	
4.6	Risk capital	
4.7	Sectoral analyses	10.6
4.8 and 4.9	Investment	
4.10	Economic animation	2.6
	TOTAL	33.0

b) Indicative schedule of appropriations for commitment

	MECU					
	1983	1984	1985	1986	1987	TOTAL
(MECU)	6.6	6.6	6.6	6.6	6.6	33

c) Appropriations for payment

Article 6 paragraph 1(c) of the Regulation provides for the disbursement each year of up to 80 % of the contracted commitments; the remainder subsequently.

7. Estimated amount for the special programme covering the Belgian zones.

a) Indicative breakdown by operation of the overall allocation to the programme

Article	Operation	(MECU)
4.1	Reclamation of sites	2.5
4.2	Housing	
4.3	Management, organisation	
4.4	Common Services	
4.5	Innovation	
4.6	Risk capital	
4.7	Sectoral analyses	
4.8 and 4.9	Investment	10.0
4.10	Economic animation	0.5
	TOTAL	13.0

b) Indicative schedule of appropriations for commitment

	MECU					
	1983	1984	1985	1986	1987	TOTAL
(MECU)	2.6	2.6	2.6	2.6	2.6	13

c) Appropriations for payment

Article 6 paragraph 1(c) of the Regulation provides for the disbursement each year of up to 80 % of the contracted commitments; the remainder subsequently.

8. Estimated amount for the special programme covering the Italian zones.

a) Indicative breakdown by operation of the overall allocation to the programme

Article	Operation	(MECU)
4.1	Reclamation of sites	
4.2	Housing	
4.3	Management, organisation	
4.4	Common services	
4.5	Innovation	
4.6	Risk capital	
4.7	Sectoral analyses	
4.8 and 4.9	Investment	
4.10	Economic animation	
	TOTAL	4

b) Indicative schedule of appropriations for commitment

MECU

	1983	1984	1985	1986	1987	TOTAL
(MECU)	0.8	0.8	0.8	0.8	0.8	4

c) Appropriations for payment

Article 6 paragraph 1(c) of the Regulation provides for the disbursement each year of up to 80 % of the contracted commitments; the remainder subsequently.

9. Estimated amount for the special programme covering the French zones.

a) Indicative breakdown by operation of the overall allocation to the programme

Article	Operation	(MECU)
4.1	Reclamation of sites	16.8
4.2	Housing	-
4.3	Management, organisation	16.0
4.4	Common services	
4.5	Innovation	
4.6	Risk capital	
4.7	Sectoral analyses	8.4
4.8 and 4.9	Investment	
4.10	Economic animation	0.8
	TOTAL	42.0

b) Indicative schedule of appropriations for commitment

	MECU					
	1983	1984	1985	1986	1987	TOTAL
(MECU)	2.9	5.5	10.5	14.7	8.4	42

c) Appropriations for payment

Article 6 paragraph 1(c) of the Regulation provides for the disbursement each year of up to 80 % of the contracted commitments; the remainder subsequently.

10. Estimated amount for the special programme concerning the zones covered by article 2 paragraph 2 (b)

a) Indicative breakdown by operation of the overall allocation to the programme

Article	Operation	(MECU)
4.1	Reclamation of sites	
4.2	Housing	
4.3	Management, organisation	
4.4	Common services	
4.5	Innovation	
4.6	Risk capital	
4.7	Sectoral analyses	
4.8 and 4.9	Investment	
4.10	Economic animation	
	TOTAL	138

b) Indicative schedule of appropriations for commitment

	MECU					
	1983	1984	1985	1986	1987	TOTAL
(MECU)	34.5	34.5	34.5	34.5	34.5	138

c) Appropriations for payment

Article 6 paragraph 1(c) of the Regulation provides for the disbursement each year of up to 80 % of the contracted commitments; the remainder subsequently.

11. Estimated total amount of the Community's participation

a) Indicative breakdown by operation of the overall allocation to the programme

Article	Operation	(MECU)
4.1	Reclamation of sites	
4.2	Housing	
4.3	Management, organisation	
4.4	Common services	
4.5	Innovation	
4.6	Risk capital	
4.7	Sectoral analyses	
4.8 and 4.9	Investment	
4.10	Economic animation	
	TOTAL	230

b) Indicative schedule of appropriations for commitment

	MECU					
	1983	1984	1985	1986	1987	TOTAL
(MECU)	12.9	50.0	55.0	59.2	52.9	230

c) Appropriations for payment

Article 6 paragraph 1(c) of the Regulation provides for the disbursement each year of up to 80 % of the contracted commitments; the remainder subsequently.

PROPOSAL FOR A COUNCIL REGULATION

amending Regulation (EEC) N° 2617/80 instituting a specific Community regional development measure contributing to overcoming constraints on the development of new economic activities in certain zones adversely affected by restructuring of the shipbuilding industry

THE COUNCIL OF THE EUROPEAN COMMUNITIES

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Regulation (EEC) N° 724/75, of 18 March 1975, establishing a European Regional Development Fund ⁽¹⁾, as last amended by Regulation (EEC) N° 3325/80 ⁽²⁾, and in particular Article 13 (3) thereof,

Having regard to the proposal from the Commission ⁽³⁾,

Having regard to the opinion of the European Parliament ⁽⁴⁾,

Having regard to the opinion of the Economic and Social Committee ⁽⁵⁾,

Whereas Article 13 of Regulation (EEC) N° 724/75 (hereinafter referred to as the "Fund Regulation"), provides, independently of the national allocations of resources fixed by Article 2(3)(a) of that Regulation, for participation by the Fund in financing specific Community regional development measures, which are in particular linked with Community policies and with measures adopted by the Community, in order to take better account of their regional dimension or to reduce their regional consequences;

Whereas, pursuant to that Article, the Council adopted on 7 October 1980 an initial series of Regulations instituting specific Community regional

(1) OJ N° L 73, 21.3.1975, p.1
(2) OJ N° L 349, 23.12.1980, p.10
(3)
(4)
(5)

development measures and in particular Regulation (EEC) No 2617/80 instituting a specific Community regional development measure contributing to overcoming constraints on the development of new economic activities in certain zones adversely affected by restructuring of the shipbuilding industry ⁽¹⁾, hereinafter referred to as the "specific measure";

Whereas, pursuant to that Regulation and in particular Article 3 thereof, the Commission has approved a special programme relating to certain zones in the United Kingdom and has at the same time decided to allocate appropriations to that programme;

Whereas the Member State concerned has provided the Commission with information on regional problems which would be a suitable subject for a specific Community measure, and as a result of the worsening problems in the shipbuilding industry the current specific measure must be supplemented by the introduction of certain new types of assistance with the object of strengthening the economic fabric of these zones in such a way as to contribute to the creation of alternative employment;

Whereas the development of small and medium-sized undertakings hereinafter referred to as "SMUs", may be accelerated by allowing them better to adapt their production potential in particular through investment aids in the form of capital grants;

Whereas economic activity in the zones concerned should be further stimulated by especially active management of the public aids and services available, particularly those provided for under the special programme; whereas to this end there is a need to establish or extend advisory services responsible for informing existing or potential undertakings about the availability of such aids and services and to help those undertakings to take advantage of them;

Whereas in order to accelerate the implementation of the special programme the rules laid down by Regulation (EEG) No 2617/80 concerning budgetary commitments and advances made from the Fund should be amended;

(1) OJ No L 271, 15.10.1980, p. 16

Whereas additional financial resources are required to implement the specific measure as so strengthened ;

Whereas it is necessary for the United Kingdom to submit to the Commission an amended special programme

HAS ADOPTED THIS REGULATION :

Article 1

Regulation (EEC) N° 2617/80 is hereby amended as follows :

1. The following paragraph 6a is inserted in Article 3:

"6a. When approving the special programme, the Commission shall satisfy itself that the programme is compatible with Article 20 of the Fund Regulation".

2. Article 3(8) is replaced by the following:

"8. Once it has been approved, the special programme shall be published for information by the Commission".

3. The following points are added to Article 4:

"7. Preparation of sectoral analyses intended to provide SMUs with information on the potential of national, Community and external markets and on the effects to be anticipated therefrom on the production and organisation of SMUs;

8. Additional aids to investments in SMUs designed to create new undertakings or to assist the adaptation of production to market potential by existing undertakings when justified by the analyses mentioned under point 7 or other market studies. Such investment may also concern common services provided for a number of undertakings ;

9. Economic animation :

Establishment or extension of economic animation agencies :

a) for opening up possibilities, through direct contacts at local level, for economic ventures by giving advice about access to available public aids and services, particularly those provided for under the special programme, and

b) for contributing to the success of these ventures by helping existing or potential undertakings to take advantage of such aids and services".

4. In Article 5(1)(g), the words "and limited to 50 000 ECU per study" are replaced by the words "and limited to 150 000 ECU per study".

(j) operations relating to investment under point 8 of Article 4:
 50% of the public expenditure resulting from the granting of aid to the investment, provided that this aid contains a supplementary element compared to the most favourable existing regional arrangements. The supplementary aid may be up to 10% of the cost of the investment. The public aid may take the form of a capital grant or interest rebate;

(k) operations relating to economic animation under point 9 of Article 4:
 50% of the expenditure connected with operating costs arising from the activities of the animation agencies. These activities which must be new and must relate specifically to the zones covered by Article 2, may be entrusted by the Member State concerned to specific bodies."

5. The following points are added to Article 5(1):

"(i) operations relating to sectoral analyses under point 7 of Article 4:
 70% of their cost;

6. Article 5(2) is replaced by the following:

"2. For the aid referred to in paragraph 1(a) and (i), aggregation of aid from the quota and non-quota sections of the Fund is excluded."

7. Article 5(5) is replaced by the following:

"5. Budgetary commitments relating to the financing of the special programme shall be implemented by annual tranche. The first tranche shall be committed at the time of the Commission's acceptance of the programme. The commitment of subsequent annual tranches shall be made according to budgetary availability and the progress made on the programme."

8. Article 6(1)(c) is replaced by the following:

"(c) at the request of a Member State, an advance of 80% of the amount of each annual tranche may be made according to progress made on operations or budgetary availability. From the beginning of operations, an advance on the Fund contribution concerning the first annual tranche may be paid by the Commission. Requests for advances concerning other annual tranches may be made when operations under the preceding tranche have reached at least 30% of forecasts. The balance of each advance shall be paid at the request of the Member State when it has certified

that the operations corresponding to the tranche in question may be considered as finished, and on presentation of the amount of public expenditure which has been committed."

9. The following paragraphs are added to point 3(b) of the Annex :

"Particulars of the nature of sectoral analyses bearing on production structures, market potential and measures to be implemented in order to adapt and develop production and marketing.

Description of rules governing investment aids provided within the programme framework.

Description of measures planned under the programme for economic animation."

Article 2

1. The United Kingdom shall amend the special programme referred to in Article 3 of Regulation (EEC) N° 2617/80 and approved by the Commission⁽¹⁾ in accordance with the amendments set out in Article 1.
2. The amended special programme shall be approved by the Commission in accordance with Article 3(6) of Regulation (EEC) N° 2617/80.
3. Without prejudice to the provisions of Article 5(4) of Regulation (EEC) N° 2617/80, the amount of the Fund's assistance to the amended special programme may not exceed the amount fixed by the Commission at the time of approval of the programme.
4. The duration of the amended special programme shall be extended until the end of the fifth year starting from the sixtieth day after the date on which this Regulation enters into force.
5. Expenditure connected with the amendment of the special programme which is incurred from the date of entry into force of this Regulation shall be eligible.

(1) OJ N°

Article 3

This Regulation shall enter into force on the day following its publication in the Official Journal of the European Communities.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at

For the Council
The President

FINANCIAL RECORD

1. Relevant Budget Heading

Title V
Chapter 51
Article 510

2. Title of project

Reinforcement of the specific Community regional development measure contributing to overcoming constraints on the development of new economic activities in certain zones adversely affected by restructuring of the shipbuilding industry, adopted by Council Regulation (EEC) N° 2617/80 of 7 October 1980.

3. Legal basis

Article 13 of Regulation (EEC) N° 214/79

4. Description of project

The importance of economic adaptation problems in the zones affected by restructuring of the shipbuilding industry make it necessary to reinforce the specific measure already undertaken in favour of these zones. This reinforcement involves the allocation of additional funds to the special programme introduced by the Member State concerned, in accordance with Regulation (EEC) N° 2617/80 and approved by the Commission. In addition, it involves the introduction of new measures, aimed at accelerating the development of SME (aids for sectoral analyses and investment) and stimulating economic animation in these regions.

As a result, this special programme underway will be adapted and extended.

5. Financial implications

The estimated total amount of the Fund's participation in the adaptation of this special programme is estimated at 17 million ECU for the period 1983-1987.

6. Estimated amount for the special programme covering the British zonesa) Indicative breakdown by operation of the overall allocation to the programme

Article	Operation	(MECU)
4.1	Reclamation of sites	4.2
4.2	Housing	—
4.3	Management, organisation	6.4
4.4	Common services	
4.5	Innovation	
4.6	Risk capital	
4.7	Sectoral analyses	5.1
4.8	Investment	
4.9	Economic animation	1.3
	TOTAL	17.0

b) Indicative schedule of appropriations for commitment

	1983	1984	1985	1986	1987	TOTAL
(MECU)	3.4	3.4	3.4	3.4	3.4	17

c) Appropriations for payment

Article 6 paragraph 1(c) of the Regulation provides for the disbursement each year of up to 80 % of the contracted commitments; the remainder subsequently.

PROPOSAL FOR A COUNCIL REGULATION

amending Regulation (EEC) No 2618/80 instituting a specific Community regional development measure contributing to improving security of energy supply in certain Community regions by way of improved use of new techniques for hydro-electrical power and alternative energy sources

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Regulation (EEC) No 724/75 of 18 March 1975 establishing a European Regional Development Fund ⁽¹⁾, as last amended by Regulation (EEC) No 3325/80 ⁽²⁾, and in particular Article 13 (3) thereof,

Having regard to the proposal from the Commission ⁽³⁾,

Having regard to the opinion of the European Parliament ⁽⁴⁾,

Having regard to the opinion of the Economic and Social Committee ⁽⁵⁾,

Whereas Article 13 of Regulation (EEC) No 724/75 (hereinafter referred to as the "Fund Regulation") provides, independently of the national allocations of resources fixed by Article 2 (3) (a) of that Regulation, for participation by the Fund in financing specific Community regional development measures which are in particular linked with Community policies and with measures adopted by the Community in order to take better account of their regional dimension or to reduce their regional consequences;

Whereas, pursuant to that Article, the Council adopted on 7 October 1980 an initial series of Regulations instituting specific Community regional development measures and in particular Regulation (EEC) No 2618/80 instituting a specific Community regional development measure contributing to improving security of energy supply in certain Community regions by way of improved use of new techniques for hydro-electrical power and alternative energy sources ⁽⁶⁾, hereinafter referred to as the "specific measure";

(1) OJ No L 73, 21.3.1975, p. 1

(2) OJ No L 349, 23.12.1980, p. 10

(3) OJ No

(4) OJ No

(5) OJ No

(6) OJ No L 271, 15.10.1979, p. 23.

Whereas, pursuant to that Regulation and in particular Article 3 thereof, the Commission has approved a special programme relating to certain areas in the Mezzogiorno and has at the same time decided to allocate appropriations to that programme;

Whereas Greece has become a Member of the Community since the adoption of the specific measure; whereas the situation in that country is also characterized by a substantial energy shortfall and heavy dependence on oil imports; whereas, moreover, the cost of energy is particularly high in the Greek islands;

Whereas the development of those islands entails increased consumption of energy, which also stems from the operation of the water supply systems serving agriculture, industry and tourism; whereas there is therefore a need to encourage the installation there of new generating capacity exploiting local alternative energy sources;

Whereas steps should be taken to promote the exploitation of geothermal energy, which is an important alternative source of energy in these areas; whereas similar steps should also be taken in the areas of the Mezzogiorno affected by the specific measure;

Whereas the Member States concerned have provided the Commission with information on regional problems which would be a suitable subject for a specific Community measure;

Whereas in order to accelerate the implementation of the special programme the rules laid down by Regulation (EEC) No 2618/80 concerning budgetary commitments and advances made from the Fund should be amended;

Whereas additional financial resources are required to implement the specific measure thus reinforced and extended to new areas;

Whereas it is necessary that the Member State for which a special programme has already been approved should adapt that programme and that Greece should submit to the Commission a special programme in accordance with Regulation (EEC) No 2618/80,

HAS ADOPTED THIS REGULATION :

Article 1

Regulation (EEC) N° 2618/80 is hereby amended as follows :

1 . The following paragraph is added to Article 2:

"It shall also apply to the Greek islands, with the exception of those which are not covered by a national regional aid scheme".

2. Article 3 (1) is replaced by the following:

"1. The specific measure shall be implemented in the form of a special programme (hereinafter referred to as the "special programme") to be presented to the Commission by each of the Member States concerned."

3. Article 3 (8) is replaced by the following:

"8. Once it has been approved, the special programme shall be published for information by the Commission."

4. Article 4 (1) is replaced by the following:

"1. Installing mini-turbines (standardized electrical generators using low-head falls) including preparation of existing sites and the related hydroelectric installations; wind-powered generators; equipment utilizing solar energy; installations to recover energy from biomass, particularly from waste; prospection and development of geothermal fields, and particularly installations for exploiting such fields.

The installations referred to above must incorporate fully developed technology and must not be eligible under Council Regulation (EEC) No 1302/78 of 12 June 1978 on the granting of financial support for projects to exploit alternative energy sources⁽¹⁾, under Council Regulation (EEC) No 727/79⁽²⁾ on the implementation in the solar energy sector of Council Regulation (EEC) No 1302/78 or under Council Regulation (EEC) No 729/79⁽³⁾ on the implementation in the geothermal energy sector of Council Regulation (EEC) No 1302/78.

(1) OJ No L 158, 16.6.1978, p. 3

(2) OJ No L 93, 12.4.1979, p. 3

(3) OJ No L 93, 12.4.1979, p. 7.

5. In Article 5 (1) (a), the words "and for the prospection and development of geothermal fields" shall be inserted after "or other equipment".
6. Article 5(4) is replaced by the following:
 - "4. Budgetary commitments relating to the financing of the special programme shall be implemented by annual tranche. The first tranche shall be committed at the time of the Commission's acceptance of the programme. The commitment of subsequent annual tranches shall be made according to budgetary availability and the progress made on the programme."
7. Article 6(1)(c) is replaced by the following:
 - "(c) at the request of a Member State, an advance of 80 % of the amount of each annual tranche may be made according to progress made on operations or budgetary availability. From the beginning of operations, an advance on the Fund contribution concerning the first annual tranche may be paid by the Commission. Requests for advances concerning annual tranches may be made when operations under the preceding tranche have reached at least 30% of forecasts.
The balance of each advance shall be paid at the request of the Member State when it has certified that the operations corresponding to the tranche in question may be considered as finished, and on presentation of the amount of public expenditure which has been committed."
8. The following paragraph is added to point (2)(b) of the Annex : "a programme for the prospection and development of geothermal fields".

Article 2

1. Italy shall amend the special programme referred to in Article 3 of Regulation (EEC) N° 2618/80 and approved by the Commission ⁽¹⁾, in accordance with the amendments set out in Article 1.
2. The amended special programme shall be approved by the Commission in accordance with Article 3 (6) of Regulation (EEC) N° 2618/80.

(1) OJ N°

3. Without prejudice to the provisions of Article 5 (3) of Regulation (EEC) N° 2618/80, the amount of the Fund's assistance to the amended special programme may not exceed the amount fixed by the Commission at the time of approval of the programme.

Article 3

The duration of the special programme to be submitted by Greece shall be five years starting from the sixtieth day after the date on which this Regulation enters into force. The duration of the amended special programme referred to in Article 2 shall be extended for the same period.

Article 4

Expenditure connected with the amendment of the special programme and with the special programme to be submitted by Greece and which is incurred from the date of entry into force of this Regulation shall be eligible.

Article 5

This Regulation shall enter into force on the day following its publication in the Official Journal of the European Communities.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at

For the Council

The President

FINANCIAL RECORD

1. Relevant Budget Heading

Title V
Chapter 51
Article 510

2. Title of project

Reinforcement and extension of the specific Community regional development measure contributing to improving security of energy supply in certain Community regions by way of improved use of new techniques for hydro-electrical power and alternative energy sources, adopted by Council Regulation (EEC) N°. 2618/80 of 7. October 1980.

3. Legal Basis

Article 13 of Regulation (EEC) N°. 214/79

4. Description of project

The extent of the needs and the difficulties involved in supplying energy to the mountainous zones of the Mezzogiorno make it necessary to reinforce the specific measure already undertaken in favour of these zones. This reinforcement involves the allocation of additional funds to the special programme introduced by the Member State concerned, in accordance with Regulation (EEC) N°. 2618/80 and approved by the Commission. In addition, it involves the introduction of a new measure, aimed at the prospecting of geothermal fields.

As a result, this special programme will be adapted and extended. Moreover, the specific measure is extended to the Greek islands. It will be implemented there as a special five-year programme.

5. Financial implications

The estimated total amount of the Fund's participation in the adaptation of the special programme under way and to the new special programme is estimated at 43 million ECU for the period 1983-1987.

6. Estimated amount for the special programme covering the Italian zones.

a) Indicative breakdown by operation of the overall allocation to the programme

Article	Operation	(MECU)
4.1	Installation of mini-turbines, pumps and equipment; Development works for the prospecting of geothermal fields.	18.4
4.2	Demonstrations, Feasibility studies	4.1
4.3	Basic technical instruction	0.5
	TOTAL	23.0

b) Indicative schedule of appropriations for commitment

MECU

	1983	1984	1985	1986	1987	TOTAL
(MECU)	4.6	4.6	4.6	4.6	4.6	23.0

c) Appropriations for payment

Article 6 paragraph 1(c) of the Regulation provides for the disbursement each year of up to 80 % of the contracted commitments; the remainder subsequently.

7. Estimated amount for the special programme covering the Greek zones.

a) Indicative breakdown by operation of the overall allocation to the programme

Article	Operation	(MECU)
4.1	Installation of mini-turbines, pumps and equipment; Development works for the prospecting of geothermal fields	16.0
4.2	Demonstrations, Feasibility studies	3.5
4.3	Basic technical instruction	0.5
	TOTAL	20.0

b) Indicative schedule of appropriations for commitment

	MECU					
	1983	1984	1985	1986	1987	TOTAL
(MECU)	1.4	2.6	5.0	7.0	4.0	20.0

c) Appropriations for payment

Article 6 paragraph 1(c) of the Regulation provides for the disbursement each year of up to 80 % of the contracted commitments; the remainder subsequently.

8. Estimated total amount of the Community's participation.

a) Indicative breakdown by operation of the overall allocation to the programme

Article	Operation	(MECU)
4.1	Installation of mini-turbines, pumps and equipment; Development works for the prospecting of geothermal fields	34.4
4.2	Demonstrations, feasibility studies	7.6
4.3	Basic technical instruction	1.0
	TOTAL	43.0

b) Indicative schedule of appropriations for commitment

	MECU					
	1983	1984	1985	1986	1987	TOTAL
(MECU)	6.0	7.2	9.6	11.6	8.6	43.0

c) Appropriations for payment

Article 6 paragraph 1(c) of the Regulation provides for the disbursement each year of up to 80 % of the contracted commitments; the remainder subsequently.

PROPOSAL FOR A COUNCIL REGULATION

instituting a specific Community regional development measure contributing to overcoming constraints on the development of new economic activities in certain zones adversely affected by restructuring of the textile and clothing industry

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Regulation (EEC) N° 724/75 of 18 March 1975 establishing a European Regional Development Fund⁽¹⁾, as last amended by Regulation (EEC) N° 3325/80⁽²⁾, and in particular Article 13(3) thereof,

Having regard to the proposal from the Commission⁽³⁾,

Having regard to the opinion of the European Parliament⁽⁴⁾,

Having regard to the opinion of the Economic and Social Committee⁽⁵⁾,

Whereas Article 13 of Regulation (EEC) N° 724/75 (hereinafter referred to as the "Fund Regulation") provides independently of the national allocations of resources fixed by Article 2(3)(a) of that Regulation, for participation by the Fund in financing specific Community regional development measures which are in particular linked with Community policies and with measures adopted by the Community in order to take better account of their regional dimension or to reduce their regional consequences;

Whereas the Member States concerned have provided the Commission with information on regional problems which would be suitable for a specific Community measure;

Whereas the Fund's resources are allocated with due regard to the relative severity of regional imbalances within the Community;

(1) OJ N° L 73, 21.3.1975, p.1

(2) OJ N° 349, 23.12.1980, p.10

(3)

(4)

(5)

Whereas, pursuant to Article 92 et seq of the EEC Treaty, the Commission established on 22 July 1971 an approach to aids to the textile industry, supplemented on 4 February 1977, which was notified to the Member States; whereas, under the approach to aids, aid granted to textile undertakings can only be allowed if they satisfy certain conditions, and in particular they must facilitate improvements in the industrial and commercial structure, in particular the industry's adaptation to new market and technical conditions;

Whereas, with respect to its external policy in the textile and clothing fields, the Community is a party to the Arrangement regarding International Trade in Textiles, hereinafter referred to as the "Multifibre Agreement", which is designed to overcome the difficulties on the international textile and clothing market; whereas the measures taken under the Multifibre Agreement "should not interrupt or discourage autonomous industrial adjustment processes" and should "encourage businesses which are less competitive internationally to move progressively into more viable types of production or into other sectors of the economy";

Whereas between 1974 and 1977, the period of application of the first Multifibre Agreement, imports of textile products into the Community increased at an exceptionally fast rate; whereas since 1978, the year in which the second Multifibre Agreement came into force, such imports have continued to grow, a fact which has contributed to the substantial reduction in employment in this industry;

Whereas the third Multifibre Agreement was concluded on 22 December 1981 and bilateral negotiations between the Community and third countries are in progress; whereas, given the economic crisis and the stagnation of consumption, it is inevitable, even assuming constant import levels, that jobs will continue to be lost in the textile and clothing industry for several years to come;

Whereas a number of zones in the Community which are highly dependent on the textile and clothing industries and which have already suffered considerable job losses as a result of the decline in those industries are likely to see a worsening of these adverse consequences;

Whereas some of these zones in Belgium, France, Ireland, Italy, the United Kingdom and the Netherlands are situated in regions which already have a high level of unemployment;

Whereas it is necessary for the Community, by means of a specific Community regional development measure, to reinforce existing local, national and Community measures aimed at stimulating the creation of new employment in such zones in order to replace lost jobs and thus help to reduce regional imbalances;

Whereas other assistance from Community Funds, capable of being usefully combined, should be given in these zones;

Whereas the existence of an unfavourable physical environment due to the state of dereliction of certain industrial and urban sites makes it difficult to attract new employment-providing activities to these zones;

Whereas the encouragement of small and medium-sized undertakings (hereinafter referred to as "SMUs"), which already occupy an important place in the economies of these zones, requires that they be enabled better to adapt their productive potential in particular by way of investment aids and by facilitating access to necessary services in management, organization and finance;

Whereas the introduction of new technological products and processes can contribute to the creation and development of viable economic activities in these zones; whereas SMUs encounter difficulties in undertaking innovation;

Whereas economic activity in the zones concerned should be given greater stimulus through an especially active administration of public aids and services available, in particular those provided for under the special programme; whereas to this end it is necessary to establish or extend advisory agencies responsible for informing existing or potential undertakings about access to such aids and services and for helping them to take advantage of them;

Whereas the Community measure must be implemented in the form of special multiannual programmes; whereas it is for the Commission, in approving these programmes, to satisfy itself that the operations planned thereunder comply with the provisions of this Regulation;

Whereas the special programmes must respond to certain of the objectives encompassed by the regional development programmes provided for under Article 6 of the Fund Regulation;

Whereas the Commission must verify that the special programmes are properly carried out by examining the annual reports which the Member States concerned present to it for this purpose;

Whereas the Council, the European Parliament and the Economic and Social Committee must be informed regularly on the implementation of this Regulation,

HAS ADOPTED THIS REGULATION:

Article 1

A specific Community regional development measure (hereinafter referred to as the "specific measure") within the meaning of Article 13 of the Fund Regulation is hereby established, contributing to overcoming constraints on the development of new economic activities in certain zones adversely affected by restructuring of the textile and clothing industry.

Article 2

The specific measure shall concern the following zones:

1. Belgium: the zones will be defined when the Belgian government and the Commission have evaluated the implementation of the "textile and clothing restructuring programme".
2. France: and the
The "départements" of Ariège, Loire, Pas-de-Calais, Tarn / Vosges, including the bordering aided zones of the "départements" of Bas-Rhin and Haut-Rhin; the zones benefitting from national regional aid schemes in the "départements" of Ardèche, Gard and Nord, including for the latter the textile zones of the Lille "arrondissement".
3. Ireland: the planning regions of Donegal, North-West and West.
4. Italy:
the assisted zones in the Provinces of Arezzo, Como, Perugia, Pesaro-Urbino, Pistoia, Treviso and Vercelli;
the Provinces of Enna, Lecce, Bari and Palermo.
5. United Kingdom:
Northern Ireland; the areas benefitting from national regional aid schemes in the county of Tayside; the travel-to-work areas of Bradford, Dewsbury, Huddersfield, Keighley and Todmorden in the county of West-Yorkshire, the travel-to-work areas of Accrington, Blackburn, Burnley, Lancaster, Nelson and Rossendale in the county of Lancashire, and the travel-to-work areas of Ashton-under-Lyme, Bolton, Bury, Leigh, Oldham, Rochdale and Wigan in the county of Greater Manchester.
6. Netherlands : the "COROP-Gebied" of Twente.

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Article 3

1. The specific measure shall be implemented in the form of a special programme (hereinafter referred to as the "special programme") to be presented by each of the Member States concerned.
2. The objective of the special programme shall be to contribute to the development of employment-providing activities in the zones referred to in Article 2. It shall to this end be directed towards the improvement of their physical environment, this being necessary in order to encourage the setting up of such activities, and at the development of SMUs and the encouragement of innovation.
3. The special programme must fall within the framework of the regional development programmes mentioned in Article 6 of the Fund Regulation.
4. The special programme must contain appropriate information, as specified in the Annex to this Regulation, analysing the situation and needs related to the objectives stated in paragraph 2, the operations proposed, the timetable for carrying them out and, in general, all factors necessary to enable its consistency with regional development objectives to be assessed.
5. The duration of the special programme shall be five years starting from the sixtieth day after the date on which this Regulation enters into force.
6. The special programme shall be approved by the Commission after intervention by the Fund Committee in accordance with the procedure laid down in Article 16 of the Fund Regulation.
7. When approving the special programme, the Commission shall satisfy itself that the programme is compatible with Article 20 of the Fund Regulation.
8. The Commission shall inform the European Parliament of the amounts adopted for the zones when the special programme is approved.
9. Once it has been approved, the special programme shall be published for information by the Commission.

Article 4

The Fund may participate, within the framework of the special programme, in the following operations :

1. Improvement of run-down areas whose character is industrial or industrial-and-urban to the extent to which the two aspects cannot be dissociated, including : the cleaning up and preparation of such areas, the conversion of disused industrial buildings and their surroundings,

including the modernization of premises for SMUs, the creation of green areas and minor works for improving the appearance of localities and, exceptionally, minor roads giving access to the locations of new activities.

2. Preparation of sectoral analyses intended to provide SMUs with information on the potential of national, Community and external markets and on the effects to be anticipated therefrom on the production and organisation of these undertakings.
3. Additional aids to investment in SMUs designed to create new undertakings or to assist the adaptation of production to market potential by existing undertakings when justified by the analyses mentioned under point 2 or other market studies. Such investment may also concern common services granted for a number of undertakings;
4. Establishment or development of consultancy firms or other bodies for management or organization matters, by means of direct or indirect aid. The activities of such firms or bodies may include temporary assistance to undertakings for implementing their recommendations.
5. Establishment or development of common services for a number of undertakings.
6. Promotion of innovation in industry and services:
 - (a) collection of information relating to product and technological innovation and its dissemination among undertakings operating in the zones covered by the specific measure, which may include experimental work on such innovation;
 - (b) encouragement of the introduction of product and technological innovation in SMUs.
7. Better access for SMUs to risk capital
8. Economic animation:

Establishment or extension of economic animation agencies:

 - (a) for opening up possibilities, through direct contacts at local level, for economic ventures by giving advice about access to available public aids and services, particularly those provided for under the special programme, and
 - (b) for contributing to the success of these ventures by helping existing or potential undertakings to take advantage of such aids and services.

Article 5

1. The special programme shall be the subject of joint financing between the Member State and the Community. The contribution from the Fund shall be provided within the framework of the appropriations entered for this purpose in the General Budget of the European Communities. The Community's contribution is laid down as follows :
 - (a) reclamation and conversion operations under point 1 of Article 4 :
50 % of the public expenditure;
 - (b) operations relating to sectoral analyses under point 2 of Article 4 :
70 % of their cost;
 - (c) operations relating to investment under point 3 of Article 4 :
50 % of the public expenditure resulting from the granting of aid to the investment providing that this aid contains a supplementary element compared to the most favourable existing regional arrangements. The supplementary aid may be up to 10% of the cost of the investment. The public aid may take the form of a capital grant or an interest rebate.
 - (d) operations relating to consultancy services under point 4 of Article 4 :
aid covering part of the expenditure of undertakings relating to services provided by consultancy firms or bodies. The aid shall last for three years and shall be degressive. It shall cover 70 % of expenditure in the first year and shall not exceed 55 % of the total expenditure over the three-year period (indirect aid);
 - (e) in respect of the operations referred to under (d), the Member State may replace this system by an equivalent system of aid to consultancy firms or bodies (direct aid);
 - (f) operations relating to common services under point 5 of Article 4 :
aid covering part of the expenditure of undertakings relating to the operation of these services. The aid shall last for three years and shall be degressive. It shall cover 70 % of expenditure in the first year and shall not exceed 55 % of the total expenditure over the three-year period;
 - (g) operations concerning the collection and dissemination of information on innovation under point 6(a) of Article 4 : aid covering part of the operating costs of bodies engaged in such activities, provided that these activities are new and concern specifically the zones covered by Article 2. The aid shall last for three years and be degressive. It shall cover 70 % of the operating costs in the first year and shall not exceed 55 % of the total cost over the three-year period;

- (h) opérations for implementing innovation under point 6 (b) of Article 4 : 70 % of the cost of feasibility studies that may concern all aspects, including commercial, of the implementation of innovation, limited to 150 000 ECU per study. These studies must be undertaken on behalf of undertakings situated in the zones covered by Article 2;
 - (i) opérations relating to risk capital under point 7 of Article 4 : contribution towards the operating costs of financial institutions providing risk capital for SMUs. The contribution shall be 70 % of the costs of risk evaluation studies carried out by or on behalf of the financial institutions. These studies may also examine commercial aspects.
 - (j) opérations relating to economic animation under point 8 of Article 4 : 50% of expenditure connected with the operating costs arising from the activities of the animation agencies. These activities which must be new and must relate specifically to the zones covered by Article 2, they may be entrusted by the Member State concerned to particular bodies.
2. For the aid referred to in paragraph 1 (a) and (c), aggregation of aid from the quota and non-quota sections of the Fund shall be excluded.
 3. The categories of beneficiaries of Fund assistance in respect of operations provided for in paragraph 1 may be : public and local authorities, other bodies, undertakings or individuals. The aids referred to in paragraph 1 (d) and (f) and, where they directly benefit undertakings, those referred to in paragraph 1 (h) may not have the effect of reducing the share paid by undertakings to less than 20 % of total expenditure.
 4. The amount of the Fund's assistance in favour of the special programme may not exceed the amount fixed by the Commission at the time when the programme is approved under Article 3 (6).
 5. Budgetary commitments relating to the financing of the special programme shall be implemented by annual tranche. The first tranche shall be committed at the time of the Commission's acceptance of the programme. The commitment of subsequent annual tranches shall be made according to budgetary availability and progress on the programme.

Article 6

1. The amount of the Fund contribution in respect of the measures included in the special programme shall be paid to the Member State concerned (or in accordance with the instructions the latter communicates to this end to the Commission) according to the following rules:

- (a) expenditure incurred from the date of entry into force of this Regulation shall be eligible;
- (b) where there is a financial contribution by the Member State, payments, other than advance payments referred to in (c), shall be made as far as possible in parallel with the payment of the Member State's contribution. In any other case, payments shall be made when the Member State certifies that the amount is due and may be paid by the Community.

Each request for payment shall be accompanied by a statement from the Member State certifying the operation and the existence of detailed supporting documents, and shall contain the following information:

- the nature of the operations covered by the payment claim;
- particulars of the amount and nature of the expenditure paid in respect of the operations during the period covered by the claim;
- confirmation that the operations described in the payment claim have been begun in accordance with the special programme;

(c) at the request of a Member State, an advance of 80 % of the amount of each annual tranche may be made according to progress made on operations or budgetary availability. From the beginning of operations, an advance on the Fund contribution concerning the first annual tranche may be paid by the Commission. Requests for advances concerning other annual tranches may be made when operations under the preceding tranche have reached at least 30% of forecasts.

The balance of each advance shall be paid at the request of the Member State when it has certified that the operations corresponding to the tranche in question may be considered as finished, and on presentation of the amount of public expenditure which has been committed.

2. At the end of each year, the Member State concerned shall present to the Commission a report on the progress made in carrying out the special programme by reference to the information required in the Annex to this Regulation. These reports should enable the Commission to satisfy itself that

the special programme is being executed, to observe its effects and to establish that the different operations are being carried out in a coherent manner. They shall be forwarded to the Regional Policy Committee.

3. On the basis of these reports and the relevant decisions, the Commission shall report under the conditions laid down in Article 21 of the Fund Regulation.
4. Where major amendments are made to a special programme during implementation, the procedure provided for in Article 3(6) shall apply.
5. When each special programme has been implemented, a report shall be presented by the Commission to the Regional Policy Committee.
6. Article 9(1) to (5) of the Fund Regulation shall apply, as required, to the specific measure provided for in this Regulation.

Article 7

This Regulation shall not prejudice the current re-examination of the Fund Regulation provided for in Article 22 of that Regulation.

Article 8

This Regulation shall enter into force on the day following its publication in the Official Journal of the European Communities.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at

For the Council
The President

ANNEXE

The special programme shall include the following information on the zones covered under Article 2:

1. In respect of industrial and urban sites and industrial buildings:

(a) (i) analysis of the state of dereliction of sites and the priorities for reclamation, and an analysis of the state of disuse of industrial premises;

(ii) particulars of existing actions for resolving the problem of dereliction and of the average annual public expenditure involved;

(b) in relation to the operations envisaged under article 4: a description and exact location of programmes for reclamation of derelict sites and conversion of industrial premises; and, where relevant, details of essential minor road links.

2. In respect of SMUs :

(a) (i) a description of the present situation ^{of} SMUs in the different sectors ^{and} an evaluation of their possibilities for future development. Analysis of their situation and needs, particularly as concerns management and organization;

(ii) description of aid systems for the SMUs and of the nature of existing services available showing, by categories of aids and services, the resultant annual average public expenditure involved;

(b) in relation to the operations envisaged under Article 4 : a description of the different types of management and organization services to be provided to SMUs. Particulars of the bodies responsible for the provision of such services and for activating the development of SMUs.

Particulars of the nature of sectoral analyses bearing on production structures, market potential and measures to be implemented in order to adapt and develop production and make it commercial.

Description of rules governing aids set up under the programme.

3. In respect of innovation :

(a) an analysis of the needs of undertaking and of the means currently at their disposal to gain access to information on innovation and for implementing it, and assessment of related public expenditure;

(b) in relation to the operations envisaged under Article 4 : a description of the measures designed to ensure the collection and dissemination of information on innovation, and also to facilitate its implementation by SMUs.

4. In respect of risk capital :

- (a) (i) details of organizations providing risk capital for SMUs and the conditions applicable to the provision of such capital;
- (ii) particulars of existing schemes for the encouragement of financial institutions to provide risk capital for SMUs, and a statement of present public expenditure under each such scheme;
- (b) in relation to the operations envisaged under Article 4 : details of measures planned to facilitate the access of SMUs to risk capital;

5. In respect of economic animation : a description of the activities planned under the programme.

6. In respect of the totality of the special programme :

- (a) a description, as far as possible with figures, of the objectives covered by the special programme, particularly regarding employment;
- (b) a description of existing or prospective public measures proposed to be carried out side by side with the special programme in order to improve the employment situation in the zones covered by in Article 2, and in particular measures related to :
 - aids for productive investment,
 - investment in infrastructure,
 - aids related to worker and professional training and retraining and, as appropriate, those which are particularly aimed at the employment of young people and for the benefit of former workers in the textile industry.

This description must be accompanied by a statement giving particulars of the national authorities' intentions as regards the use of other resources deriving from Community structural Funds;

- (c) an indication of the amounts of public expenditure in connection with the measures envisaged under (b) above;
- (d) the timetable for carrying it out;
- (e) estimation of the volumes of public expenditure connected with the programme's implementation, including an annual breakdown of such expenditure for each of the operations envisaged;
- (f) designation of the bodies responsible for execution of the programme and the various operations;
- (g) information measures planned to make potential beneficiaries and professional organizations aware of the possibilities offered by the special programme and of the role played by the Community in this respect.

FINANCIAL RECORD

1. Relevant budget heading

Title V
Chapter 51
Article 510

2. Title of project

Specific Community regional development measure contributing to overcoming constraints on the development of new economic activities in certain zones adversely affected by the restructuring of the textile and clothing industry.

3. Legal basis

Article 13 of Regulation (EEC) N° 214/79

4. Description of project

This measure will be implemented by means of special five-year programmes, whose object will be the improvement of the physical environment (cleaning up of run down industrial and urban areas), the development of small and medium-size enterprises (aids for sectoral analyses, investment, advisory management and common services and access to risk capital), promotion of innovation (gathering and diffusion of information on innovation and its application by SME) and the encouraging of economic animation in the zones concerned.

5. Financial implications

The estimated total amount of the Fund's participation in the special programmes is estimated at 260 million ECU for the period 1983-1987.

6. Estimated amount for the special programme covering the British zones

a) Indicative breakdown by operation of the overall allocation to the programme

Article	Operation	(MECU)
4.1	Reclamation of sites	52.5
4.2	Sectoral analyses	} 21.0
4.3	Investment	
4.4	Management, organisation	} 26.3
4.5	Common services	
4.6	Innovation	
4.7	Risk capital	} 5.2
4.8	Economic animation	
	TOTAL	105.0

b) Indicative schedule of appropriations for commitment

	MECU					
	1983	1984	1985	1986	1987	TOTAL
(MECU)	7.3	13.7	26.2	36.8	21.0	105.0

c) Appropriations for payment

Article 6 paragraph 1(c) of the Regulation provides for the disbursement each year of up to 80 % of the contracted commitments; the remainder subsequently.

7. Estimated amount for the special programme covering the Irish zones

a) Indicative breakdown by operation of the overall allocation to the programme

Article	Operation	(MECU)
4.1	Reclamation of sites	-
4.2	Sectoral analyses	} 2.1
4.3	Investment	
4.4	Management, organisation	} 0.6
4.5	Common services	
4.6	Innovation	
4.7	Risk capital	} 0.3
4.8	Economic animation	
TOTAL		3.0

b) Indicative schedule of appropriations for commitment

	MECU					
	1983	1984	1985	1986	1987	TOTAL
(MECU)	0.2	0.4	0.8	1.0	0.6	3.0

c) Appropriations for payment

Article 6 paragraph 1(c) of the Regulation provides for the disbursement each year of up to 80 % of the contracted commitments; the remainder subsequently.

8. Estimated amount for the special programme covering the Belgian zonesa) Indicative breakdown by operation of the overall allocation to the programme

Article	Operation	(MECU)
4.1	Reclamation of sites	
4.2	Sectoral analyses	
4.3	Investment	
4.4	Management, organisation	
4.5	Common services	
4.6	Innovation	
4.7	Risk capital	
4.8	Economic animation	
	TOTAL	8.0

b) Indicative schedule of appropriations for commitment

	MECU					
	1983	1984	1985	1986	1987	TOTAL
(MECU)	0.6	1.0	2.0	2.8	1.6	8.0

c) Appropriations for payment

Article 6 paragraph 1(c) of the Regulation provides for the disbursement each year of up to 80 % of the contracted commitments; the remainder subsequently.

9. Estimated amount for the special programme covering the French zones

a) Indicative breakdown by operation of the overall allocation to the programme

Article	Operation	(MECU)
4.1	Reclamation of sites	28.0
4.2	Sectoral analyses	} 24.0
4.3	Investment	
4.4	Management, organisation	} 26.4
4.5	Common services	
4.6	Innovation	
4.7	Risk capital	} 1.6
4.8	Economic animation	
	TOTAL	80.0

b) Indicative schedule of appropriations for commitment

	1983	1984	1985	1986	1987	TOTAL
(MECU)	5.6	10.4	20.0	28.0	16.0	80.0

c) Appropriations for payment

Article 6 paragraph 1(c) of the Regulation provides for the disbursement each year of up to 80 % of the contracted commitments; the remainder subsequently.

10. Estimated amount for the special programme covering the Italian zones

a) Indicative breakdown by operation of the overall allocation to the programme

Article	Operation	(MECU)
4.1	Reclamation of sites	11.4
4.2	Sectoral analyses	} 25.6
4.3	Investment	
4.4	Management, organisation	} 18.8
4.5	Common services	
4.6	Innovation	
4.7	Risk capital	} 1.2
4.8	Economic animation	
	TOTAL	57.0

b) Indicative schedule of appropriations for commitment

	MECU					
	1983	1984	1985	1986	1987	TOTAL
(MECU)	4.0	7.4	14.2	20.0	11.4	57.0

c) Appropriations for payment

Article 6 paragraph 1(c) of the Regulation provides for the disbursement each year of up to 80 % of the contracted commitments; the remainder subsequently.

11. Estimated amount for the special programme covering the Dutch zones

a) Indicative breakdown by operation of the overall allocation to the programme

Article	Operation	(MECU)
4.1	Reclamation of sites	1.4
4.2	Sectoral analyses	} 2.8
4.3	Investment	
4.4	Management, organisation	} 2.4
4.5	Common Services	
4.6	Innovation	
4.7	Risk capital	} 0.4
4.8	Economic animation	
	TOTAL	7.0

b) Indicative schedule of appropriations for commitment

	MECU					
	1983	1984	1985	1986	1987	TOTAL
(MECU)	0.5	0.9	1.8	2.4	1.4	7.0

c) Appropriations for payment

Article 6 paragraph 1(c) of the Regulation provides for the disbursement each year of up to 80 % of the contracted commitments; the remainder subsequently.

12. Estimated total amount of the Community's participation

a) Indicative breakdown by operation of the overall allocation to the programme

Article	Operation	(MECU)
4.1	Reclamation of sites	
4.2	Sectoral analyses	
4.3	Investment	
4.4	Management, organisation	
4.5	Common services	
4.6	Innovation	
4.7	Risk capital	
4.8	Economic animation	
	TOTAL	260.0

b) Indicative schedule of appropriations for commitment

	MECU					
	1983	1984	1985	1986	1987	TOTAL
(MECU)	18.2	33.8	65.0	91.0	52.0	260.0

c) Appropriations for payment

Article 6 paragraph 1(c) of the Regulation provides for the disbursement each year of up to 80 % of the contracted commitments; the remainder subsequently