



European Communities

EUROPEAN PARLIAMENT

WORKING DOCUMENTS

English Edition

1985-86

3 June 1985

A SERIES

DOCUMENT A2-49/85 /B

REPORT

drawn up on behalf of the Committee on Regional Policy
and Regional Planning

on the proposal from the Commission of the European
Communities to the Council (COM(85) 180 final/2 - Doc. C2-18/85
for a regulation instituting integrated Mediterranean
programmes

PART B: EXPLANATORY STATEMENT

Rapporteur: Mr P. DE PASQUALE

PE 97.559/fin./B

Or. It.

EXPLANATORY STATEMENTA. INTRODUCTION

1. Before considering the individual amendments, a few general comments are called for in order to put the problems raised by the new proposal into perspective and hence understand the general ideas on which the amendments are based.
2. The Commission's way of presenting its new proposal is, on the whole, quite acceptable, for the following reasons in particular:
 - (a) The IMPs are no longer, as in the old proposals, drawn up merely 'with a view to promoting the development of rural areas in certain Mediterranean regions'¹; their aim is the overall development of the regions concerned since they are intended to offer an overall solution to the wide range of problems facing the regions and have three objectives: development, adaptation and support²
 - (b) More precisely, the IMPs are meant to:
 - speed up the social and economic development of the Mediterranean regions of the EEC,
 - help them to adjust to the new conditions created by enlargement,
 - aid the large-scale structural adjustments which the Greek economy has to tackle and which were described in the Greek Government's Memorandum of 19 March 1982;
 - (c) The new provisions are set out in a completely different way from the previous proposals which were highly specific, strict and binding in the extreme. The new proposal is for an outline regulation allowing the Commission broad powers in approving programmes and leaving regional authorities the responsibility for settling details;

¹See Article 1 of the amended proposal: OJ No. C 280 of 19.10.1984

²See 5th Recital of the new proposal

(d) This approach reflects a determination to adapt the programmes as far as possible to differing local needs, situations and capacities: in this regard the Commission has very wisely stated that part of the resources, the 'specific additional resources', (1 600 m ECU), in other words the only definitively additional resources mentioned in the proposal, may be used to finance measures which may be qualified as 'atypical' in that, for one reason or another, they do not follow the 'patterns' of measures which the structural funds may help to finance.

3. It should also be mentioned that the Commission has agreed to many other requests put forward in the resolution adopted by the European Parliament on 14 March 1985¹, in particular:

(a) the adaptation of all Community policies to the objectives laid down in the IMPs,

(b) the incorporation and coordination of various instruments and measures within the framework of appropriate regional planning,

(c) concentrating on aid to sectors other than agriculture, subject to the capacity for development inherent in the regions concerned,

(d) a policy of subsidized loans.

4. Whilst these are all, without doubt, positive features of great importance, it should be pointed out straight away that they may be seriously jeopardized by two negative features which stand out immediately, viz:

(a) the paucity of the resources earmarked to finance the various measures,

(b) the lack of clear guarantees that the contribution of 2.5 bn ECU from the Funds and the 2.5 bn ECU in the form of loans are undisputedly extra and additional to the financing already received for the same purposes by the regions concerned.

¹ See the minutes of the plenary session: PE 96.424

5. Prior to any analysis of the amendments and comment on the measures intended to combat, to the limited extent permitted by the restricted Community budget, the serious shortcomings already mentioned, a few remarks should perhaps be made on this financial aspect of the IMPs.
6. First of all, there is no need to explain why the Community must make a special effort to help its Mediterranean regions which are among the poorest and most backward areas.
7. Apart from the principles enshrined in the EEC Treaty on the harmonious development of economic activity and continuous balanced expansion throughout the Community, and regardless of the unevenness with which Community agricultural aid has so far been allocated, to the detriment of Mediterranean products which also have to face competition from similar products produced in third countries in the Mediterranean basin, it need only be pointed out that a Commission report (the Second Periodic Report on the social and economic situation and development of the regions of the Community) whose conclusions have not yet been challenged, clearly shows that the enlargement of the Community will have an adverse effect on the Mediterranean regions.
8. General basic principles governing what is lawful and fair dictate that in associations of persons or states the obligations and burdens deriving from such an association should as far as possible be fairly distributed.
9. This should be borne in mind, since the impression is occasionally gained that the IMPs are interpreted as charity or hand-outs to poor and persistent suppliants.
10. After these general comments, now for some figures. The Commission proposes:
 - 4.1 bn ECU in the form of aid and
 - 2.5 bn ECU in the form of loans.
11. At first sight this seems a sizeable amount but the picture changes immediately if the figures are looked at closely.
12. First of all, the figures refer to financing for three Member States over a period of seven years.

13. Secondly, as regards the aid (4.1 bn ECU), it should be pointed out that:

- since 2 bn are earmarked for Greece alone, which, let it be said, certainly needs it, only 2.1 bn remain for Italy and France, and the geographical scope of the IMPs covers more than half the national territory of Italy;
- in 1983 alone, France and Italy received contributions from the European Regional Development Fund amounting to 1.1 bn ECU (and in Italy the areas receiving ERDF aid are more restricted than the IMP areas) which is equivalent to more than half of the aid allocated for the two countries over a period of seven years!

14. The funds available for EIB loans in the form of own resources and NCI resources are, if possible, even less substantial: they amount to 2.5 bn ECU for France, Greece and Italy together over the same period of seven years.

A more precise idea of what this means will be gained by recalling that in 1984 alone, France and Italy obtained loans worth about 4.2 bn ECU!

15. These figures are more than enough to put the Commission's figures, which at first sound impressive, into perspective. They show that the resources being made available are scanty and, in any case, inadequate.

16. Moreover, it is not even clear whether all the resources are actually additional to existing financing: this brings us to the problem of the 'additionality' of the resources earmarked for the IMPs!

17. The only certainty is that the 1.6 bn ECU in the form of 'specific additional resources' (Article 10) are the only really additional funds.

18. As for the 2.5 bn ECU provided by the Funds, it is by no means certain that all or even any of this is 'additional'.

19. Article 11(1) establishes that the endowment of the Funds during the period under consideration must increase in real terms and while this is of course very important the size of the real increase is not specified nor is any yardstick given.
20. The essential thing is that the increases in real terms should cover not only the resources allocated to the IMPs but should also make it possible to continue and increase the aid already given to both IMP areas and non-IMP areas.
21. This concludes the general analysis of the proposals and their positive and negative features.
22. We shall now consider briefly the most important amendments, which can essentially be put into two categories:
- (a) those which seek to tackle, as realistically as possible, the serious problems of financing the IMPs, in particular the need to increase resources and to make them additional (cf. amendments to Articles 10, 11 and 12);
 - (b) those designed to further improve the positive features already inherent in the proposal.

B. AMENDMENTS

Article 1, paragraph 2, Annex I: Amendment No. 18

23. The list of regions and areas in France, Greece and Italy covered by the IMPs has not changed substantially since the original 1983 proposals: the most significant change is the inclusion of the conurbations of Athens and Salonika, which is perfectly acceptable. In actual fact, most of the economic and industrial structures and facilities for industrial training are located in those areas and Greece would thus be unreasonably penalized if these areas were excluded.
24. The proposed change to Annex I firstly regards the exclusion of Naples and Palermo. There is no need to mention the serious social, environmental and urban problems, aggravated by crime, experienced by these two Italian cities.

The Community has acknowledged the existence of these problems in Naples, and has even organized an 'integrated development operation' which, however, does not in itself supply any extra resources but merely aims to increase the efficiency of EEC aid by integrating and coordinating them.

25. In any case, if Naples and Palermo continue to be excluded this would mean equating them and their situation with the conurbations of Marseilles, Bordeaux and Toulouse, which are excluded from the French IMPs!

26. Secondly, the Committee on Regional Policy and Regional Planning feels it is appropriate to restrict the geographical area of application in Italy exclusively to southern regions and more specifically those known as the Mezzogiorno. This is certainly not to deny the serious problems faced by Liguria, Tuscany, Umbria and Marche but, given the extremely limited resources, the committee prefers to opt for the principle of concentrating aid, in order to make it more effective, in those regions which need Community aid even more than the above-mentioned four regions.

Article 4, new paragraph 2 a: Amendment No. 7

27. The aim is to double-check the consistency and compatibility of the objectives and measures laid down in regional IMPs. The individual States will check them at national level, the Commission at Community level.

28. This is essential in order to avoid inconsistencies between programmes and to avoid any adverse effects produced, say, by simultaneous increases in identical agricultural products.

Article 6, new paragraph 1 a: Amendment No. 6

29. It is essential for the Commission to ensure the efficient integration and coordination of the various structural measures. The fact that there are widely varying rules governing each of the various structural instruments means that the Commission must adopt administrative rules and/or procedures designed to avoid the almost inevitable lack of coordination in the procedures and deadlines for adopting the measures and paying out the funds.

Article 7: Amendment No. 9

30. The new paragraph 2 is intended to strengthen the role of the regions in that they may be consulted, by the Advisory Committee, on its own initiative or in response to a request, this committee's role being to make non-binding decisions on individual IMPs. The intention is not to make such consultation compulsory since the powers and constitutional rules of the Member States must be respected.
31. In any case, the regions play a leading role, since:
- it is they who draw up the programmes
 - they may, as has just been said, be consulted by the Advisory Committee,
 - they will automatically, if Amendment No. 24 to paragraph 1 of Annex IV is adopted, form part of the Steering Committee mentioned in Article 9.
32. However, the purpose of the amended paragraph 3 is that decisions approving IMPs shall be valid and binding even with regard to measures covered by the Funds and the other structural instruments.
33. The aim is still to ensure the coordination and integration of the various measures, thereby remedying disparities between various rules and the confusion which may result.
34. The new paragraph 4 establishes that decisions on approval shall be published in the Official Journal of the European Communities, so that both the European Parliament and the general public may be properly informed.

Article 9, new paragraph 2: Amendment No. 10

35. This amendment, which also provides for the publication of programme contracts in the Official Journal, has the same aim.

Article 10: Amendment No. 11

36. The proposed amendments to this Article and to Articles 11 and 12 are intended to remedy, as far as possible and in a realistic way, the serious problems of financing explained and analysed in the first part of this explanatory statement, namely that the resources allocated to the IMPs are insufficient and are not clearly additional.
37. The provisions may be summarized as follows:
- (a) The total amount of aid is increased from 4.1 bn ECU to 4.5 bn ECU,
 - (b) This increase is the result of not changing the 2.5 bn ECU from the Funds and increasing from 1.6 to 2 bn ECU the 'specific additional resources' which are thus increased by 400 million ECU,
 - (c) These 400 million ECU will, however, only be paid under certain circumstances since, being exclusively linked to directly productive investments, they will obviously only be granted insofar as applications for such kinds of investment are submitted (cf. the note on Article 12, Amendment No. 13,
 - (d) Paragraph 2 states that the 2.5 bn ECU granted in the form of EIB and NCI loans, possibly with interest rebates, are additional funds. The reason for this was explained in the first section of this explanatory statement and may be summarized by saying that this ridiculously small amount must at least be additional to the existing financing provided by the EIB for France, Greece and Italy,
 - (e) The amendment to paragraph 3 is intended to allow Greece, which has a guaranteed quota of 2 bn ECU in the form of non-refundable aids, to obtain the 400 million ECU of additional resources which are reserved exclusively for productive investment.

Article 11: Amendment No. 12

38. The amendment to paragraph 1 is intended to ensure:

- (a) that the resources (2.5 bn ECU) from the Funds are additional,
- (b) the increase in real terms in the budgetary allocations for the Funds must also be sufficient:
 - to make such resources additional,
 - to keep up and increase existing aid from the Funds both in IMP regions and in regions excluded from the IMPs.

39. The purpose of amended paragraph 2 is to maintain the wording (words are important too) 'specific additional resources' and to stress, by the reference to Article 10(1) that they must actually amount to 2 bn ECU, as specified in Amendment No. 11 to the same Article 10.

40. Emphasis should be given to the great importance of this specific additional resources which, since they can finance 'atypical' measures unlike those laid down in the rules governing the Funds:

- give the IMPs flexibility,
- make it possible to make adjustments subject to local circumstances and exploit more successfully the inherent potential for development in a specific place.

Article 12: Amendment No. 13

41. Paragraph 1 refers to the provisions of Article 7(3) which establish that decisions approving IMPs are binding also as regards measures covered by the Funds and the other structural instruments (1).

42. Paragraph 2 essentially lays down different rules for the 'specific additional resources' mentioned in Article 10 (1) which, in Amendment No. 11 are now increased from 1.6 to 2 bn ECU.

43. To sum up:

- (a) Under Point I, the 1.6 bn ECU proposed by the Commission are maintained to finance the 'atypical' measures already mentioned,
- (b) Under Point II, the additional 400 million ECU are exclusively intended for financing productive investments, in particular:
 - i. granting interest rate subsidies on EIB loans to small and medium-sized undertakings (which are therefore excluded from the scope of letter (d) of the existing point I), craft undertakings and cooperatives,
 - ii. helping to strengthen the capital of small and medium-sized undertakings,
 - iii. providing finance for innovation in small and medium-sized undertakings, craft undertakings and cooperatives.

44. It should be stressed that:

- (a) these additional 400 million ECU are reserved exclusively for productive investments,
- (b) these 400 million ECU will not necessarily be spent: they will be spent only if applications are made under the head of productive investments,
- (c) these funds are obviously additional to those already granted in the 1.6 bn ECU mentioned under Point I: this is because the list does not prescribe exactly the kind of measures which may be financed but merely gives a general idea.

45. Special budgetary circumstances must not prevent the financing of the IMPs, the level of which is definitively laid down in the proposed regulation. Thus the annual commitment quotas must be determined with exclusive reference to the financing requirements of the IMPs themselves and the stage reached in their implementation.

ANNEX II (cf. Article 2(4))

List of IMP measures

46. Before dealing with the amendments it should be made clear that the list of measures is only intended as a general outline. This is important because it relates to the very nature of the new provisions: the flexibility of the measures and their adaptability subject to local circumstances demands that there should not be a preestablished list of acceptable measures and unacceptable measures. In principle, all measures may be financed if they are in accordance with the objectives of the IMPs.

Amendments Nos. 19, 20, 21 and 22

47. In the light of the foregoing, these amendments are not strictly necessary. They have been tabled nevertheless, either because it was desired to stress the need to extend the applicability of the IMPs to certain categories of beneficiary or certain sectors (e.g. the reference to cooperatives in Amendment No. 19 and the reference to innovation and new technologies in Amendment No. 20), or to correct wording which might be ambiguous (the reference to setting up new enterprises in Amendment No. 21), or, again, because it was desired to stress the absolute necessity of giving priority to measures for the benefit of young people and women (Amendment No. 22).

ANNEX III (cf. Article 5 (2))

Contents of the Integrated Mediterranean Programmes
submitted by France, Greece and Italy

Amendment No. 23

48. The proposed amendment to the 5th indent stresses once again¹ how important it is to define clearly the procedures which are to help to coordinate, simplify, integrate and efficiently implement the measures laid down in the IMPs.

ARTICLE IV (cf. Article 9)

Steering Committee and programme contract

Amendment No. 24

49. With regard to the regional authorities' responsibilities and functions, it would seem logical for them to agree, together with the Commission and the Member State concerned, on setting up the Steering Committee and of course also to be represented on the committee.
50. On the other hand, it must be made quite clear that this committee is to play an active role in implementing the programmes and hence promoting, coordinating and monitoring their implementation.
51. All these considerations fully justify the proposed changes to paragraph 1 of Annex IV contained in the amendment in question.

¹ cf. for example Amendment No. 3 to Article 6: new paragraph 1a

O P I N I O N

(Rule 101 of the Rules of Procedure)

of the Committee on Agriculture,
Fisheries and Food

Draftsman of the opinion: Mr THAREAU

At its meeting of 21 and 22 May 1985, the Committee on Agriculture, Fisheries and Food confirmed the appointment of Mr Thareau as draftsman of the opinion.

At the same meeting the committee considered the draft opinion and, on 21 May 1985, adopted its conclusions by unopposed vote with 1 abstention.

The following took part in the vote: Mr TOLMAN, chairman; Mr EYRAUD and Mr GRAEFE ZU BARINGDORF, vice-chairmen; Mr THAREAU, draftsman; Mr BORGIO, Mr CLINTON, Mr DALSSASS, Mr DE PASQUALE (deputizing for Mr Rossi), Mr EBEL (deputizing for Mr Fruh), Mr GATTI, Mr GUARRACI, Mr LINKOHR (deputizing for Mr Wellig), Mrs MARTIN, Mr MUSSO, Mr PASTY (deputizing for Mr Fanton), Mr PRANCHERE, Mr PROVAN, Mr ROMEOS, Mrs ROTHE, Mr SAKELLARIOU (deputizing for Mr Vernimmen), Mr SPATH (deputizing for Mr Bocklet), Mr STAVROU, Mr TAYLOR (deputizing for Mr Battersby) and Mr WOLTJER).

1. In 1983, the Commission submitted to the Council a series of documents (COM(83) 24 final, COM(83) 495 final and COM(83) 641 final) constituting the integrated Mediterranean programmes (IMPs).

The European Parliament gave its opinion on these programmes on 29 March 1984¹, on the basis of a report (Doc. 1-1530/83) by Mr Kazazis drawn up on behalf of the Committee on Regional Policy and Regional Planning. The Committee on Agriculture delivered an opinion on this report² for the committee concerned.

2. The Commission's proposal on IMPs failed to secure the necessary support within the Council, which in the event delayed its decision because of the imminent depletion of own resources. In fact, the IMPs were an ambitious project, since it was planned to spend a sum of 6 628 m ECU (including 466 m for fisheries and aquaculture) over a six year period, in addition to the budgetary allocations from the three structural funds, the EAGGF Guidance Section, the ERDF and the ESF.
3. Any progress towards implementing the IMPs was therefore contingent on a decision on own resources which, if raised, would make it possible to carry out these programmes.
4. This decision was taken at the European Council of 25 and 26 June 1984 in Fontainebleau, when the maximum rate of call-up of VAT was fixed at 1.4% with effect from 1 January 1986.
5. Then, in concluding the accession negotiations with Spain and Portugal, the European Council of 29 and 30 March 1985 in Brussels decided to revive the IMP proposal and to launch Integrated Mediterranean Programmes (IMPs) based on different principles from the initial proposal, although there is an unmistakable similarity between the two proposals.
6. Looking first at the financial aspect, the IMPs are on a more modest scale, since it is planned to allocate to them an almost identical sum (6 600 m ECU) for a seven-year period of application (instead of six years), but with a fundamentally different structure. This sum is made up as follows:
 - financial assistance from the existing structural funds up to 2 500 m ECU, whereas previously it was intended that the sums allocated to the IMPs should be added to the budgetary allocations from the Community's structural funds.

¹ OJ No. C 117, 30.4.1984, p. 109

² Doc. 1-1530/83/Annex - Draftsman: Mr Thareau

However, in order to compensate for this reduction, the European Council of 29 and 30 March 1985¹ stated that 'the increases in real terms which will apply to the Regional and Social Funds and the EAGGF Guidance Section over the next seven years will help to finance the IMPs, but without adversely affecting transfers from these funds to other less prosperous and priority regions of the Community'. This statement offers little consolation since transfers to other less favoured regions of the Community could otherwise have been more substantial.

- specific additional resources of 1 600 m ECU, made available through special budgetary provision;
- possibility of loans of up to 2 500 m ECU, with interest rate subsidies if appropriate, to be contracted by the regions concerned from the EIB and also in the framework of the New Community Instrument.

It would be desirable, from the point of view of budgetary transparency, if the amounts allocated to the IMPS were highlighted in special budget headings, particularly in the sections referring to the three Funds.

7. The size of the loan instrument makes it clear that the IMPs are no longer to be seen as a mechanism allowing a substantial transfer of resources to the Mediterranean regions of the Community, since the sums wholly given over to these programmes amount to only 4 100 m ECU. The annual transfer of funds to the Mediterranean regions under the IMPs will amount to 585 m ECU per annum, as opposed to 1 104 m ECU in the initial proposal. These figures speak for themselves. It should be pointed out, however, that 2 000 m ECU have been earmarked for Greece, while no financial breakdown has yet been decided for France and Italy.
8. Nevertheless, it would be unrealistic to seek to reject the IMPs on the grounds that they have been cut by half. In fact, they reflect a realization on the part of the Community bodies of the unfavourable effects which enlargement could have on the present Mediterranean regions of the Community.
9. Much has been said and written about the consequences of enlargement for agriculture in the Mediterranean regions, in the field of wine, fruit and vegetables - citrus fruits in particular - and olive oil. Now that the political decision to enlarge the Community to Twelve has been taken, ways must be found of helping the present Mediterranean regions to cope with this situation.

¹ See EP Bulletin No. 6/Addendum, 15.4.1985, p. 12, paragraph 5

10. In this connection, the approach taken by the new Commission proposal differs from the one taken by its predecessor. Whereas the previous proposal aimed to promote 'the development of rural areas in certain Mediterranean regions'¹, the new proposal makes provision for action 'to accelerate the socio-economic development of the Mediterranean regions of the Community, and particularly Greece, to facilitate the adaptation of these regions to the new conditions created by enlargement'².

The geographical area covered by the new proposal is as follows:

- for France, Languedoc-Roussillon, Corsica, Provence-Alpes-Cote d'Azur (except Marseille), Aquitaine (except Bordeaux) and Midi-Pyrénées (except Toulouse);
- for Greece, the whole of the country, including Athens and Thessaloniki (these conurbations were omitted from the initial proposal);
- for Italy, the whole of the Mezzogiorno (with the exception of Rome, Naples and Palermo), Liguria (except Genoa), Tuscany (except Florence), Umbria, Marches, and the lagoons of the northern Adriatic between the Commacho and Marano Lagurana complexes.

11. Whereas the previous proposal gave details of the operations, an approach which was criticized by the previous Committee on Agriculture, the current proposal establishes a framework within which Community action can be carried out. The Committee on Agriculture, Fisheries and Food endorses this approach to the problem, since it has itself called for the adoption of a framework regulation in the past.

12. The Committee on Agriculture, Fisheries and Food takes note of the aims assigned to the IMPs in the fields falling within its competence, which are as follows:

A. In the agricultural sector, depending on the initial situation and the characteristics of the regions and areas concerned, the development programmes may provide for operations aimed, in particular, at:

- (1) converting holdings to specialized lines of production and types of land use which are better suited to the prospective needs of the market, including forestry and operations to protect and improve the environment;
- (2) modernizing and intensifying traditional lines of production that do not give rise to any marketing difficulties;

¹ (COM(83) 495 final, Article 1

² (COM(85) 180 final, Article 1

(3) stepping up socio-structural measures intended to:

(a) provide farmers with a fair income, by increasing compensatory allowances;

(b) make it easier for young people to take up farming;

(c) speed up the modernization and reorientation of production structures;

(4) modernizing rural infrastructures in order to improve living and working conditions;

(5) expanding structures concerned with the marketing, storage and processing of agricultural products;

(6) stepping up research and experimental work, providing fuller information and expanding vocational training.

B. In the fisheries sector, the programmes may involve operations aimed, for example, at:

(1) restructuring, converting and modernizing part of the fleet;

(2) improving infrastructures and port installations including the biological protection of marine areas;

(3) expanding aquaculture;

(4) improving storage and processing facilities;

(5) intensifying research and vocational training and providing technical assistants.

Since the former proposal included provision for 466 million ECU for fisheries, the amount allocated for fisheries in the new proposal should not be proportionately reduced compared to the amount initially planned.

13. The rate of Community assistance in financing the various programmes or operations, which had been laid down in detail in the initial proposal (for expenditure on infrastructures: Italy, 65%; Greece, 75%; France, 50%) is dealt with in a general provision which stipulates that, with the exception of infrastructure projects of special interest in the context of an IMP and which are part-financed by loans, participation may not exceed 70% of the total cost of the project or operation (Article 13).

Article 6 of the proposal lays down the criteria for determining the rate of Community finance. Apart from strictly economic criteria, account will also be taken of the effectiveness of the machinery for coordinating and mobilizing initiatives, the need for which was stressed by the Committee on Agriculture in its opinion on the initial proposal.

14. With regard to the implementation of the IMPs, the Committee on Agriculture, Fisheries and Food notes that the Commission has largely taken account of the criticisms made during the discussion of the initial proposal.

For example, Article 4 stipulates that 'in the drafting and adapting of common policies and other Community measures, account shall be taken of the need to ensure consistency with the objectives of the IMP'. No such guarantee of consistency was provided by the initial proposal.

Similarly, this article also affirms that 'operations under the IMPs shall be mutually complementary and shall be tailored to the characteristics of the various regions and areas so as to facilitate integration of all the national and Community resources used'.

The aim here is to coordinate Community actions and national measures so as to achieve the desired objectives as efficiently as possible.

15. The former Committee on Agriculture had called for the IMPs to allow greater scope for local initiatives and priorities. This request is partially satisfied in the present proposal, which stipulates that 'IMPs shall be drawn up at the relevant geographical level by the regional authorities or other authorities designated by the Member State concerned' (Article 5).
16. If the IMPs are drawn up at regional level in this way, they are submitted by the Member States concerned to the Commission, which examines them and then approves them after consulting the advisory committee on IMPs, consisting of representatives of the Member States and chaired by the Commission. Implementation of the IMPs is to be facilitated by the setting up of a steering committee for each programme. These steering committees, to be set up by mutual agreement between the Commission and the Member State concerned, will assist the Member State, the regional authority or any other authority designated by the Member State to carry out the programme. At all stages of this procedure, the Commission will enjoy substantial powers of initiative. This is undoubtedly vital if the programmes are to be implemented efficiently and impartially.

The regional authorities should be given a special role in collaboration with the Commission both in the drawing up and carrying out of the programmes, while the Commission, acting in liaison with the national authorities, should ensure their overall consistency.

17. While stressing that the Commission has in many cases taken account of the remarks made by the committee in its previous opinion, the Committee on Agriculture, Fisheries and Food considers that a number of points in the new Commission proposal need to be supplemented or amended. It therefore invites the Committee on Regional Policy and Regional Planning to adopt the following conclusions:

The Committee on Agriculture, Fisheries and Food

1. Endorses the principles of a framework regulation and programme contracts as contained in the new Commission proposal on IMPs;
2. Regrets the reduction in the funds available, which will be inadequate for the regions in which agriculture will face the fiercest competition following enlargement, as well as the absence of an indicative breakdown of expenditure between agriculture, fisheries and the other sectors;

3. Calls for the IMPs to respond as a matter of priority to the needs of small producers and cooperatives which have an essential role to play in ensuring the development of the Mediterranean regions;
4. Reaffirms that the margin of expansion for Mediterranean products, particularly alternative products, and an improvement of the market in such products must be defined by the Commission that this is a vital precondition for the success of the agricultural section of the IMPS;
5. Approves the new procedure for drawing up the IMPs, which assigns responsibility to the regional authorities and incorporates the various socio-economic sectors; proposes to this end that specific provision be made in the areas covered by the IMPs for an exhaustive survey of natural potential and the introduction of development agents;
6. Draws attention to the importance of local project teams responsible for simulating initiatives and acting as intermediaries between national and regional authorities and the potential recipients of the funds earmarked for programmes;
7. Considers that the procedures for examining files and providing finance are still too complex because the specific rules governing each fund remain in force; again with a view to simplification, calls for more careful consideration to be given to the possibility of combining the IMPs with other structural regulations in force, particularly those governing wine-growing;
8. Calls on the Member States and regions to propose new measures tailored to the needs of specific situations and up to a given percentage of the programme cost, even if they cannot be incorporated as part of existing action under a structural regulation; calls also for measures involving land restructuring to be concentrated consistently in those areas in which extensive reconversion is required;
9. Asks for the European Parliament to be kept informed of the programmes submitted by the Member States and approved by the Commission.

O P I N I O N

(Rule 101 of the Rules of Procedure)

of the Committee on Economic and Monetary Affairs and Industrial Policy

Rome, 22 May 1985

Mr Pancrazio DE PASQUALE,
Chairman of the Committee on
Regional Policy and Regional
Planning,
European Parliament,
2929 LUXEMBOURG

Subject : Proposal for a Regulation instituting Integrated Mediterranean
Programmes (COM (85) 180 final, Doc. C 2-18/85)

Dear Mr De Pasquale,

The Committee on Economic and Monetary Affairs and Industrial Policy considered the above proposal from the Commission at its meeting of 20-22 May 1985.

The Committee on Economic and Monetary Affairs and Industrial Policy expresses once again its support for the principle of integrated programmes, which are an essential complement to the enlargement of the Community.

However, it wishes to point out the peculiar nature of the decision process which led to the present definition of the IMPs: the proposal for a Regulation under consideration repeats the contents and procedures already 'decided on' with a wealth of detail by the European Council on 29 and 30 March 1985.

This raises the problem of how to coordinate this type of summit 'decision' with the normal Community Legislative procedure. As regards content, the Committee on Economic and Monetary Affairs and Industrial Policy welcomes the fact that the proposal includes the criteria referred to in

¹ The following took part in the vote :
SEAL (Chairman), BESSE, von BISMARCK, BONACCINI, CASSIDY, FALCONER
GAUTIER, GIAVAZZI, van HEMELDONCK, NOVELLI, PATTERSON

² See opinion by Mr PAPANTONIOU (Doc. 1-1530/84/Annex)

³ See Second Report on the social and economic situation and development of the regions of the Community (COM (84) 110 fin, paragraph F)

⁴ See final communiqué in the addendum to European Parliament Bulletin No. 6 of 15 April 1985

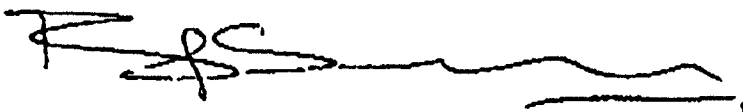
Parliament's opinion of 29 March 1984⁵ and satisfies many of the specific requests submitted subsequently in the resolution on IMPs of 14 March 1985⁶. These include : concentration on intervention measures in sectors other than agriculture; the integration and coordination of the various instruments and measures in the framework of appropriate regional planning; ensuring involvement and a responsible role for regional and local authorities; and implementation of a policy of loans with interest-rate subsidies.

With regard to the financial resources available for IMPs⁷, the Committee on Economic and Monetary Affairs and Industrial Policy wishes to reiterate the doubts already expressed by Parliament in paragraph 4 of the above resolution of 14 March 1985⁸ as to the feasibility of allocating to the IMPs a substantial proportion of the resources from existing funds without hindering the proper functioning of these funds.

It therefore welcomes the provision made in Article 11.1 of the proposed regulation for an increase in real terms in the funds for the period of application of the IMPs.

The text should nevertheless specify that this increase should be used not only for the running of the part of the IMPs covered by the Funds but also for the necessary adaptation of the Community's structural policies.

Yours sincerely,



Dr. Barry SEAL

⁵ OJ No. C 117, 30.4.1984, page 141

⁶ See PV 3 of 14 March 1985 (PE 96.424)

⁷ Total of 4.1 billion ECU, of which 2.5 from the structural funds and consisting of new and additional reserves.

⁸ See PV 3 of 14 March 1984

COMMITTEE ON TRANSPORT

OPINION OF THE COMMITTEE ON TRANSPORT

Letter from the chairman of the committee to Mr DE PASQUALE,
chairman of the Committee on Regional Policy and Regional Planning

24 May 1985

Subject: Proposal for a regulation on the Integrated Mediterranean
Programmes (COM(84) 180 final - Doc. C2-18/85)

Dear Mr De Pasquale,

At its meeting of 23 and 24 May 1985, the Committee on Transport considered the Commission's proposal referred to above.

The recent proposal is the Commission's second¹. It sets out three objectives, namely development, adaptation and support, and aims to tackle comprehensively the problems facing the southern regions of the Community. It is concerned with the particular characteristics of these regions (such as their dependence on the primary sector, the high rate of emigration of the skilled and young workforce, the deteriorated social structure), their structural weaknesses (such as the low productivity of the secondary sector, the traditional form of trade, weak economic, agricultural and industrial structures), and their low standard of living combined with high unemployment, an ageing population and under-employment - all of which was summarized in the KAZAZIS report by the phrase: peripherality syndrome².

¹ first; COM(83) 495 final, COM(83) 641 final and COM(83) 24 final
Doc. 1-661/83

² Doc. 1-1530/83

The Commission's proposal therefore aims to:

- (a) eradicate the inhibitory factors which make up the peripherality syndrome and prevent a fast rate of economic growth,
- (b) soften the socio-economic effects of Portuguese and Spanish accession,
- (c) integrate the Community's internal market without changing its institutional framework but by adapting its common policies.

Although the abovementioned Commission proposal has taken the form of a framework regulation, as requested, with success, by the KAZAZIS report and the amendments to it¹, the sectoral measures which the Commission will undertake are summarized in the sixth paragraph of the preamble. The improvement of conditions in telecommunications and transport infrastructures is included within a more general developmental framework of complementary and interrelated sectoral activities and has as its objective the restructuring of the economic structures of the southern regions.

A framework regulation, such as that proposed for the IMPs, affords the Committee on Transport the opportunity to stress the importance that must be given to the interpretation of infrastructure policy. The infrastructure policy of the IMPs must give heed to the following priorities:

- (a) the improvement and modernization of existing infrastructures,
- (b) the eradication of points of traffic congestion,
- (c) the construction of infrastructures permitting cross-frontier link-ups,
- (d) the linking-up of outlying regions and islands with central markets.

The importance of transport and communications systems for the peripheral regions and their contribution to development has been stressed on many occasions². We must view transport on the one hand as a service sector that provides a link between producers and consumers and,

¹ See the revised Commission proposal on the IMPs, (COM(84) 499 final, 21.9.1984)

² See for example the following reports: KLINKENBORG (Doc. 1-1347/83), CAROSSINO (Doc. 1-966/81 and Doc. 1-1138/83), CARDIA (Doc. 1-755/83)

on the other, as an industrial sector producing means of transport and creating additional demand. Viewed as a service sector, we have only derived demand, whereas in the second case we have additional demand. These two aspects (services and industry) constitute the new or improved infrastructure for transport and communications decisive for the socio-economic development of the southern regions. If the programmes submitted by the three Member States concerned are based on the principles of rationalism, regional planning and optimum yield, then investments in the transport and communications infrastructure sector will contribute to:

- (i) the creation of development centres and nuclei,
- (ii) social progress.

As regards the contribution of transport to the creation of development nuclei, it must be pointed out that this will depend on the growth of the productive potential of the southern regions and, in particular, the rise in production, exports, productivity and, above all, employment. This could be achieved if our committee's proposal to link advanced technology to a high degree of labour intensiveness in the infrastructure sector were adopted.

With regard to social progress, the role of modern communications in disseminating information and ideas and preserving cultural life is one of the most important. Moreover, access to knowledge and information make it possible to change attitudes towards new ideas and innovations that contribute jointly to the uniform process of development.

The geographical position of the southern regions, their comparative advantage in certain transport sectors and the serious deficiencies in the infrastructure sector all militate in favour of Parliament's resolution of 30 April 1984 on the IMPs. The Committee on Transport reiterates the position adopted by Parliament and 'considers that Community aids to the infrastructural sector, given that the sector is capable of absorbing far more, are completely inadequate and calls for them to be trebled in the context of the IMPs to deal with fundamental

deficiencies'¹.

Tripling the initial amount (257 million ECU) will help to create economic opportunities and new jobs, which are also aims of the Commission's programme for 1985. This will depend upon the response made by the three Member States, and this is bound up with the substance of the human potential of the Community's southern regions.

Yours sincerely,

(sgd.) Georgios ANASTASSOPOULOS

The following took part in the vote: Mr ANASTASSOPOULOS, chairman; Mr BUTTAFUOCO, vice-chairman; Mrs BRAUN-MOSER, Mr CORNELISSEN (deputizing for Mr HOFFMANN), Mr CRYER, Mr EBEL, Mr NEWTON-DUNN, Mr TOPMANN, Mr VISSER and Mr van der WAAL.

¹ OJ No, C 117, 30.4.1984

OPINION

(Rule 101 of the Rules of Procedure)

of the Committee on Youth, Culture, Education, Information and Sport

Draftsman: Mr McMILLAN-SCOTT

At its meeting of 23 May 1985 the Committee on Youth, Culture, Education, Information and Sport appointed Mr McMILLAN-SCOTT draftsman of its opinion.

The committee considered the draft opinion at its meeting of 23 May 1985 and adopted it unanimously.

The following took part in the vote: Mr FAJARDIE, acting chairman; Mr McMILLAN-SCOTT, draftsman; Mr BAGET BOZZO (deputizing for Mr PELIKAN), Mr BROK (deputizing for Mr MÜNCH), Mr ELLIOTT, Mr HAHN, Mr HOWELL, Mrs PEUS and Mrs SEIBEL-EMMERLING.

Explanatory Statement

1. Having already submitted to the Council - pursuant to the Mandate of 30 May 1980 - proposals for integrated Mediterranean programmes (IMPs) initially in the form of a communication (COM(83) 24 final) and later in the form of a draft regulation (COM(83) 495 final), on 19 April 1985 the Commission submitted a proposal to the Council for a regulation on IMPs (COM(85) 180 final) which makes provision for specific action by the Community. The aim of the proposal is to improve the socio-economic situation of Mediterranean regions particularly disadvantaged as a result amongst other factors, of their peripheral geographical position. In the first instance priority is to be given to development, adaptation and support for the rural areas of these regions. The proposed programmes would deal mainly with the agricultural sector which is extremely important for these areas and is in some difficulty but, they do, in addition, touch on other areas of the economy with a large job-creating potential which might serve to take up the surplus agricultural labour force.

2. There can be no doubt that Community action should not be limited exclusively to IMPs for the agricultural sector. After farming, tourism, - and particularly rural tourism - offers the most promising means of remedying the structural weaknesses of the Mediterranean regions and tackling their socio-economic problems.

3. In its resolution of 16 December 1983 on Community policy on tourism¹, the European Parliament made the connection between Community activities in this area and the IMPs proposed by the Commission and declared itself to be in favour of the promotion of tourism as an expandable labour-intensive service industry with the aid of every available Community instrument.

It called on the Commission to draw up proposals to promote rural tourism, in particular by:

- opening up new areas, particularly economically weak, inland areas, which would entail plans incorporating buildings and original town centres of historical interest and give due consideration to craft firms,

¹ OJ No. C 10, 16.1.1984, p.281

improving the infrastructure and signposting in these places, putting disused agricultural buildings to use and promoting regional specialities and facilities,

- bringing into line fiscal, social and administrative regulations on part-time tourist work on the farm.

There was, in addition, a call for action to facilitate the mobility of workers in the tourist industry through CEDEFOP, common study programmes and the recognition of certificates for occupations in the tourist industry.

The European Parliament also stated that it was in favour of financing job-creation measures, especially in less developed regions, from both the Regional and Social Funds, in order to achieve a better balance between the various economic sectors.

These ideas expressed by the European Parliament were intended to be of particular relevance to the Community's less-favoured Mediterranean regions.

With regard to financing, the European Parliament called on the Commission to ensure greater flexibility in the allocation of resources from both the European Regional Development Fund (ERDF) and the Guidance Section of the European Guidance and Guarantee Fund (EAGGF) for the opening up of rural areas for tourism. With regard to the proposed IMPs, it called on the Commission to allocate budget appropriations to measures to increase capacity, encourage tourism and develop infrastructure in the field of rural tourism.

4. In the proposal for a regulation on IMPs now submitted to the Council, the Commission has gone a long way to meeting the demands expressed by the European Parliament.

The Committee on Youth, Culture, Education, Information and Sport consequently welcomes the fact that the Commission is now proposing measures to develop sectors outside agriculture as part of the IMPs, with express mention being made of crafts, manufacturing and services, including tourism and other accompanying measures such as improving information and vocational training for workers. It is also good that the possible measures envisaged should include

- promoting tourism and improving services related to it;
- infrastructures and facilities directly related to the expansion of rural tourism;
- the growth of training centres in the services sector.

The committee is particularly happy that the IMPs should also comprise projects aiming to make better use of human resources and increased Community assistance for additional vocational training programmes, including some in the tourist industry.

The Commission is right in saying that, although the existing financial instruments - the European Regional Development Fund (ERDF), the European Social Fund (ESF) and the European Agricultural Guidance and Guarantee Fund (EAGGF) Guidance Section - can make a contribution towards the implementation of IMPs, specific additional resources will be required.

5. The Committee on Youth, Culture, Education, Information and Sport agrees with the Commission that measures to accelerate the development of tourism are one of the possible courses of action particularly suited to achieving the objectives of development, adaptation and support set for the IMPs:

- The Mediterranean regions have enormous climatic, geographical and cultural assets which mark them out for tourism;
- Tourism is still one of the sectors of the economy most capable of expansion;
- Rural tourism in particular can help to reduce the surplus labour force on the land and make an essential contribution to the opening up of new sources of income;
- Greater business for the tourist industry may also have a number of indirect effects such as slowing down rural depopulation, preserving and expanding agricultural production to supply local markets etc.

When applying the objectives of the IMPs to the tourist industry, fuller and more flexible use should be made of the various Community funds for specific promotion measures:

- the ERDF (quota section) for tourist infrastructure projects such as the promotion of regional specialities and services, refurbishing farmhouses and old town and villages for tourist purposes and the creation of part-time work in the tourist sector for farmers; the non-quota sector of the ERDF for subsidizing retraining schemes;
- the EAGGF Guidance Section for the promotion of tourist activities as a business to be carried on at the same time as farming;
- the ESF for further vocational training schemes in the hotel and catering sector. Moves should also be made however to start up new training programmes without the subsidies having to be repaid.

It will in any case be necessary to ensure that there is a precise indication for each individual measure of the proportion of resources coming from the individual Community's Funds which is allocated to IMPs . A clear definition of the purpose of the expenditure is equally necessary, as are a statement of the requirements to be met by the projects and a list indicating their efficiency.

Whilst the type of action described will undoubtedly contribute to the development of tourism in the rural areas of the Mediterranean region, the categories of projects in the tourist sector for which financing by the Community Funds has been proposed under the IMPs are nonetheless too limited in scope. This is because the financing of the IMPs by the Funds or from other budgetary allocations for structural purposes is to be carried out in the way described in the provisions governing these Funds or allocations.

For the IMPs new alternative arrangements will have to be found for support measures and the means of financing them. This will be necessary both in order to bring in the training sectors and to introduce measures in the cultural sphere or to finance types of project which have not yet been mentioned, e.g. the restoration and conservation of examples of architecture of local interest.

Conclusions

The Committee on Youth, Culture, Education, Information and Sport would ask the committee responsible to incorporate the following paragraphs in its report:

The Committee on Youth, Culture, Education, Information and Sport,

- (a) Welcomes the basic objectives laid down in the proposal for a regulation instituting IMPs and the making available of increased financial resources from the Community's funds and a new special line in the budget;
- (b) Points out that the need to create new jobs outside the agricultural sector is particularly pressing in the Mediterranean regions and that tourism provides a good opportunity for this;
- (c) Emphasizes that the stepping up of activities connected with tourism particularly in the rural areas of the Mediterranean regions will set in motion a number of developments which will have a beneficial effect on their structural and socio-economic position;
- (d) Takes the view, however, that the measures which may be supported under the IMPs from the Community's funds must be accompanied by further support measures in the cultural and educational fields and these too must be given financial backing;
- (e) Underlines therefore the need to provide resources for the promotion of tourism and ancillary activities in the rural areas of the Mediterranean regions commensurate with their importance and to define clearly the purposes to which such resources should be put;
- (f) Considers finally that it is necessary to state the requirements to be met by the measures in the tourism sector to be supported under the IMPs and to submit a list indicating their effectiveness.

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