

# COMMISSION OF THE EUROPEAN COMMUNITIES

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COMMUNICATION FROM THE COMMISSION  
ON THE IMPLEMENTATION OF THE COMMUNITY MEASURES  
OF THE GROWTH INITIATIVE

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Before the Edinburgh Council the Commission presented its ideas for an initiative to promote economic growth and reduce unemployment. This formed the basis for the agreement by the Heads of State and Government on the recovery plan for Europe.

This initiative contains both national measures and Community measures that need to be put in place urgently for the initiative to have its desired effect on confidence and economic growth and employment. Its effect would be boosted by measures to improve the international economic environment and by a rapid conclusion of the Uruguay Round.

Member States should therefore quickly take action at the national level to implement the initiative. At the Community level, the Commission has already presented some proposals on the Community's part of the growth initiative. This paper informs the Council of concrete measures to be implemented as the Community part of the initiative together with the proposals already put forward. Among Community measures are also to be counted the sizable structural assistance averaging 25bn. ecus per year until 1999, including those investments that will be made possible for such actions by the increase in the Structural Funds, and from other allocations for projects to be financed by the Community budget agreed in Edinburgh.

The information on concrete measures may take place in specific Council meetings before mid-February and will be brought together for the Ecofin Council meeting on 15 February.

The specific elements of the Community part of the initiative are :

1. European Investment Fund (EIF)

The Commission already presented its proposals for draft Treaty changes and for the participation of the Community, represented by the Commission, in the Fund on 15 January this year. The Commission will present before the end of February a supplementary and amending budget for 1993 containing the necessary budgetary changes. Once in function, the Fund would provide guaranties for investments in an order of 15 to 20bn. ecus.

The draft statutes of the Fund should be worked out by the EIB and the Commission and presented to the Bank's Board of Governors before the end of February.

2. EIB - facility of 5bn. ecus.

On 26 January, the Bank has presented to its Board of Directors the necessary proposals to increase its lending ceilings. The Board of Governors will have adopted the necessary decision by mid-February, allowing for investments in the order of 7 to 10 bn. ecus.

### 3. Transeuropean Networks

The Transeuropean Networks will form a necessary part of the basis for a well functioning Internal Market and are an essential element in the efforts to improve economic and social cohesion in the Community. In the context of the growth initiative the intention is to advance some of the projects in order to promote growth and employment.

It is foreseen that the projects eligible under the EIB facility and the EIF will be consistent with established or envisaged guidelines (schemas directeurs) for the individual sectors, as is also the case for the projects eligible for financing from the Cohesion Fund.

Such guidelines have been adopted or presented to the Council on high speed train, road, inland waterways and combined transport. In the transport sector, guidelines will be presented within 3 to 9 months for vessel traffic services, airports, ports, conventional rail and for air traffic control. In two important sectors, energy and telematic networks, guidelines or projects for action will also be proposed by the end of February. Moreover, projects of common interest have already been identified as eligible to be financed under Transeuropean Networks which are to be subsequently incorporated in these guidelines.

The Commission services have now identified potentially eligible projects within the transport sector of up to 60bn. ecus and within the energy sector of up to 13bn. ecus. Within the telecommunications sector projects related to the telematic networks falling under the Community competence can also be singled out for early action. A large number of these projects could be quickly adopted for realization.

Immediate start of work for the realization of many of these projects depends largely on the conclusion of a favourable financial package. In this respect, a combination of EIB loans with other means, such as interest rebates or subsidies from the EC budget, could accelerate the realisation of these projects.

Such projects should include those which could be extended into Central and Eastern Europe, to foster interoperability, and where the extensions would appear to be in the mutual interest. A number of such projects have already been identified by the Commission services in the energy, transport and telecommunications sectors.

In order to advance the process, the Commission services have taken contact with the EIB and representatives of Member States in order to present a list of projects eligible to be financed or for which guarantees can be extended under the 5bn. EIB facility as from March this year and later by the EIF. Contact has also been taken with the EBRD on its cofinancing role concerning projects in Central-and Eastern Europe.

### 4. Cohesion Fund and Structural Funds

The Commission has presented proposals for a Regulation on the Cohesion Fund which is under discussion in the Council. In the interim, planning is going on. By end February missions from the

Commission to the four Member States will have taken place, so that contracts can be established in the first half of this year.

The commission will also be presenting very shortly proposals for amendments to the Structural Funds Regulations with the aim of getting these agreed in good time to allow investment decisions under the Funds for the next financial period starting at the beginning of 1994 to be taken quickly. This will ensure that momentum is maintained for the considerable investment expenditures under the Funds. Furthermore the Commission will ensure continued concentration of the Structural Fund assistance to increase its economic effects.

5. Small-and medium sized enterprises

The Commission, having adopted its proposals on 23 December, is pressing forward for an early Council agreement of the 1993-96 programme, which is on the agenda for the Industry Council of 4 May. This date should be brought forward. Based on the twin objectives of information and cooperation, it will contain, in particular, measures with proven worth related to Euro-Info Centres, BRE/BC-net, the "Europartenariat" and "Enterprise" projects. It will include also promotion of transnational subcontracting as well as promotion of Community instruments including the strengthening of technological potential. Total allocation for these projects is proposed at 85m ecus over the 1993-96 period. It should also be noted that the Commission's proposal on the EIF would allow SMEs all over the Community to be supported, while maintaining a priority for those in Community assisted regions.

6. Training

In its proposal to amend the existing Structural Fund regulations, the Commission intends to propose for the Social Fund a new Objective 4 on industrial restructuring that would permit assistance to those who have lost or risk losing their jobs.

In the meantime, the Commission will use every effort to apply the regulations more flexibly. Depending on the flexibility available in the light of the implementation of current programmes and on the priorities of Member States, it seems that it could be possible to re-direct several hundred MECUs to this effect. Under the Social Fund regulations, the long-term unemployed who may be assisted by the Fund are defined as those who have been unemployed for more than 12 months. The regulation stipulates that this period may be reduced in specific cases to be decided by the Commission. The Commission has already received requests from two Member States to permit assistance in 1993, by redeployment within existing CSFs, to newly unemployed persons. Further requests are expected. It is proposed, within the legal constraints, to look favourably on such requests and that the Commission should take the necessary decision(s) in this regard, as soon as possible.

The Commission will also promote actions in the field of training and human resources which will be built on principles from schemes like COMETT, FORCE and ERASMUS.

## 7. Research and Development

The Commission intends to put the accent on :

- improving the management and efficiency of the Community's research. Immediate steps to encourage national organizations to take initiatives in proposing consortia and a small reserve of research funds to finance the pre-competitive part of Eureka projects will be put forward by the Commission.
- increasing the selectivity of research actions implying that work be targetted more on generic technologies. In the 4th programme themes of wide socio-economic importance should be identified.
- Training and human resources : ensuring the access of the work force, especially SMEs, to the latest innovations and R & D results through improved attention to continuing training of key personnel in the workforce and through pooling of higher education and training resources in collaboration with industry at a regional/local level for this purpose. The Commission will put forward its ideas on how to achieve this increased emphasis on the quality of continuing training and human resource development so as to give companies a greater competitive edge. This effort will build on the experience of the Community programmes, COMETT, ERASMUS and FORCE.

A decision on the 3rd programme is now being taken, which means that the targetting of the work more on generic technologies can begin.

## 8. Internal Market

Measures will be accelerated to ensure its effective operation. Transparency, through enhanced consultation with industry and clearer and simpler rules will be achieved. Work on norms and standards will receive the necessary resources.

The Commission also intends to make proposals to improve the business environment for firms carrying out cross-border activities.

The Commission will, in the next regular revision, propose for SMEs an increase of thresholds below which simplified accounting practices apply in favour of these enterprises.

On 8 February the Commission presented to the Council some of its ideas to ensure the effective operation of the internal market. The Commission will

- i) set up a comprehensive strategy in order to make the internal market function and in order to involve all the sectors in the management of this strategy.
- ii) ensure the adoption of necessary remaining decisions improving the cooperation between enterprises.

The necessary resources to speed up effective operation of internal market and work on norms and standards will be devoted and if necessary transferred to the standards organisations.

# DOCUMENTS

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