

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(80) 528 final

PROPOSALS FOR A COUNCIL REGULATION (EEC)

- instituting a specific Community Regional Development Measure contributing to the development of certain French and Italian regions in the context of Community enlargement;
- 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;
- 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;
- 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;
- instituting a Special Community Regional Development Measure contributing to the improvement of the economic and social situation of the border areas of Ireland and Northern Ireland.

(presented by the Commission to the Council)

COM(80) 528 final



Proposal for a
COUNCIL REGULATION

instituting a specific Community Regional Development
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) No 724/75 of 18 March 1975 (1)
establishing a European Regional Development Fund as amended by Council
Regulation (EEC) No 214/79 of 6 February 1979 (2) and particularly
Article 13 (3),

Having regard to the proposal from the Commission,

Having regard to the Opinion of the European Parliament (3),

Having regard to the Opinion of the Economic and Social Committee (4),

Whereas Article 13 of Regulation No 724/75 (hereinafter referred to as
"the Fund Regulation") provided, independently of the national allocations
of resources fixed by Article 2 (3) a) of the Fund Regulation, for parti-
cipation of the Fund in financing specific Community regional development
measures, which are particularly 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 likely to be the subject of a specific
Community measure;

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- (1) OJ No L 73, 21.3.1975
 - (2) OJ No L 35, 9.2.1979
 - (3) OJ No C 85, 8.4.1980
 - (4) OJ No C 83, 2.4.1980

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

Whereas the treaty of accession with Greece was signed on 28 May 1979 and whereas it is planned that this country will become a Member of the Community as from 1 January 1981; whereas negotiations on accession started with Portugal and Spain respectively on 17 October 1978 and 5 February 1979;

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 French regions adjacent to Spain have an exceptionally high rate of employment in agriculture, with substantial dependence on Mediterranean agricultural production, and are otherwise characterised by weakness of their industrial fabric, by a high level of unemployment and a low level of activity;

Whereas it is in the Community's interest that the enlargement process should take place harmoniously; and 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; and it is appropriate that the Community should make a special contribution to measures to be undertaken to this end by the Member States concerned by instituting a specific Community regional development measure on behalf of these regions;

Whereas measures have already been taken in the field of the common agricultural policy, and other assistance from Community Funds; capable of being usefully combined, must be carried out in these regions;

Whereas small and medium-sized undertakings (hereinafter referred to as "SMU") and craft industry occupy an important place in the industrial fabric of these regions, and thus it is desirable to increase employment by developing such enterprises, particularly in allowing them to adapt better their production to market needs and to improve their management;

Whereas the weakness of communication infrastructure in certain of these regions is an impediment to adaptation of such enterprises;

Whereas the introduction of new technological products and processes can contribute to the creation and development of viable economic activities in these regions, and that SMU encounter difficulties in undertaking innovation;

Whereas these regions have a potential for rural tourism and the promotion and coordinated management of this type of tourism can have an impact on jobs and income for the populations concerned;

Whereas the Community measure must be implemented in the form of special multi-annual programmes, whereas it is for the Commission, in adopting these programmes, to ensure that the operations planned thereunder comply with the provisions of this Regulation;

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

Whereas the special programmes must respond to certain of the objectives encompassed by the regional development programmes provided for under Article 6 (3) of the Fund Regulation;

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") in the sense of Article 13 of the Fund Regulation, is hereby established contributing to the development of certain French and Italian regions within the context of Community enlargement.

Article 2

The specific measure shall be applicable to the regions of the Midi-Pyrénées, Aquitaine and Languedoc-Roussillon in France and to the regions of the Mezzogiorno in Italy.

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 each of the Member States concerned.

The objective of the special programme shall be to reinforce economic structures and to create employment in the regions specified in Article 2. To this end, it shall aim at developing small and medium-sized undertakings (SMU) 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 their surrounding infrastructures, and by improving their management. It shall also have the aim of promoting innovation and boosting the potential for tourism.

2. The special programme must fall within the framework of the regional development programmes mentioned in Article 6 (3) and (4) of the Fund Regulation.
3. The special programme must contain appropriate information, as specified in the Annex to this Regulation, analysing the situation and needs related to the aims stated in paragraph 1, the operations proposed, the implementation plan, and, in general, all factors necessary to enable its consistency with regional development objectives to be assessed.
4. The duration of the special programme shall be 5 years starting from the sixtieth day after the date on which this Regulation enters into force.
5. 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.
6. The Commission shall inform the European Parliament of the amounts adopted for the regions when the special programme is approved.
7. Once it has been approved by the Commission, the special programme shall be published for information in the Official Journal of the European Communities.

Article 4

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

1. Making available to SMU means and services allowing them to enlarge their potential activities.
 - a) Preparation of sectoral analyses intended to provide SMU with information on the potential of national, Community and external markets and on the effects to be anticipated therefrom on the production and organization of SMU.
 - b) Aids to investments in SMU designed to assist the adaptation of their production to market potential when justified by the above-mentioned analyses or other market studies. Such investments may also concern common services provided for a number of undertakings.
 - c) Establishment or promotion of consultancy firms or other bodies for management and organization matters by means of direct or indirect aid. Activities of such firms or bodies may include temporary assistance to undertakings for implementing their recommendations.
 - d) Establishment or promotion of common services for a number of undertakings.
 - e) Provision or improvement of communications infrastructure, between undertakings and their economic environment, especially road access and the improvement of telecommunications and informatics networks; the provision or improvement of common services infrastructure.
 - f) Organization of information seminars designed to enable SMU management to adapt better to changes in production methods.
 - g) Better access for SMU to risk capital.

2. 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 regions covered by the specific measure, which may include experimental work on such innovation.
- b) Encouragement of the implementation of product and technology innovation in SMU.

3. Promotion of craft industries :

In addition to the operations provided for in paragraph 1 from which craft industries may benefit, the following operations may receive assistance from the Fund :

- a) Improvement of technical and economic information for craftworkers, in particular by introducing technical assistance officers
- b) Upgrading of craft industries : researching into techniques, disseminating and adapting them, including innovations and improving sales conditions.

4. Promotion of rural tourism :

- a) Construction or conversion of small hotels, preparation of farm holiday accommodation, camping and caravanning sites.
- b) Establishment and development of joint services or bodies responsible for promotion, publicity, stimulating tourist interest and co-ordinated management of tourist accommodation and facilities, including the organization of information seminars for the staff concerned.

In the case of regions on whose territory the level of tourist activity is unbalanced in favour of coastal zones, these bodies may also be responsible for measures to redress the balance, including studies of appropriate tourist itineraries. They may also have the task of organizing children's holiday centres and open-air school classes.

- c) Provision of facilities and infrastructure directly linked to the development of tourism, including recreational activities and cultural activities.
- d) In the regions covered by point (b), second paragraph, development of transport undertakings enabling tourists staying on the coast to have easier access to inland tourist zones and also to provide transport to children's holiday centres and open-air school classes.

Article 5

1. The special programme shall be the subject of joint financing between the Member State and the Community. The contributions 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 contribution shall be :

a) For SMU :

- operations relating to sectoral analyses under Article 4 (1) a) :
70 % of the total expenditure;
- operations relating to investments under Article 4 (1) b) : 50 % of the public expenditure resulting from the granting of aid to the investment, but not more than 30 % of the cost of the investment. Public aid may take the form of a capital grant or an interest rebate. The Community aid may be supplementary to the existing aid system;
- operations relating to consultancy services under Article 4 (1) c) : 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 average annual expenditure over the three year period (indirect aid);
- in respect of such operations, the Member State may replace this system by an equivalent system of aid to consultancy firms or bodies (direct aid);
- operations relating to common services under Article 4 (1) d) : 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 50 % of average annual expenditure over the three year period;
- operations relating to infrastructure under Article 4 (1) e) : 50 % of public expenditure;
- operations relating to information seminars under Article 4 (1) f) :
70 % of the organization costs;

- operations relating to risk capital under Article 4 (1) g) : contribution to the operating costs of the financial institutions providing risk capital for SMU. The contribution shall be 70 % of the cost of the risk evaluation studies carried out by or on behalf of these financial institutions.

b) For innovation :

- operations concerning collection and dissemination of information on innovation under Article 4 (2) a) : aid covering part of operating costs of bodies engaged in such activities, provided that these activities are new and concern specifically the regions covered by Article 2. The aid shall last for three years and be degressive. It will cover 70 % of the operating costs in the first year and will not exceed 55 % of the average annual expenditure over the three year period.
- operations for implementing innovation under Article 4 (2) b) : 70 % of the cost of feasibility studies that may concern all aspects, including commercial, of the implementation of innovation, and limited to 50.000 EUA per study. These studies must be undertaken by or on behalf of enterprises situated in the regions covered by Article 2.

c) For artisan activities :

- for operations under Article 4 (1) for which craft enterprises may qualify the provisions of paragraph 1 (a) above shall apply;
- operations under Article 4 (3) a) and 4 (3) b) : 70 % of public expenditure.

d) For rural tourism :

- operations relating to accomodation under Article 4 (4) a) : where the investment is linked to agricultural activity, 50 % of public expenditure resulting from the granting of aid to the investment; in other cases, 50 % of public expenditure resulting from the granting of aid to the investment, but no more than 30 % of the cost of the investment;

- operations for promotion of tourism under Article 4 (4) b) : aid covering part of the operating costs of common services or bodies. These operating costs may include the cost of publicity campaigns and studies of tourist circuits. This 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 average annual cost over the three year period.
 - operations relating to facilities and infrastructure under Article 4 (4) c) : 50 % of public expenditure;
 - operations for development of transport enterprises under Article 4 (4) d) : the first year, 50 % of public expenditure resulting from a contribution to net operating costs of transport services. The aid shall last for three years and be degressive.
2. The categories of beneficiaries of Fund assistance in respect of operations provided for in the previous paragraph may be : public and local authorities, other bodies, undertakings or individuals. The aids referred to in the third and fifth indents of paragraph (1) a) and where they directly benefit enterprises, those referred to in the second indent of paragraph (1) b) may not have the effect of reducing the share paid by enterprises to less than 20 % of total expenditure.
 3. 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 this programme is approved under Article 3 (5).
 4. Budgetary commitments related to the implementation of the special programme shall be decided by annual tranche in accordance with progress made.

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) When there is a financial contribution by the Member State, payments, other than advance payments referred to in point 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 payment 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 expenditure paid in respect of the different 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) On production by the Member State concerned of written evidence that the special programme has already occasioned expenditure under an annual tranche, the Fund may, at the State's request, make an advance of 30 % of the appropriations committed. When the amount of this advance has been exhausted and when the Member State has forwarded to the Commission the certificate referred to in subparagraph b), further successive advance payments may be made, each of 30 % of the appropriations committed for each annual tranche.
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.

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.

Where major amendments are made to a special programme during implementation, the procedure provided for in Article 3 (5) would apply.

When each special programme has been implemented, a report shall be presented by the Commission to the Regional Policy Committee.

3. The provisions of Article 9, paragraphs 1 to 5 of the Fund Regulation shall apply, as required, to the specific measure provided for in Article 1 of this Regulation.

Article 7

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

The adoption of this Regulation shall not prejudice the re-examination of the Fund Regulation provided for in Article 22 of that Regulation which is to take place before 1 January 1981, on a proposal from the Commission.

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

Done at Brussels,

For the Council

ANNEX

The special programme shall include the following information on the regions covered under Article 2 of this Regulation :

1. In respect of SMU :

- a) - Analysis of the situation of the SMU in the economic fabric of the region for each sector of activity concerned. Analysis of their situation and their needs, in particular details on the market situation, possibilities of adaptation to markets, management and organization consultancy services, communications infrastructure, management information and access to risk capital.
- Description of aid systems for the SMU and 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 referred to in Article 4 of this Regulation :
 - 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 investment aids set up within the programme framework;
 - Particulars of incentives for access to management and organization consultancy services and aids for provision of joint services to which the SMU may have recourse;
 - Details and exact location of investments in communications infrastructure;

- Particulars of measures planned for management information.
 - Description of measures planned to allow SMU easier access to risk capital.
2. In respect of innovation :
- a) Analysis of the needs of undertakings and of the means currently available to them for obtaining access to information on innovation and for implementing it, and assessment of related public expenditure;
 - b) In relation to the operations referred to in Article 4 of this Regulation :
description of measures designed to ensure collection and dissemination of information on innovation and, on the other hand, to facilitate its implementation by SMU.
3. In respect of craft industries :
- a) - Description of the situation and needs of craft industries, as regards their means of access to technical and economic information and exploitation of craft techniques;
- In addition, where the aids provided for in Article 4 (1) of this Regulation are also granted to craft enterprises, the special programme shall include the information referred to in paragraph 1 above;
 - b) In relation to the operations referred to in Article 4 of this Regulation : description of measures or aid systems planned.
4. In respect of rural tourism :
- a) - Analysis of the situation and needs of rural tourism in its different forms, and an estimate of potential tourist demand for the period covered by the programme;
- Description of existing aid systems for the benefit of rural tourism, and an assessment of relevant public expenditure.
 - b) In relation to the operations referred to in Article 4 of this Regulation :
- Details of aid for the construction or conversion of accomodation;
- Details of aids to bodies responsible for providing tourism facilities and promotion.

- Description of facilities, infrastructure and recreational and cultural facilities planned;
- Name, address and details of transport undertakings which could participate in the implementation of the programme, with an indication of public service obligations.

5. 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) Insofar as this information has not been identified with sufficient accuracy in the regional development programme, description of the existing or future public measures which it is intended to implement alongside the special programme and which will contribute towards improving the employment situation in the zones covered by Article 2 of this Regulation.
- c) Intentions of the national authorities regarding the use of other resources deriving from Community structural funds.
- d) The timetable for carrying it out.
- e) Estimation of the volume 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 the potential beneficiaries and the professional organizations aware of the possibilities offered by the special programme, and of the role played by the Community in this respect.

**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 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 (1) establishing a European Regional Development Fund as amended by Council Regulation (EEC) N° 214/79 of 6 February 1979 (2) and particularly its Article 13(3),

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Parliament (3),

Having regard to the opinion of the Economic and Social Committee (4),

Whereas Article 13 of Regulation 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 the amended Fund Regulation, for participation of the Fund in financing specific Community regional development measures which are particularly 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 likely to be the subject of a specific Community measure;

(1) OJ N° L 73 of 21.3.75

(2) OJ N° L 35 of 9.2.79

(3) OJ N° C 85 of 8.4.80

(4) OJ N° C 83 of 2.4.80

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

Whereas on 4 April 1978 the Council adopted a Directive (4) on aid to shipbuilding, in which it stated that shipbuilding production structures should be adjusted to the new market conditions such that undertakings may in due course be able to follow general economic developments and to meet competition on the world market without the support of intervention by public authorities;

Whereas on 19 September 1978 the Council adopted a Resolution (5) on the reorganisation of the shipbuilding industry, in which it requested the public authorities at local, national and Community level to lay particular stress on the creation of new jobs in conjunction with those progressively lost in the shipbuilding industry, to take account of these objectives in their regional policies and to make available adequate funds for this purpose;

Whereas a certain number of zones in the Community which are highly dependent on shipbuilding and associated activities and which have already suffered considerable job losses as a result of the decline in the shipbuilding industry risk an aggravation of these adverse consequences;

Whereas certain of these zones in the United Kingdom are in regions which already have high levels of unemployment;

Whereas it is necessary for the Community to reinforce by means of a specific Community regional development measure existing local, national and Community financial measures aimed at stimulating the creation of new employment in such zones in order to replace job losses and also to contribute to reducing regional imbalances;

Whereas other interventions by Community funds, capable of being usefully combined, should be made in these zones,

Whereas the existence of an unfavourable physical and social environment due to the dereliction of certain industrial and urban sites and inadequate housing conditions for workers act as impediments on the attraction of new employment-providing activities to such zones;

(4) OJ L 98/19 of 11.4.78

(5) OJ C 229/1 of 27.9.78, ref. paras. 4(1), 4(2), 4(3) and 6(2)

Whereas encouragement of the development of small and medium-sized undertakings (hereinafter referred to as 'SMU'), which already occupy an important place in the economics of these zones, requires that they be helped to have access to necessary services in management, organisation and financing;

Whereas the introduction of new technological products and processes can contribute to the creation and development of viable economic activities in these zones, and that small and medium undertakings encounter difficulties in undertaking innovation;

Whereas the Community measure must be implemented in the form of a special multiannual programme; whereas it is for the Commission in adopting this programme to ensure that the operations planned thereunder comply with the provisions of this Regulation;

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

Whereas the special programme must respond to certain of the objectives encompassed by the Regional Development Programme provided for under Article 6 (3) of the Fund Regulation;

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"), in the sense 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 shipbuilding industry.

Article 2

The specific measure shall be applicable to the following zones :

In the United Kingdom : Strathclyde region, the counties of Cleveland, Tyne and Wear, Merseyside, and Belfast urban area.

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 United Kingdom.

The aims 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 at the improvement of their physical and social environment, this being necessary in order to encourage the setting up of such activities, and at the development of SMU and the encouragement of innovation.

2. The special programme must fall within the framework of the regional development programmes mentioned in Article 6 (3) and (4) of the Fund Regulation.
3. The special programme must contain appropriate information, as specified in the Annex to this Regulation, analysing the situation and needs related to the aims stated in paragraph 1, the operations proposed, the implementation plan, and, in general, all factors necessary to enable its consistency with regional development objectives to be assessed.
4. The duration of the special programme shall be 5 years starting from the sixtieth day after the date on which this Regulation enters into force.
5. 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 Regulation establishing an ERDF.
6. The Commission shall inform the European Parliament of the amounts adopted for the zones when the special programme is approved.
7. Once it has been approved by the Commission, the special programme shall be published for information in the Official Journal of the European Communities.

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 either industrial, or industrial-and-urban to the extent that these two aspects cannot be dissociated, including : the cleaning-up and preparation of such areas; conversion of disused industrial buildings and their surroundings, including the modernization of premises for SMU, the creation of green areas and minor works for improving the appearance of localities, and exceptionally, minor roads giving access to the locations of the new activities.
2. Construction and modernization of housing to accommodate workers in order to attract employment-providing activities such as housing being reasonably near the projected sites of the new activities, provided that the housing situation constricts the execution of the programme in question.
3. Establishment or promotion of consultancy firms or other bodies for management or organization matters by means of direct or indirect aid. Activities of such firms or bodies may include temporary assistance to undertakings for implementing their recommendations.
4. Establishment or development of common services for a number of undertakings.
5. 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 implementation of product and technological innovation in SMU.
6. Better access for SMU to risk capital.

Article 5

1. The special programme shall be the subject of joint financing between the Member State and the Community. The contributions 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 contribution shall be :
 - Operations relating to improvement and conversion under Article 4 (1) :
 - 50 % of public expenditure;
 - Operations relating to construction and modernisation of housing under Article 4 (2) : 50 % of public expenditure subject to a limit of 10,000 EUA per unit of accommodation;
 - Operations relating to consultancy services under Article 4 (3) : 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 average annual expenditure over the three year period (indirect aid);
 - in respect of such operations, the Member State may replace this system by an equivalent system of aid to consultancy firms or bodies (direct aid) ;
 - Operations relating to common services under Article 4 (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 50 % of average annual expenditure over the three year period;
 - Operations relating to collection and dissemination of information on innovation under Article 4 (5) a) : 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 average annual cost over the three year period;

- Operations implementing innovation under Article 4 (5) b) : 70 % of the costs of feasibility studies may concern all aspects, including the commercial aspects, of the implementation of innovation, and limited to 50,000 EUA per study. These studies must be undertaken by or on behalf of undertakings situated in the zones covered by Article 2;
 - Operations relating to risk capital under Article 4 (6) : contribution towards the operating costs of financial institutions providing risk capital for SMU. This 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.
2. The categories of beneficiaries of Fund assistance in respect of the operations provided for in the previous paragraph may be : public and local authorities, other bodies, undertakings or individuals. The aids referred to in the third and fifth indents of paragraph 1 and, where they directly benefit undertakings, those referred to in the seventh indent of paragraph 1 may not have the effect of reducing the share paid by undertakings to less than 20 % of total expenditure.
 3. 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 (5).
 4. Budgetary commitments relating to the implementation of the special programme shall be decided by annual tranche in accordance with progress made.

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) When there is a financial contribution by the Member State, payments, other than advance payments referred to in point 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 payment 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 expenditure paid in respect of the different 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) On production by the Member State concerned of written evidence that the special programme has already occasioned expenditure under an annual tranche, the Fund may, at the State's request, make an advance of 30 % of the appropriations committed. When the amount of this advance has been exhausted and when the Member State has forwarded to the Commission the certificate referred to in subparagraph b), further successive advance payments may be made, each of 30 % of the appropriations committed for each annual tranche.
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.

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.

Where major amendments are made to a special programme during implementation, the procedure provided for in Article 3 (5) would apply.

When each special programme has been implemented, a report shall be presented by the Commission to the Regional Policy Committee.

3. The provisions of Article 9, paragraphs 1 to 5 of the Fund Regulation shall apply, as required, to the specific measure provided for in Article 1 of this Regulation.

Article 7

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

The adoption of this Regulation shall not prejudice the re-examination of the Fund Regulation provided for in Article 22 of that Regulation which is to take place before 1 January 1981, on a proposal from the Commission.

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

Done at Brussels,

For the Council

ANNEX

The special programme shall include the following information in respect of the zones covered under Article 2 of this Regulation :

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

- a) - An analysis of the state of dereliction of sites and the priorities for reclamation, and an analysis of the state of disused industrial premises.
 - 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 of this Regulation : 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 housing for workers :

- a) - An analysis of the existing housing supply, covering age and standards of houses, and of the present and prospective demand for houses for workers in the light of the likely development of new activities. This analysis should show that the housing situation constricts the execution of the programme in question and in particular the achievement of the productive investments which the programme is intended to promote.
 - A statement of existing public measures in this field, with an indication of the resultant average annual public expenditure involved.
- b) In relation to the operations envisaged under Article 4 of this Regulation : a description and location of housing development programmes, with an indication of the types of housing to be provided and of the number of people to be housed each year.

3. In respect of SMU :

- a) - 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 organisation.
 - Details of existing aid systems for SMU, and the type of services existing, with a statement of average annual public expenditure involved by category of aids and services.
- b) In relation to the operations envisaged under Article 4 of this Regulation : a description of the different types of management and organisation services to be provided to SMU. Particulars of the bodies responsible for the provision of such services and for activating the development of SMEs.

4. In respect of innovation :

- a) An analysis of the needs of undertakings and the existing means at their disposal to gain access to information on innovation and its implementation, together with a statement of relevant public expenditure.
- b) In relation to the operations envisaged under Article 4 of this Regulation : a description of the measures planned for the collection and dissemination of innovation information, and also for the development of innovation in SMU.

5. In respect of risk capital :

- a) - Details of organisations providing risk capital for SMU and the conditions applicable to the provision of such capital.
 - 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 of this Regulation : details of measures planned to facilitate the access of SMU to risk capital.

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 and 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 Article 2 of this Regulation and, in particular, measures related to :
- aids for productive investment
 - investment in infrastructure
 - measures 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 shipbuilding industry.

This description must be accompanied by a statement giving particulars of the national authorities' intentions as regards the use of ^{other} resources emanating from Community structural funds.

- c) An indication of the amounts of public expenditure in connection with the measures envisaged in subparagraph b) above.
- d) The timetable for carrying it out.
- e) Estimation of the volume 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 of different operations.
- g) Information measures planned to make potential beneficiaries and professional organisations aware of the possibilities offered by the programme, and of the role played by the Community in this respect.

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 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 (1)
establishing a European Regional Development Fund as amended by Council
Regulation (EEC) N° 214/79 of 6 February 1979 (2) and particularly its
Article 13(3),

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Parliament (3),

Having regard to the opinion of the Economic and Social Committee (4),

Whereas Article 13 of Regulation 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 the Fund Regulation, for parti-
cipation of the Fund in financing specific Community regional development
measures which are particularly 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 likely to be the subject of a specific
Community measure;

(1) OJ N° L 73/1 of 21.3.75

(2) OJ N° L 35/1 of 9.2.79

(3) OJ N° C 85 of 8.4.80

(4) OJ N° C 83 of 2.4.80

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

Whereas the Commission has in the context of ECSC Treaty Article 46 prescribed general policy objectives in respect of the steel industry;

Whereas the Council decided on 18 and 19 December 1978 that mastery of the social, regional, economic and financial consequences of rationalising the iron and steel industry requires within the Community framework a special appropriate concerted action both by Community and Member States including the creation of alternative employment in the steel-producing areas affected by restructuring measures;

Whereas a certain number of zones in the Community, which are highly dependent on steel and which have already suffered considerable job losses as a result of the decline in the steel industry, risk an aggravation of these adverse consequences;

Whereas certain of these zones in Belgium, Italy and the United Kingdom are in regions which already have high levels of unemployment;

Whereas it is necessary for the Community to reinforce by means of a specific Community regional development measure existing local, national and Community financial measures aimed at stimulating the creation of new employment in such zones in order to replace job losses and also to contribute to reducing regional imbalances;

Whereas other interventions by Community funds, capable of being usefully combined, should be made in these zones;

Whereas the existence of an unfavourable physical and social environment due to the dereliction of certain industrial and urban sites and inadequate housing conditions for workers act as impediments on the attraction of new employment-providing activities to such zones;

Whereas encouragement of the development of small and medium-sized undertakings which already occupy an important place in the economies of these zones, requires that they be helped to have access to necessary services in management, organisation and financing;

Whereas the introduction of new technological products and processes can contribute to the creation and development of viable economic activities in these zones, and that small and medium undertakings (hereinafter referred to as "SMU") encounter difficulties in undertaking innovation;

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

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

Whereas the special programmes must respond to certain of the objectives encompassed by the Regional Development Programme provided for under Article 6 (3) of the Fund Regulation;

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"), in the sense 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 steel industry.

Article 2

The specific measure shall be applicable to the following zones :

Belgium : Provinces of Luxembourg, Liège and Hainaut with the exception of the 'arrondissements' of Ath and Tournai.

Italy : Province of Napoli.

United Kingdom : Strathclyde region, the counties of Cleveland, Clwyd, South Glamorgan, West Glamorgan, Gwent, and the employment office area of Corby.

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 each Member State concerned.

The aims 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 at the improvement of their physical and social environment, this being necessary in order to encourage the setting up of such activities, and at the development of SMU and the encouragement of innovation.

2. The special programme must fall within the framework of the regional development programmes mentioned in Article 6 (3) and (4) of the Fund Regulation.
3. The special programme must contain appropriate information, as specified in the Annex to this Regulation, analysing the situation and needs related to the aims stated in paragraph 1, the operations proposed, the implementation plan, and, in general, all factors which allow appreciation of its coherence with regional development objectives.
4. The duration of the special programme shall be 5 years starting from the sixtieth day after the date on which this Regulation enters into force.
5. 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 Regulation establishing an ERDF.
6. The Commission shall inform the European Parliament of the amounts adopted for the zones when the special programme is approved.
7. Once it has been approved by the Commission, the special programme shall be published for information in the Official Journal of the European Communities.

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 either industrial, or industrial-and-urban to the extent that these two aspects cannot be dissociated, including : the cleaning-up and preparation of such areas; conversion of disused industrial buildings and their surroundings, including the modernization of premises for SMU, the creation of green areas and minor works for improving the appearance of localities, and exceptionally, minor roads giving access to the locations of the new activities.
2. Construction and modernization of housing to accommodate workers in order to attract employment-providing activities such as housing being reasonably near the projected sites of the new activities, provided that the housing situation constricts the execution of the programme in question.
3. Establishment or promotion of consultancy firms or other bodies for management or organization matters by means of direct or indirect aid. Activities of such firms or bodies may include temporary assistance to undertakings for implementing their recommendations.
4. Establishment or development of common services for a number of undertakings.
5. 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 implementation of product and technological innovation in SMU.
6. Better access for SMU to risk capital.

Article 5

1. The special programme shall be the subject of joint financing between the Member State and the Community. The contributions 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 contribution shall be :
 - Operations relating to improvement and conversion under Article 4 (1) : 50 % of public expenditure;
 - Operations relating to construction and modernisation of housing under Article 4 (2) : 50 % of public expenditure subject to a limit of 10,000 EUA per unit of accommodation;
 - Operations relating to consultancy services under Article 4 (3) : 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 average annual expenditure over the three year period (indirect aid);
 - in respect of such operations, the Member State may replace this system by an equivalent system of aid to consultancy firms or bodies (direct aid) ;
 - Operations relating to common services under Article 4 (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 50 % of average annual expenditure over the three year period;
 - Operations relating to collection and dissemination of information on innovation under Article 4 (5) a) : 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 average annual cost over the three year period;

- Operations implementing innovation under Article 4 (5) b) : 70 % of the costs of feasibility studies may concern all aspects, including the commercial aspects, of the implementation of innovation, and limited to 50,000 EUA per study. These studies must be undertaken by or on behalf of undertakings situated in the zones covered by Article 2;
 - Operations relating to risk capital under Article 4 (6) : contribution towards the operating costs of financial institutions providing risk capital for SMU. This 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.
2. The categories of beneficiaries of Fund assistance in respect of the operations provided for in the previous paragraph may be : public and local authorities, other bodies, undertakings or individuals. The aids referred to in the third and fifth indents of paragraph 1 and, where they directly benefit undertakings, those referred to in the seventh indent of paragraph 1 may not have the effect of reducing the share paid by undertakings to less than 20 % of total expenditure.
 3. 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 (5).
 4. Budgetary commitments relating to the implementation of the special programme shall be decided by annual tranche in accordance with progress made.

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) When there is a financial contribution by the Member State, payments, other than advance payments referred to in point 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 payment 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 expenditure paid in respect of the different 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) On production by the Member State concerned of written evidence that the special programme has already occasioned expenditure under an annual tranche, the Fund may, at the State's request, make an advance of 30 % of the appropriations committed. When the amount of this advance has been exhausted and when the Member State has forwarded to the Commission the certificate referred to in subparagraph b), further successive advance payments may be made, each of 30 % of the appropriations committed for each annual tranche.
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.

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.

Where major amendments are made to a special programme during implementation, the procedure provided for in Article 3 (5) would apply.

When each special programme has been implemented, a report shall be presented by the Commission to the Regional Policy Committee.

3. The provisions of Article 9, paragraphs 1 to 5 of the Fund Regulation shall apply, as required, to the specific measure provided for in Article 1 of this Regulation.

Article 7

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

The adoption of this Regulation shall not prejudice the re-examination of the Fund Regulation provided for in Article 22 of that Regulation which is to take place before 1 January 1981, on a proposal from the Commission.

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

Done at Brussels,

For the Council

ANNEX

The special programme shall include the following information in respect of the zones covered under Article 2 of this Regulation :

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

- a) - An analysis of the state of dereliction of sites and the priorities for reclamation, and an analysis of the state of disused industrial premises.
 - 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 of this Regulation : 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 housing for workers :

- a) - An analysis of the existing housing supply, covering age and standards of houses, and of the present and prospective demand for houses for workers in the light of the likely development of new activities. This analysis should show that the housing situation constricts the execution of the programme in question and in particular the achievement of the productive investments which the programme is intended to promote.
 - A statement of existing public measures in this field, with an indication of the resultant average annual public expenditure involved.
- b) In relation to the operations envisaged under Article 4 of this Regulation : a description and location of housing development programmes, with an indication of the types of housing to be provided and of the number of people to be housed each year.

3. In respect of SMU :

- a) - 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 organisation.
 - Details of existing aid systems for SMU, and the type of services existing, with a statement of average annual public expenditure involved by category of aids and services.
- b) In relation to the operations envisaged under Article 4 of this Regulation : a description of the different types of management and organisation services to be provided to SMU. Particulars of the bodies responsible for the provision of such services and for activating the development of SMEs.

4. In respect of innovation :

- a) An analysis of the needs of undertakings and the existing means at their disposal to gain access to information on innovation and its implementation, together with a statement of relevant public expenditure.
- b) In relation to the operations envisaged under Article 4 of this Regulation : a description of the measures planned for the collection and dissemination of innovation information, and also for the development of innovation in SMU.

5. In respect of risk capital :

- a) - Details of organisations providing risk capital for SMU and the conditions applicable to the provision of such capital.
 - 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 of this Regulation : details of measures planned to facilitate the access of SMU to risk capital.

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 and 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 Article 2 of this Regulation and, in particular, measures related to :
 - aids for productive investment
 - investment in infrastructure
 - measures 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 steel industries.

This description must be accompanied by a statement giving particulars of the national authorities' intentions as regards the use of ^{other} resources emanating from Community structural funds.

- c) An indication of the amounts of public expenditure in connection with the measures envisaged in subparagraph b) above.
- d) The timetable for carrying it out.
- e) Estimation of the volume 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 of different operations.
- g) Information measures planned to make potential beneficiaries and professional organisations aware of the possibilities offered by the programme, and of the role played by the Community in this respect.

Proposal for a
COUNCIL REGULATION

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 Community,

Having regard to Council Regulation (EEC) No 724/75 of 18 March 1975 (1) establishing a European Regional Development Fund as amended by Council Regulation (EEC) No 214/79 of 6 February 1979 (2) and particularly its Article 13 (3),

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Parliament (3),

Having regard to the opinion of the Economic and Social Committee

Whereas Article 13 of Regulation No 724/75 (hereinafter referred to as "the Fund Regulation") provided, independently of the national allocations of resources fixed by Article 2 (3) a) of the Fund Regulation, for participation of the Fund in financing specific Community regional development measures which are particularly 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 State concerned has provided the Commission with information on regional problems likely to be the subject of a specific measure;

(1) OJ No L 73 of 21.3.75

(2) OJ No L 35 of 9.2.79

(3) OJ No C 85 of 8.4.80

(4) OJ No C 83 of 2.4.80

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

Whereas the Council in its Resolution of 17 September 1974 on a new Community energy policy (4) expressed its resolve to improve the security of energy supply;

Whereas the European Council, meeting at Strasbourg on 21 and 22 July 1979, expressed its resolve to continue and intensify efforts to limit the consumption of petroleum, and, via economies in energy, the development of indigenous resources and the progressive use of alternative energy sources, to limit, during the period 1980-1985, Community imports to an annual level equal to or below that of 1978;

Whereas limitation of petroleum imports is likely to affect particularly those Community Member States who have a substantial energy deficit and a heavy dependence on petroleum imports;

Whereas Italy is one of these Member States and that furthermore the installed electrical power reserves are particularly weak there, and that therefore the risks of power cuts during peak consumption periods are very great;

Whereas the development of the Mezzogiorno, and particularly of its mountain areas requires the installation of new activities with consequent increased electricity consumption, and that power losses due to long-distance transmission of electricity produced in the North are high, and that therefore there is need to encourage the installation of new local production capacity;

Whereas it is necessary for the Community to supplement national measures to improve natural supplies of energy in these areas by way of a specific Community regional development measure;

Whereas measures have already been taken in the field of the common agricultural policy, and other assistance from Community Funds, capable of being usefully combined, must be carried out in these regions;

(4) OJ No C 153 of 9.7.1975

Whereas adoption by public authorities of improved technology (mini-turbines) allowing exploitation of the hitherto under-utilised natural hydro-electric resources of these regions, and the utilisation of alternative energy sources is likely to contribute to realising these aims, whilst improving the relatively weak electricity distribution network;

Whereas private users with moderate requirements could have an interest in exploiting local sources of hydro-electric and alternative energy themselves, in view of their own consumption needs, and that for this purpose an active information campaign must be undertaken, and that such users ought to be encouraged to set up the necessary installations;

Whereas the maintenance of these mini-turbines may provide a number of additional jobs for the local population;

Whereas the Community measure must be implemented in the form of a special multi-annual programme; whereas it is for the Commission, in adopting this programme to ensure that the operations planned thereunder comply with the provisions of this regulation;

Whereas the Commission must also 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 special programme must respond to certain of the objectives encompassed by the Regional Development Programme provided for under Article 6(3) of the fund regulation;

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 special Community regional development measure (hereinafter referred to as "the specific measure") in the sense of Article 13 of the fund regulation is hereby established contributing to improving security of energy supply in certain Community regions by way of improved use of new technologies for hydro-electrical power and of alternative energy sources.

Article 2

The specific measure shall apply to the mountain areas of the regions of the Mezzogiorno within the meaning of Article 3(3) of Council Directive (EEC) 75/268 of 28 April 1975 (1) and as defined by Council Directive (EEC) 75/273 of 28 April 1975 (1).

(1) OJ No L 128, 19.5.1975

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 Italy.

The aim of the special programme shall be to help improve the development conditions of the areas referred to in Article 2 by strengthening the security of their energy supplies. To this end it shall have as its objective a better use of hydro-electric resources by making possible, by the adoption of new techniques, the re-utilization of abandoned or obsolete works located on water courses with a low streamflow, and a better use also of alternative energy sources. It shall also be aimed at encouraging private users themselves to exploit hydro-electric and alternative energy sources, by carrying out an information campaign and by aiding feasibility studies. Finally it shall be aimed at providing additional jobs linked to the upkeep of these installations.

2. The special programme must fall within the framework of the regional development programmes mentioned in Article 6(3) and (4) of the fund regulation.

3. **The special programme must contain appropriate information, as specified in the Annex to this Regulation, analysing the situation and needs related to the aims stated in paragraph 1, the operations proposed, the implementation plan, and, in general, all factors which allow appreciation of its coherence with regional development objectives.**

4. **The duration of the special programme shall be 5 years starting from the sixtieth day after the date on which this Regulation enters into force.**

5. **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.**

6. The Commission shall inform the European Parliament of the amounts adopted for the zones when the special programme is approved.
7. Once it has been approved by the Commission, the special programme shall be published for information in the Official Journal of the European Communities.

Article 4

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

1. Installing mini-turbines (standardized electrical generators using low-head falls) including preparation of existing sites and the related hydro-electric installations, and also wind-powered generators and equipment utilizing solar energy or enabling recovery of energy contained in biomass, particularly refuse, insofar as such installations have been technically perfected and do not qualify under Council Regulation (EEC) No 1302/78 of 12 June 1978 (1) or Council Regulation (EEC) No 727/79 of 9 April 1979 (2).
2. Dissemination of information, including demonstrations, on the prospects offered by mini-turbines and alternative sources of energy. Feasibility studies for potential private users wishing to proceed themselves with ~~installations~~ related to such energy sources.
3. Organisation of basic technical instruction to ensure additional local jobs linked to the maintenance of mini-turbines.

(1) OJ No L 158 of 16.6.1978

(2) OJ No L 93 of 12.4.1979

Article 5

1. The special programme shall be the subject of joint financing between the Member State and the Community. The contributions from the fund shall be provided within the framework of the appropriation entered for this purpose in the general budget of the European Communities. The Community participation shall be:
 - operations for the installation of mini-turbines, or other equipment, and studies for adapting materials to local conditions, under Article 4(1): 50% of expenditure, in cases where investments are made by public authorities; in other cases, 30% of the investment cost, this aid being supplementary to the existing aid system.
 - operations for dissemination of information and demonstrations under Article 4(2): 70% of the operating costs of bodies charged with this task.
 - operations for feasibility studies under Article 4(2): 70% of the costs of these studies.
 - operations for technical instruction under Article 4(3): 70% of public expenditure.
2. The categories of beneficiaries of fund assistance in respect of operations provided for in the previous paragraph may be: public and local authorities, other bodies, undertakings or individuals. Where the aids referred to in the third indent of paragraph 1 directly benefit undertakings, they may not have the effect of reducing the share paid by such undertakings to less than 20% of total expenditure.
3. 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 this programme is approved under Article 3(5).
4. Budgetary commitments relative to the implementation of the special programme shall be decided by annual tranche in accordance with progress made.

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) When there is a financial contribution by the Member State, payments, other than advance payments referred to in point 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 payment 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 expenditure paid in respect of the different 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) On production by the Member State concerned of written evidence that the special programme has already occasioned expenditure under an annual tranche, the Fund may, at the State's request, make an advance of 30 % of the appropriations committed. When the amount of this advance has been exhausted and when the Member State has forwarded to the Commission the certificate referred to in subparagraph b), further successive advance payments may be made, each of 30 % of the appropriations committed for each annual tranche.
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.

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.

Where major amendments are made to a special programme during implementation, the procedure provided for in Article 3 (5) would apply.

When each special programme has been implemented, a report shall be presented by the Commission to the Regional Policy Committee.

3. The provisions of Article 9, paragraphs 1 to 5 of the Fund Regulation shall apply, as required, to the specific measure provided for in Article 1 of this Regulation.

Article 7

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

The adoption of this Regulation shall not prejudice the re-examination of the Fund Regulation provided for in Article 22 of that Regulation which is to take place before 1 January 1981, on a proposal from the Commission.

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

Done at Brussels,

For the Council

ANNEX

The special programme shall include the following information in respect of the areas covered under Article 2 of this regulation:

1. a) An analysis of the situation and needs with regard to the supply of and the utilisation of alternative energy sources, indicating priorities for extending and improving the existing system;
 - b) Information on the economic viability of the installation of mini-turbines;
 - c) A description of public measures adopted to meet these needs, indicating the average amount of public expenditure involved.
2. In relation to the operations envisaged under Article 4 of this regulation:
- a) A programme of installing mini-turbines on existing sites, their location, description of types of site preparation works, including linked hydraulic work, and estimate of resulting improvements in electricity supply
 - b) A programme of installation of wind-powered generators or other equipment.
 - c) Detailed rules governing the information campaign, the number of demonstration centres planned, the number and type of publications and feasibility studies envisaged;
 - d) The type of technical instruction planned, and the prospects for additional jobs.
3. 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) Insofar as this information has not been identified with sufficient accuracy in the regional development programme, description of the existing or future public measures which it is intended to implement alongside the special programme and which will contribute towards improving the employment situation in the areas covered by Article 2 of this regulation.

- c) The planned intentions of the national authorities for using other resources deriving from Community structural funds.
- d) The timetable for carrying it out.
- e) Estimates of the volume of public expenditure connected with the programme's implementation, including an annual breakdown of such expenditure for each of the operations envisaged.
- f) The designation of bodies responsible for execution of the programme and of different operations.
- g) Information measures planned to make the potential beneficiaries and the professional organisations aware of the possibilities offered by the programme, and of the role played by the Community in this respect.
- h) Description of other existing or intended public measures concerning encouragement of users themselves to exploit local energy sources, including relevant legislation.

Proposal for a
COUNCIL REGULATION

instituting a Special Community Regional Development
Measure contributing to the improvement of the economic
and social situation of the border areas of Ireland
and Northern Ireland

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 (1)
establishing a European Regional Development Fund as amended by Council
Regulation (EEC) No 214/79 of 6 February 1979 (2) and particularly
Article 13 (3),

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Parliament (3),
Having regard to the opinion of the Economic and Social Committee (4)

Whereas Article 13 of Regulation No 724/75 (hereinafter referred to as
"the Fund Regulation") provides, independently of the national allo-
cations of resources fixed by Article 2 (3) a) of the Fund Regulation,
for participation of the Fund in financing specific Community regional
development measures which are particularly linked with Community poli-
cies 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 problems in border areas likely to be the subject of a
specific Community measure;

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- (1) OJ No L 73 of 21.3.75
(2) OJ No L 35 of 9.2.79
(3) OJ No C 85 of 8.4.80
(4) OJ No C 83 of 2.4.80

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

Whereas the Council has stated its willingness to examine, under Article 13, on a proposal from the Commission, any requests for aid relating to border problems in the most deserving regions of the Community submitted jointly by two or more Member States concerned;

Whereas the border areas in Ireland and Northern Ireland are situated in regions which are among the most underdeveloped in the Community, involving as they do a high dependence on less productive agriculture, high levels of unemployment and low incomes per head and as such a widening of the base for economic development of these areas is necessary in order to reduce the handicaps suffered by the regions;

Whereas communications difficulties and other problems related to border areas have hindered the fuller development of economic and social policies in border areas of Ireland and Northern Ireland;

Whereas the difficult situation of these border areas justifies a specific Community regional development measure;

Whereas the Economic and Social Committee, in its opinion of 12 July 1978 (4) on the cross-border communications study for the Londonderry/Donegal area carried out at the request of the governments of the United Kingdom and of Ireland, and also of the Commission, recommended that the cross-border area be made the subject of a specific Community regional development measure;

Whereas measures have already been taken in the field of common agricultural policy, and other assistance from Community funds, capable of being usefully combined, must be carried out in these areas;

(4) O.J. N° C/114 of 7.5.1979

Whereas the considerable tourist potential existing in the border areas of Ireland and Northern Ireland offers significant prospects of generation of non-agricultural economic development;

Whereas development of artisan enterprises can make a significant contribution towards strengthening the economic fabric in these areas;

Whereas development of tourism in the border areas of Ireland and Northern Ireland is seriously handicapped by shortage of accommodation, and of recreational and cultural facilities for tourists, including means of communication with tourist centres;

Whereas the development of artisan enterprises is handicapped by lack of finance, information and advice;

Whereas, because of their remoteness from the economic centres of the Community, small and medium sized undertakings (hereinafter referred to as "SMU") in these areas have difficulty in obtaining information on markets and advice on management and organisation matters;

Whereas the Community measure must be implemented in the form of special multi-annual programmes; whereas it is for the Commission in adopting these programmes to ensure that the operations planned thereunder comply with the provisions of this regulation;

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

Whereas the special programmes must respond to certain of the objectives encompassed by the regional development programmes provided for under Article 6(3) of the Fund regulation;

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 in the sense of Article 13 of the fund regulation (hereinafter referred to as "the specific measure") is hereby established contributing to the improvement of the economic and social situation of the border areas of Ireland and Northern Ireland.

Article 2

The specific measure shall be applicable to the following border areas:

Ireland: The counties directly adjoining the border: that is Donegal, Leitrim, Cavan, Monaghan and Louth.

Northern Ireland: The council districts directly adjoining the border: that is Londonderry, Strabane, Omagh, Fermanagh, Dungannon, Armagh, Newry and Mourne.

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 each of the Member States concerned. The aim of the special programme shall be to contribute to the economic activities of tourism, communications, craft industries and small and medium sized undertakings in the areas referred to in Article 2, with a view to improving the employment situation.
2. The special programme must fall within the framework of the regional development programmes mentioned in Article 6(3) and (4) of the fund regulation.
3. **The special programme must contain appropriate information, as specified in the Annex to this Regulation, analysing the situation and needs related to the aims stated in paragraph 1, the operations proposed, the implementation plan, and, in general, all factors which allow appreciation of its coherence with regional development objectives.**
4. 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.
5. 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.
6. The Commission shall inform the European Parliament of the amounts adopted for the areas when the special programme is approved.
7. Once it has been approved by the Commission, the special programme shall be published for information in the Official Journal of the European Communities.

Article 4

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

1. Construction and conversion of tourist accommodation including self-catering and farm holiday accommodation and provision of caravan and camping sites;
2. Establishment or development of bodies responsible for the promotion of tourism, publicity and the coordinated servicing of tourist accommodation and facilities, including the organisation of information seminars for those providing rural accommodation;
3. Provision of amenities and infrastructures directly linked to the development of tourism and to cultural and recreational facilities including angling and riding; works aimed at improving scope for water sports, particularly through the development of inland waterways, for example in the River Erne basin;
4. Improvement of communications giving access to tourist areas, including construction or modernisation of minor roads and telephone exchanges;
5. Development of transport activities aimed at providing easier access for tourists to the areas covered by the specific measure;
6. Establishment and development, by means of financial aids, of artisan enterprises and of facilities including the provision of information and advice.
7. a) Preparation of sectoral analyses intended to provide small and medium sized undertakings 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.

- b) Establishment or promotion of consultancy firms or other bodies for management and organisation matters by means of direct or indirect aid. Activities of such firms or bodies may include temporary assistance to undertakings for implementing their recommendations.

- c) Establishment or promotion of common services for a number of undertakings.

Article 5

1. The special programme shall be the subject of joint financing between the Member State and the Community. The contributions 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 participation shall be :
 - operation for tourist accomodation under Article 4(1) : where the investment is linked to agricultural activity, 50 % of public expenditure resulting from the granting aid to the investment; in other cases, 50 % of public expenditure resulting from the granting of aid to the investment, but no more than 30 % of the cost of the investment;
 - operations for the promotion of tourism under Article 4 (2) : aid covering part of the operating costs of the bodies. This 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 average annual costs over the three year period;
 - operations for amenities and infrastructure under Article 4 (3) : 50 % of public expenditure;
 - operations for improving communications under Article 4(4) : 50 % of public expenditure;
 - operations for developing transport activity under Article 4(5) : 50 % of public expenditure on subventions, towards the net cost of providing transport services;

- operations for craft industries under Article 4(6) : 50 % of public expenditure resulting from the granting of aid to the investment, but not more than 30 % of the cost of the investment; and 70 % of public expenditure resulting from aid to information and advising services;
- operations relating to sectoral analyses under Article 4(7) a): 70% of the total expenditure;
- operations relating to consultancy services under Article 4(7) b):
- **Operations relating to consultancy services under Article 4 (3) : 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 average annual expenditure over the three year period (indirect aid);**
- in respect of such operations, the Member State may replace this system by an equivalent system of aid to consultancy firms or bodies (direct aid) ;
- **Operations relating to common services under Article 4(7) c): 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 50 % of average annual expenditure over the three year period;**

The categories of beneficiaries of Fund assistance in respect of operations provided for in the previous paragraph may be: public and local authorities, other bodies, undertakings or individuals. The aids referred to in the eighth and tenth indents of paragraph 1 may not have the effect of reducing the share paid by undertakings to less than 20% of total expenditure.

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 this programme is approved under Article 3(5).

Budgetary commitments relating to the implementation of the special programme shall be decided by annual tranche in accordance with progress made.

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) When there is a financial contribution by the Member State, payments, other than advance payments referred to in point 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 payment 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 expenditure paid in respect of the different 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) On production by the Member State concerned of written evidence that the special programme has already occasioned expenditure under an annual tranche, the Fund may, at the State's request, make an advance of 30 % of the appropriations committed. When the amount of this advance has been exhausted and when the Member State has forwarded to the Commission the certificate referred to in subparagraph b), further successive advance payments may be made, each of 30 % of the appropriations committed for each annual tranche.

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.

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.

Where major amendments are made to a special programme during implementation, the procedure provided for in Article 3 (5) would apply.

When each special programme has been implemented, a report shall be presented by the Commission to the Regional Policy Committee.

3. The provisions of Article 9, paragraphs 1 to 5 of the Fund Regulation shall apply, as required, to the specific measure provided for in Article 1 of this Regulation.

Article 7

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

The adoption of this Regulation shall not prejudice the re-examination of the Fund Regulation provided for in Article 22 of that Regulation which is to take place before 1 January 1981, on a proposal from the Commission.

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

Done at Brussels,

For the Council

ANNEX

The special programme shall include the following information on the areas covered under Article 2 of this regulation:

1. a) An analysis of the present situation of tourism and artisan activities and an estimate of potential tourist demand during the period covered by the programmes; an analysis of the situation and of the requirements of SMU, in particular as regards market information and management and organisation consultancy services;
 - b) particulars of aid schemes and other measures designed to promote tourism and artisan activity and to develop SMU with an estimate of average annual public expenditure incurred under such systems.
2. In relation to the operations envisaged in Article 4 of this regulation:
- a) - a global estimate of the capacity and type of additional accommodation proposed to be installed or converted;
 - the nature and activities of the bodies responsible for the establishment and promotion of tourism and artisan enterprises;
 - a statement setting out the types of tourist and communication infrastructures to be provided, and their location;
 - the name, address and details of transport enterprises which could participate in the implementation of the special programme, with indications of public service obligations.
- b) - a description of public aids related to the different measures planned.
3. 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) insofar as this information has not been identified with sufficient accuracy in the regional development programme, a description of the existing or future public measures which it is intended to implement alongside the special programme and which will contribute towards improving the employment situation in the areas covered by Article 2 of this regulation.

- c) planned intentions of the national authorities for using other resources deriving from Community structural funds;
- d) the timetable for carrying it out;
- e) estimation of the volume 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 of different operations;
- g) information measures planned to make the potential beneficiaries and the professional organisations aware of the possibilities offered by the special programme, and of the role played by the Community in this respect;



