

COMMISSION OF THE EUROPEAN COMMUNITIES

COM (88) 728 final

Brussels, 10 January 1989

EUROPEAN REGIONAL DEVELOPMENT FUND

Thirteenth Annual Report (1987) from the Commission to the Council, the European Parliament and the Economic and Social Committee

Blank pages: iv, 30, 60, 108

Preface

by Peter SCHMIDHUBER,
Member of the Commission of the European Communities
in charge of economic affairs, regional policy and the Statistical Office

Regional policy is based on the preamble to the Treaty of Rome which sets the objective of the European Economic Community as the fostering of balanced development in economic activities and raising standards of living throughout the Community. Over the years, however, it has been found that the methods adopted have not led all regions to benefit from the process of economic and technical integration and the creation of a large market at the same rate: now, just as before, huge disparities exist between the regions of the Community in terms of development and wealth. Regional differences in production, employment and infrastructure again became worse at the last enlargement.

The European Regional Development Fund (ERDF) testifies to the increasing importance attached to regional policy so that from 1975 to 1987 the amounts allocated rose thirteen-fold. This last year was remarkable in the evolution of the ERDF for two reasons:

- assistance to programmes stemming from the 1984 Reform really took off;
- the European Single Act of 1st July 1987 gave full legal force to regional policy through Articles 130 A and 130 C.

Nevertheless, the creation of the single market with the implied breaking down of those physical, technical or fiscal barriers still existing between Member states will undoubtedly give rise to new, dynamic forces favouring growth but may also threaten those regions which are unable to respond with the appropriate vigour. It is further to be feared that the free circulation of goods, services and capital will benefit the most attractive regions first of all. Now, more than ever, priority has to be given to the reduction of regional disparities as otherwise the strengthening of economic and social ties provided for in the Single Act cannot be realized.

Accordingly, the Council of Ministers of 29 and 30 June 1987 asked the Commission with preparing a complete overhaul of the form and operating rules for the structural funds so as to better define and rationalize their objectives.

The Commission responded to this request by putting forward to the Council, which subsequently adopted it, a proposal for a framework Regulation which builds on and clarifies the guidelines already outlined in the communication "Making a success of the Single Act". The reform is intended to increase the effectiveness of the Community's structural measures, notably through improved general coordination and multiannual programming which will be carried out within the scope of a genuine partnership.

Preface

The ERDF in brief

Anyone new to the ERDF may be somewhat perplexed by some of the terms and concepts used, such as potential for internally generated development, specific Community measures, geographical concentration, integrated operation, structural Funds, regional development programmes and national programmes of Community interest. This preface therefore provides a brief explanation of some basic terms and concepts to help understanding of the ERDF's day-to-day activities.

- The ERDF, one of the Community's structural Funds¹, was set up in 1975 to help correct the principal regional imbalances within the Community by assisting in the development and structural adjustment of regions whose development is lagging behind and in the conversion of declining industrial regions. Such regions are generally the areas covered by national regional aid schemes, these areas being approved by the Commission in accordance with Articles 92 and 94 of the Treaty establishing the European Economic Community.
- What does the ERDF finance? Firstly, infrastructure investments: industrial estates, roads, dams, power stations, etc. The Regulation includes in the annex a list of infrastructure categories that are not eligible for ERDF assistance. The ERDF also helps to finance directly productive investment in industrial, craft industry and service activities to create or maintain jobs. Lastly, it helps to provide firms, particularly small and medium-sized ones, and local and regional authorities with access to advice on marketing, management and innovation.
- In what form does the ERDF provide assistance?
ERDF assistance may be granted towards programmes (Community programmes or national programmes of Community interest), investment projects or studies. In addition, the ERDF may help to exploit the internally generated development of regions and in particular the potential of small and medium-sized firms, both in the framework of programmes and in the form of a consistent set of projects.
- The ERDF makes grants. In the report the reader will frequently come across references to grants approved or appropriations committed: in the case of projects, these terms are different aspects of the same thing. In the case of programmes, however, the amounts approved at political level relate to the total period covered by the programmes, whereas appropriations committed relate to a single financial year.
- The ERDF's contribution generally amounts to 50% of the public expenditure, but may amount to 55%² in the case of measures of particular importance for the regions in which they are located.
- Commitment and payment appropriations are differentiated, i.e. the ERDF can make an expenditure commitment one year and make the payments over several years as the project is carried out. So as to speed up payments, the ERDF may grant advances within the limits of budget balances and according to the progress made with the operations.
- In 1987, the ERDF carried out its activities under two budget chapters:
 1. Chapter 50, which covers ERDF assistance through the financing of Community programmes, national programmes of Community interest, projects and studies. Within this framework, ERDF resources are used on the basis of ranges which lay down the upper and lower limits of assistance which each Member State may receive over a three-year period.
 2. Chapter 51, which covers financing of specific Community measures, formerly known as non-quota measures, instituted by the Council before 1 January 1985.

¹ There are two other Community structural Funds: the European Social Fund and Guidance Section of the EAGGF (European Agricultural Guidance and Guarantee Fund), see Chapter 4.5.

² This rate may be increased to 70% for regions in Portugal.

Note

Article 46 of Council Regulation (EEC) No 1787/84 of 19 June 1984 on the European Regional Development Fund provides:

1. "Before 1 October each year, the Commission shall submit to the European Parliament, the Economic and Social Committee and the Council, a report on the implementation of this Regulation during the preceding year."
2. "The report shall cover in particular the financial management of the ERDF and the conclusions drawn by the Commission from the monitoring carried out in respect of the ERDF's operations."

This 13th Report, which covers 1987, has some new features; with 1987 the third year since the Regulation was first applied, stock is taken of the period which has elapsed since the Regulation came into force (1 January 1985).

The basic concepts on which the Regulation is based were discussed in detail in the 11th and 12th Reports, to which the reader can usefully refer.

Table of Contents

Chapter 1. Coordination of regional policies	1
1.1 <i>Coordination of regional policies</i>	1
1.2 <i>Regional impact assessment</i>	1
1.3 <i>The economic environment</i>	2
1.4 <i>Macroeconomic impact of ERDF assistance</i>	4
Chapter 2. Operational ERDF programmes	7
2.1 <i>Community programmes</i>	7
2.1.1 <i>Two new proposals for Community programmes: RENAVAL and RESIDER</i>	7
2.1.2 <i>Approval of the STAR and VALOREN programmes</i>	8
2.1.3 <i>Commission preparations for other Community initiatives</i>	11
2.2 <i>National programmes of Community interest (NPCIs)</i>	12
2.2.1 <i>Applications in connection with NPCIs in 1987</i>	13
2.2.2 <i>NPCIs approved in 1987</i>	13
2.2.3 <i>Progress with NPCIs approved before 1987</i>	18
2.3 <i>Specific Community measures</i>	19
2.3.1 <i>The special role of specific Community measures</i>	20
2.3.2 <i>Special programmes approved in 1987</i>	21
2.3.3 <i>Implementation of current programmes</i>	22
2.4 <i>ERDF participation in integrated development operations in the Community</i>	26
2.4.1 <i>Integrated development operations (IDOs) applied for and approved in 1987</i>	27
2.4.2 <i>The integrated Mediterranean programmes (IMPs)</i>	27
2.4.3 <i>Preparatory studies for integrated operations</i>	28
Chapter 3. Projects	31
3.1 <i>Analysis by sector</i>	31
3.1.1 <i>Applications for 4 707 projects</i>	31
3.1.2 <i>3 750 projects approved, with assistance amounting to 2 985 million ECU</i>	32
3.1.3 <i>91% of aid goes to infrastructure projects</i>	34
3.1.4 <i>Aid for investment projects in industry, craft industry and services</i>	34
3.1.5 <i>Employment</i>	36
3.1.6 <i>Development of the regions' indigenous potential in 1987</i>	37
3.1.7 <i>Studies</i>	39
3.2 <i>Geographical analysis</i>	39
3.2.1 <i>The ten most assisted regions received half of the grants</i>	40
3.2.2 <i>Location of projects</i>	41
Chapter 4. Financial management of ERDF operations (commitments, payments)	61
4.1 <i>99.9% of commitment appropriations used in 1987</i>	61
4.2 <i>Payments</i>	62
4.3 <i>Controls</i>	63
4.4 <i>Financial resources 1975-87</i>	65
4.5 <i>Commitments and payments for the specific measures</i>	67
4.6 <i>Controls</i>	68
Chapter 5. The first three years of implementing the current ERDF Regulation and reform of the Structural Funds	69
5.1 <i>Programmes</i>	69
5.1.1 <i>Community programmes</i>	71
5.1.2 <i>National programmes of Community interest (NPCIs)</i>	71
5.2 <i>Projects</i>	72
5.3 <i>Studies</i>	72
5.4 <i>Three years of applying the system of ranges</i>	73
5.4.1 <i>The method adopted</i>	73
5.4.2 <i>Criteria for assessing applications</i>	73
5.4.3 <i>Results and application of the method over the period 1985-87</i>	74
5.5 <i>Reform of the structural Funds</i>	75
5.5.1 <i>Concentration of resources on five priority objectives</i>	75
5.5.2 <i>Rationalization of the methods of assistance</i>	75
5.5.3 <i>Doubling of financial resources</i>	76

Chapter 6. Information on ERDF operations	77
6.1 <i>Signboards</i>	77
6.2 <i>Press information</i>	77
6.3 <i>Miscellaneous measures</i>	78
6.4 <i>Reform of the structural Funds requires reform of information policy</i>	78
Chapter 7. Other forms of Community assistance in the regions	79
Appendix A. Statistical data 1987 and 1975-1987	81
Appendix B. Bibliography (1987 publications)	105
B.1 <i>European regional development fund and regional policy</i>	105
B.2 <i>Specific community regional development measures</i>	106
B.3 <i>Regional Aid</i>	106
B.4 <i>Integrated approach</i>	106
B.5 <i>Reform of the structural Funds</i>	107
B.6 <i>Miscellaneous</i>	107
Appendix C. Symbols and abbreviations used	109
List of tables, maps and graphics	111

Chapter 1. Coordination of regional policies

1.1 Coordination of regional policies

Reducing disparities between the various regions and the backwardness of the least-favoured regions is one of the Community's major objectives. As stipulated in Article 130b of the EEC Treaty as amended by the Single Act, this requires, within the context of economic and social cohesion, the coordination of Member States' economic policies. Regional development programmes (RDPs) and the past-financing of national regional aid schemes are two important instruments in the coordination of Member States' regional policies. The RDPs also constitute the frame of reference for ERDF grants.

During the year, the Commission examined the third-generation RDPs, covering the period 1986-90, submitted to it by Italy, France, Luxembourg and Germany (only for Berlin). The quality of these RDPs is higher than that of the second-generation RDPs; due regard was had in drawing them up to the Commission Opinion of 19 June 1984 and the European Parliament Resolution of 12 July 1985 on the second-generation RDPs.

The past-financing of national regional aid schemes helps in tailoring national aid to the socio-economic situation of the regions and increasing its effectiveness on the basis of Community experience. It also makes for improved coordination of such schemes. In November, the ERDF Committee approved a national programme of Community interest (NPCI) concerning part-financing of the regional aid scheme in Portugal (see Chapter 2.2).

The Regional Policy Committee, which is the key forum for regional policy coordination, held two meetings in 1987. It examined and endorsed the RDPs for the Netherlands and the United Kingdom.

It also held an exchange of views on the reform of the CAP and its regional effects, on infrastructure endowment in the regions of the enlarged Community and on the progress made by the Commission in implementing Article 130d of the Treaty as amended by the Single Act. Finally, it examined and delivered an opinion on the third periodic report on the social and economic situation and development of the regions of the Community.

1.2 Regional impact assessment

Regional impact assessment consists in appraising the regional consequences of the Community's main policies, thereby enabling better account to be taken of their regional dimension. The aim is to propose either modified or differentiated policies or back-up measures to counteract their negative effects or reinforce their positive effects on the regions. Article 130b of the EEC Treaty as amended by the Single Act also stresses the need for the objective of reducing regional disparities to be taken into account in the implementation of the common policies and of the internal market.

Analysis of the regional effects of the new - restrictive - course of the common agricultural policy shows that the harmful effects on incomes and employment will be the more significant the more the regions concerned depend on agriculture. In presenting its proposal for reforming the structural Funds, the Commission therefore regarded the economic conversion and stimulation of the rural areas affected by the reform of the common agricultural policy (including those outside the less-developed regions) as a priority objective.

As part of the efforts to devise a steel policy which would restore the steel industry to lasting competitiveness, the Commission made an analysis of the regional consequences of the restructuring still to take place. The analysis shows that the areas that will mainly be affected are largely located in the major steel-producing areas, which have been beset by serious difficulties for many years. However, the new crisis will also affect a number of smaller and remote areas which have so far been kept going by virtue of specific locational advantages which are now being eroded. The problems of conversion in these latter areas are made no less difficult by the fact that their economic and social structures are almost totally dependent on one large firm and their remoteness deprives them of the support of a favourable economic environment. The principal regional policy measure designed to compensate for the loss of 80 000 additional jobs in the steel industry is a Community ERDF programme (Resider programme), the aim of which is to promote alternative economic activities outside that crisis-struck industry.

The Commission also undertook an analysis of recent and prospective trends in employment in coal-mining areas. On the basis of the results of that analysis and of the one carried out for the steel areas, the Commission revised the employment areas eligible for aid under Article 56(2) of the ECSC Treaty. Seven new areas now have the status of priority ECSC employment area.

The Commission continued its analysis of the effects on the Community's less-favoured regions of completing the internal market. It began to study the regional impact of the opening-up of public procurement and examined the economic implications of the regional preference schemes operated by some Member States in the public procurement field.

The Commission carried out an analysis of the regional distribution of grants made for the first year of the Comett programme for cooperation between universities and industry in education and training for technology. Participation in Comett in terms of the projects accepted in 1987 is broadly balanced between the twelve Member States (on the basis of such indicators as size of population, number of students and per capita GDP), the largest recipients of Community support being regions with a high density of business enterprises and universities. This has prompted the Commission, in its proposals for the second phase of Comett, to make the programme take better account of the needs of regions which find it more difficult to participate or where there is not yet much cooperation between business and universities.

1.3 The economic environment

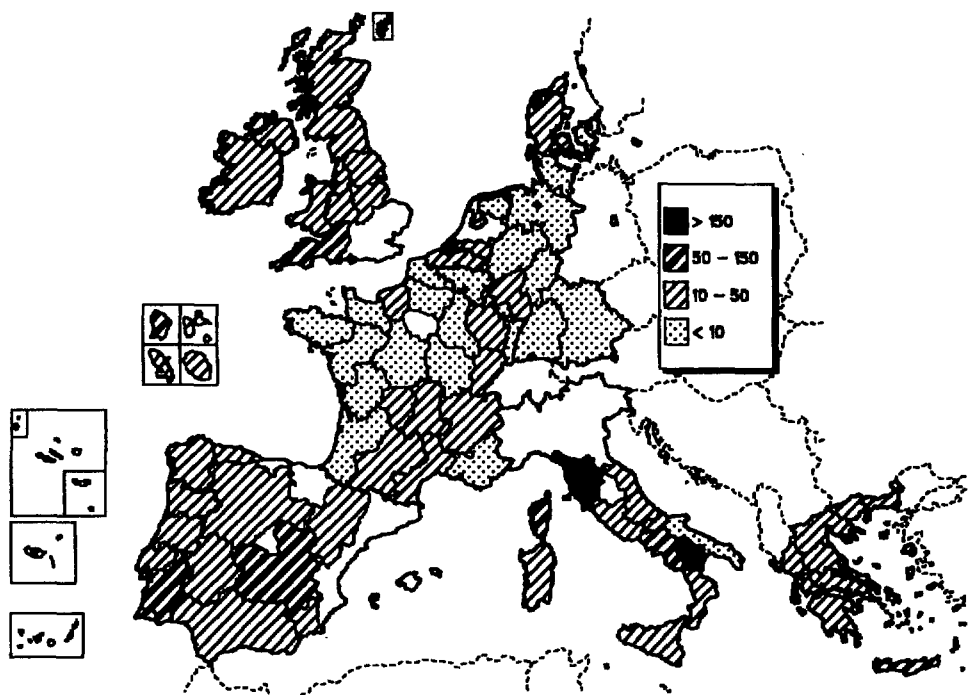
The upturn in output in the Community, in evidence since 1983, accelerated in 1987. The rate of growth in GDP for the Community was higher than at any time since 1979. Some of the weaker economies have seen an encouraging growth trend. According to current indications performance in 1988 will exceed that of 1987 throughout the Community.

The two new Member States are experiencing particularly favourable trends in output and investment. In the two years which have elapsed since their accession, Spain and Portugal have seen their economies grow at a rate well above the Community average. This stronger growth performance should produce a slight increase in the low levels of per capita GDP in those two countries compared with the Community average, even taking into account their higher rates of population growth. The growth in investment is particularly remarkable, with a volume increase of more than 25% since accession. Greece is still faced with a difficult situation in that per capita GDP has rather taken a step backwards away from the Community average. In Ireland by contrast, the year 1987 saw a sharp upsurge in growth compared with the previous year, but this performance is unlikely to be sustained.

On the labour market, the situation largely reflects the generally good economic performance. A Community-wide record increase in jobs has been noted resulting in a fall in the rate of unemployment, which still remains very high, for the first time since 1973. For Spain, a high level of job creation has resulted in only a small decline in the unemployment rate because the active population has grown considerably. In Portugal the fall in the unemployment rate has been significant. In Ireland and Greece, by contrast, the labour market situation failed to improve in 1987; employment actually contracted and unemployment tended to worsen.

The higher level of growth in the Community gives it a greater chance of realising its major objectives: exploit all the benefits of the single market, combat unemployment and to extend its economic and social cohesion. The doubling of the structural funds with their reform underway, coupled with the increased activity of the other financial instruments gives the Community access to the means to underpin this cohesion. Providing these means are accompanied by the necessary economic policies in the countries concerned leading to a general improvement in supply, especially a greater efficiency and breadth of productive investments in the GNP, the outlook for convergence in the Community is much brighter.

MAP 1.
Regional distribution of ERDF assistance per inhabitant in 1987
ERDF, operations (ECU)



1.4 Macroeconomic impact of ERDF assistance

As in 1986, Fund assistance³ in 1987 was equivalent to 0,1% of the Community's gross domestic product (GDP)⁴ and 0.5% of its gross fixed capital formation (GFCF). Since the assistance went to total investment worth some 230% of the amounts committed, total assisted investment was probably equivalent to some 1.2% of Community GFCF in 1987; this is a fairly accurate measure of the part played by Fund-assisted investment in the national economies. These figures are bound to increase in the years to come as the ERDF's resources are doubled as part of the reform of the structural Funds.

However, Fund-assistance has had a greater impact in the six countries listed in the table below, which have more less-favoured regions than other Community countries. Those six countries received 90% of total Community assistance; the assistance/GDP and assistance/GFCF ratios were 1.27% and 5.35% respectively in Portugal and 0.73% and 3.89% respectively in Greece.

TABLE 1.
Impact of ERDF assistance on six national economies

Member State	ERDF Assistance Mio ECU	Population		Per capita assistance in eligible areas ECU	Assistance/GDP %	Assistance/GFCF %	Per capita /GDP (1983) ECU
		eligible Mio	eligible/ total %				
España	660.7	25.0	66.4	26.4	0.27	1.33	77
Ellas	301.7	6.4	65.7	47.1	0.73	3.89	58
Italia	940.7	22.2	38.8	42.4	0.15	0.73	91
Ireland	162.1	3.5	100.0	46.3	0.64	3.60	68
Portugal	389.6	9.9	100.0	39.4	1.27	5.35	56
United Kingdom	628.2	21.3	37.7	29.5	0.11	0.63	105
Total	3 083.0	88.3	69.0	-	-	-	-
EUR 12	3 533.2	140.4	41.3	ø 25.2	ø 0.096	ø 0.50	ø 100
% total EUR	87.3	63.0	40.0	-	-	-	-

³ Excluding support for specific regional development measures.

⁴ GDP adjusted by purchasing power standards.

ERDF interventions 1987

A total of 3 533 million ECU was committed under the various ERDF schemes during 1987. The following table shows the allocation of funds to programmes, projects and studies.

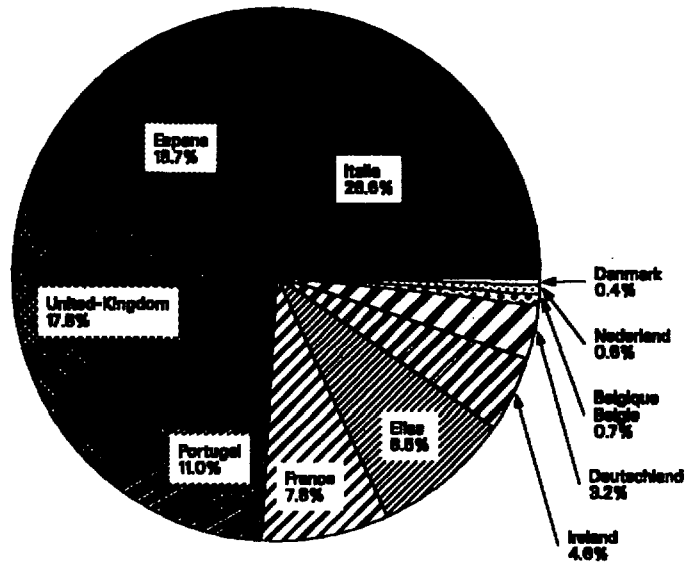
TABLE 2.
Amounts committed 1987 (by Member State)

Member State	Programmes			Projects				Studies	Total commitments
	Community	N.P.C.I.	Total	Industry, services and craft	Infrastructure	Internally generated development	Total		
B	-	13.78	13.78	1.37	7.33	1.05	9.75	-	23.53
DK	-	3.08	3.08	5.17	4.18	-	9.35	0.11	12.54
D	-	-	-	63.02	51.30	-	114.32	-	114.32
GR	12.98	94.78	107.76	1.48	192.47	-	193.95	-	301.71
E	23.02	4.32	27.34	-	633.34	-	633.34	-	660.68
F	4.22	121.72	125.94	3.40	133.29	8.84	145.53	5.18	276.65
IRL	14.23	52.63	66.86	24.78	69.47	0.88	95.13	0.12	162.11
I	29.27	1.72	30.99	120.55	789.04	-	909.59	0.12	940.70
L	-	0.97	0.97	-	2.32	-	2.32	-	3.29
NL	-	5.27	5.27	-	15.17	0.01	15.18	-	20.45
P	29.01	-	29.01	-	359.73	-	359.73	0.24	388.98
UK	3.84	126.83	130.67	43.62	451.13	1.84	496.59	0.91	628.17
Commun	-	-	-	-	-	-	-	0.05	0.05
EUR 12	116.57	425.10	541.67	263.39	2 708.77	12.62	2 984.78	6.73	3 533.18

These amounts do not include 129 million ECU committed to specific Community measures.

GRAPHIC 1.

Breakdown of grants by country 1987 - Percentage of total



Chapter 2. Operational ERDF programmes

The method of programme financing was first applied on an experimental basis to fund the specific Community measures adopted in 1980 and expanded in 1984 and 1985 under the non-quota section of the old ERDF Regulation. This approach was given wider application by the Regulation now in force and is used to fund Community programmes, undertaken on the Commission's initiative, and national programmes of Community interest (NPCI's), undertaken on the initiative of the Member States and adopted in agreement with the Commission.

In the case of Community programmes, the first assistance programmes - STAR and VALOREN - were approved in 1987 and new proposals were made concerning the conversion of areas affected by industrial restructuring (the RENAVAL and RESIDER programmes). National programmes of Community interest expanded at a particularly rapid pace, some of them being self-contained schemes while others form the backbone of integrated development operations (IDO's) or are part of integrated Mediterranean programmes (IMPs).

As a result of the reform of the Funds that is now in progress, this programme approach will gradually develop into the main form of assistance from the structural Funds; it offers the following advantages:

- it allows more broadly-based consultation between the regional, national and Community authorities on the regional strategies and priority measures to be chosen; under the programme approach, the commitments of the various partners in respect of the measures agreed are put on a contractual basis;
- it makes provision for improved monitoring of the operations by the various authorities involved; such monitoring is to make it possible to implement the various measures in a coordinated manner, to detect any blockages and propose the necessary improvements.

Thanks to the partnership that is established between the various authorities concerned, Community assistance operations help to promote better understanding between the various levels of public authority responsible for regional development. The programme approach thus intensifies the exchange of experience and improves the effectiveness of assistance as better account is taken of socio-economic needs and the regional potential.

2.1 Community programmes

ERDF assistance in the form of "Community programmes" represents a new departure in three main respects:

- since they are drawn up at Community level, such programmes ensure that serious regional problems affecting the socio-economic situation in a number of regions simultaneously are tackled in a consistent manner over a number of years; the framework for Community programmes (specific objectives, area covered, type of assistance, level of Community contribution) is proposed by the Commission and adopted by the Council acting by a qualified majority after consulting Parliament;
- a special role has been assigned to such programmes; they must establish better links between regional policy and the objectives pursued by other Community policies directly affecting the situation in the regions; these links may relate either to the harnessing in the less-favoured regions of the positive effects of other Community policies or to some compensation for any adverse effects such policies might have; these programmes are the pre-eminent instruments for injecting the new dynamism required of Community activities in this field if greater consistency is to be achieved between the development of priority policies and the balance to be preserved within the Community;
- priority is accorded to these programmes in the management of ERDF resources since, by definition, they reflect the Community interest and thus have special merit.

2.1.1 Two new proposals for Community programmes: RENAVAL and RESIDER

In August and September the Commission sent to the Council two proposals for Community programmes within the meaning of Article 7 of Regulation (EEC) No 1787/84 that were to be part-financed by the ERDF: the Renaval programme (conversion of shipbuilding areas) and the Resider programme (conversion of steel

areas). In tandem with social measures, these programmes are to underpin the efforts aimed at restructuring shipyards and steel firms by helping to develop new economic activities in the worst-affected areas.

In shipbuilding, although progress has been made in the Community with the structural adjustment of the industry under Directive 81/363/EEC (Fifth Directive on aid to shipbuilding), strains continue unabated on the world market, necessitating further restructuring in terms of capacity and jobs. Directive 87/167/EEC (Sixth Directive), which entered into force on 1 January 1987, establishes the ground rules for this adjustment process by setting up a differentiated aid scheme for shipbuilding while allowing the new Member States, in which restructuring is less advanced, to comply with the scheme gradually. Leaving aside job losses in the ship-repair industry, these new adjustments might involve the loss of a further 60 000 or so jobs by the end of 1989 in shipbuilding.

The steel industry is still faced with notorious overcapacity in spite of the efforts made since the beginning of the 1980s. The Commission has, therefore, proposed in a comprehensive communication additional measures for reorganizing the industry so as to restore it to lasting competitiveness (restructuring and market control through a quota system⁵) together with social and regional back-up measures that form an indivisible whole. The regional implications of steel restructuring are being felt for the most part by the large steel areas, which have been experiencing severe difficulties for a good many years and where the contraction of around one third in employment in the industry since 1980 has resulted in high structural unemployment and has, in some cases, prompted young people in particular to move away, posing a threat to the social fabric of those areas generally. The worsening crisis consequent upon a further reduction in capacity of 30 million tonnes and the loss of another 80 000 jobs will lead to a deterioration in the socio-economic situation in the regions that will be all the more serious in that, in some cases, definitive closures have been announced which will spell the disappearance altogether of an industry that was for a very long time one of the main components of the economic base in these regions.

The two Community programmes proposed will thus contribute directly to one of the main objectives of the Community's structural policies, namely, the conversion of declining industrial regions. They comprise a series of multiannual measures including the reclamation of derelict industrial sites, aids towards investment in small and medium-sized enterprises and operations to exploit indigenous potential, as this is the approach best suited to renewing the economic base of the areas affected by industrial restructuring. The Commission's provisional estimates of the finance that will be needed to help fund the Renaval and Resider programmes are 200 million ECU and 300 million ECU respectively for an initial three-year period.

It should be noted that the Regulation concerning the Resider programme was adopted by the Council in February 1988⁶.

2.1.2 Approval of the STAR and VALOREN programmes

In accordance with Council Regulations (EEC) Nos 3300/86 and 3301/86 instituting the first Community programmes, the STAR programme (advanced telecommunications services) and the VALOREN programme (exploitation of indigenous energy potential), the Member States concerned (France, Greece, Ireland, Italy, Portugal, Spain and the United Kingdom) transmitted to the Commission in April the assistance programmes setting out the measures and operations to be part-financed by the ERDF between 1987 and 1991. After reaching agreement on them with the Member States concerned and after consulting the ERDF Committee, the Commission in October approved assistance totalling 776.5 million ECU for the STAR programme and 392.8 million ECU for the VALOREN programme. Although it is not possible to describe the programmes in detail, their main features are as follows:

- STAR assistance programmes
 - STAR - Spain

This programme covers the areas eligible for the national regional aid scheme in Spain (15 regions are concerned) and will attract ERDF assistance amounting to 210 million ECU. The emphasis is on the creation of advanced telecommunications infrastructures (83% of the planned assistance), thereby giving a major boost to the digitalization of the network in the country's most depressed areas. For example, three main links (Leon-Seville, Algeciras-Murcia and Valladolid-Bilbao) will be digitalized, thereby connecting up digitally the large areas in the country. Local digital networks connected using optical fibres or co-axial cables are also planned. In addition, the programme provides for measures to promote the supply of, and demand for, advanced telecommunications services, with particular emphasis on aids for small firms and regional data transmission and processing services.

⁵ Suspended in the course of 1988.

⁶ Council Regulation (EEC) No 328/88, OJ No L 328 of 5 February 1988, p. 1.

- **STAR - France**

Under this programme, assistance totalling 25 million ECU will be made available to Corsica and the overseas departments, with measures in the form of service centres and promotional campaigns accounting for a major share (45%). The infrastructure measures are concerned primarily with superimposed data-transmission networks in all the areas concerned and the introduction of cellular radio in Corsica and French Guiana.

- **STAR - Greece**

With an allocation of 100 million ECU, this programme covers all the regions in Greece, including the prefecture of Attica for certain operations. Its main characteristics are: major optical-fibre links (e.g. submarine cable between Greece and Italy), digitalization (43% of the allocation, with the specific STAR objectives permitting digitalization of 50% of the switching and transmission systems in the country by 1991 instead of 1995), and specialized networks (e.g. HELLASPAC), with the remaining assistance going to measures to promote the supply of, and demand for, advanced services, especially where small businesses are concerned.

- **STAR - Ireland**

ERDF assistance under this programme amounts to 50 million ECU. The principal projects concern cellular radio, the main telecommunications links including a Eutelsat station, an optical-fibre submarine cable between Ireland and the United Kingdom, the gradual introduction of integrated-services digital networks and a range of new services.

- **STAR - Italy**

This programme, which will receive ERDF assistance totalling 250 million ECU, concerns all the regions in the Mezzogiorno. Some 70% of the Community contribution will be used to help finance the establishment of basic telecommunications infrastructures and the supply of advanced services. Four major projects are planned: a wide-band network for the entire Mezzogiorno, an initial series of integrated-services digital networks, the development of specialized networks (CDN, Itapac, Fonia-Dati) and specific computerized telecommunications projects at the Val Vibrata (Abruzzi) and Tecnopolis (Apulia) technology parks. Major importance is attached to various promotional operations including a large-scale, regionally differentiated demonstration project (PROGRED).

- **STAR - Portugal**

This programme covers the entire country, the only exception being the Lisbon area, where only certain operations are planned, and will attract assistance amounting to 120 million ECU. Its main objective is to correct the acute lack of advanced telecommunications services in Portugal relative to the Community as a whole. As a result, half of the assistance will go towards the digitalization of the network, in the first place with a view to providing services for businesses (videotext, data transmission). The programme will, therefore, play a key role in telecommunications services in Portugal. With a view to promoting supply and demand, the advanced telecommunications service (SAT) provides for a special system of business aids to be set up under a decree-law (SISAT). There is also an ambitious demonstration project involving a multi-purpose mobile service system on the islands.

- **STAR - United Kingdom**

The programme is confined to Northern Ireland, with assistance totalling 21.5 million ECU. One major project is the optical-fibre ring that is to link up with international networks (via Ireland and via the mainland of Britain). Back-up measures will reinforce the economic importance of this project.

These STAR programmes are naturally expected to bring about a substantial improvement in the supply of advanced telecommunications services in the Community's least-favoured regions; they will also have a more general economic impact through the jobs that will be created and through the provision of facilities that will enable firms to become more efficient and to develop new activities with a high value-added content.

TABLE 3.

Community programmes: allocations and commitments

(Mio ECU)

Member State	STAR		VALOREN	
	Allocation	Commitments	Allocation	Commitments
	87-91	87	87-91	87
Ellas	100.00	10.24	50.00	2.74
España	210.00	11.93	105.00	11.09
France	25.00	1.56	15.00	2.66
Ireland	50.00	9.16	24.80	5.07
Italia	250.00	18.48	125.00	10.79
Portugal	120.00	20.06	65.00	8.95
United Kingdom	21.51	1.91	8.04	1.93
Total	776.51	73.34	392.84	43.23

- VALOREN assistance programmes

- VALOREN - Spain

This programme will provide ERDF assistance totalling 105 million ECU in the areas eligible for the national regional aid scheme (15 regions are covered, either in whole or in part). Of that figure 50%, will go towards the exploitation of local energy resources, notably biomass projects and small-scale hydro-power projects. The biomass projects will involve the burning of both forest and municipal waste. An incineration plant for solid waste is to be built at Puerto Real (Cadiz) with investment amounting to over 12 million ECU. The hydro-power projects include the construction of several plants with less than 5 MW of installed capacity. Of the assistance available, 47% will be earmarked for promoting efficient use of energy either by improving the efficiency of infrastructures and of equipment used by small and medium-sized enterprises or by oil substitution, while a small amount (3%) will go towards promotional measures, and in particular surveys and studies.

- VALOREN - France

This programme, to be assisted to the tune of 15 million ECU, concerns Corsica and the overseas departments. The main emphasis is on the exploitation of solar energy (water heating in the overseas departments) and small-scale hydro-power projects (Corsica, Guadeloupe and Réunion). A small proportion of the assistance is earmarked for efficient use of energy (energy saving by small and medium-sized enterprises, and certain public-sector schemes) and waste utilization (sugar cane in Guadeloupe and Martinique).

- VALOREN - Greece

With an allocation of 50 million ECU, this programme concerns all the assisted areas (i.e. the entire country excluding "zone A" of the prefecture of Attica). Half the allocation is intended for the exploitation of local energy resources (especially geothermal energy, wind energy, small-scale hydroelectric and lignite), with the other half being split between projects to encourage energy efficiency and measures to promote the exploitation of energy potential (in particular, technical assistance for small and medium-sized enterprises).

- VALOREN - Ireland

Activities under this programme, which will receive assistance totalling 25 million ECU, include the exploitation of peat resources, the construction of ten or so small-scale hydroelectric plants, the identification of sites for wind-powered generators and a number of measures to promote greater energy efficiency.

- VALOREN - Italy

This programme, which covers all the regions and areas in the Mezzogiorno, i.e. a much larger area than that covered by the specific measure instituted by Regulation (EEC) No 2618/80, will receive assistance totalling 125 million ECU and provides for a wide range of operations. The breakdown of assistance is as follows: hydro-electricity (30%), solar energy (15%), wind energy (13%), geothermal energy (12%) and biomass (5%). Less ambitious operations involve oil-substitution and energy-saving projects. The programme will, to some extent, concentrate assistance on the regions

of Abruzzi, Sardinia, Calabria, Campania, Sicily and Apulia, and this will naturally depend on existing energy potential.

- VALOREN - Portugal

The ERDF's total contribution of 65 million ECU is intended to benefit the entire country. When the programme was being drawn up, it was found that Portugal possessed enormous potential in this field. By the time the assistance programme was submitted, over 800 operations had been identified. With a view to selecting the projects that were to benefit, a decree-law laying down arrangements to encourage efficient use of energy (SEURE) was presented to, and approved by, the Commission. It is expected that implementation of the programme will pave the way for a wide variety of operations and will have a major impact on the country's economic base. Some measure of regional specialization has also been noted, with the areas in the south of the country and the islands relying more on solar energy and with the areas in the north concentrating more on biomass projects.

- VALOREN - United Kingdom

With an allocation of 7.8 million ECU, this programme is confined to Northern Ireland and comprises hydroelectric and wind-power projects, an analysis of biomass potential, aids for peat working and energy saving measures.

These various assistance programmes are expected not only to make a significant contribution to improving the energy situation in the regions concerned (less dependence on imported oil) but also to permit a general strengthening of their socio-economic position, in particular through the direct and indirect skilled jobs that are necessary, through local development of some of the products used, through the exploitation of raw materials located close to the place of consumption and through energy saving made possible by reductions in consumption in a number of industries.

2.1.3 Commission preparations for other Community initiatives

In-depth studies launched in 1986 focused on the regional dimensions and repercussions of two Community policies: research and technological development (R&TD) policy and environmental policy:

- Link between regional development and research and technological development policy

The studies by the Commission have demonstrated the existence of a positive link between R&TD and economic growth at national level, and this suggests that the less-favoured regions should be assisted in their efforts to create and absorb new technology.

With regard to what is conventionally referred to as the "technology gap", the studies have shown that the least well-off Member States (Ireland, Italy, Spain, Portugal and Greece) account for only 10% of technological R&D activity in the Community even though they make up 40% of the Community population. The bulk of R&TD is carried on in Germany, France and the United Kingdom. The levels of R&TD expenditure vary enormously, from 2.5% of GDP in Germany to 0.3% in Greece. The studies indicate that the technology gap is several times wider than the economic gap.

As to the impact of Community R&TD programmes, it has been established that the less-favoured regions find it especially difficult to participate in such programmes because of the problems they encounter in connection with access to information, experience in the field of international cooperation, the level of scientific and technical competence and the capacity for acquiring and utilizing technology. If they are to participate more closely, the less-favoured regions will need to have access to sources of information and regional networks that facilitate and encourage the pooling of experience.

Where the functioning of R&TD structures is concerned, the studies examined a wide range of measures capable of developing technological R&TD at regional level, ranging from science parks and technical information centres to non-material support such as skill deployment and technical awareness programmes. It should be stressed that, for any R&TD strategy, the key factors determining the appropriate nature and effectiveness of the structures must be respected, notably the regional and local emphasis of measures, their relevance for small and medium-sized enterprises and the link between the various mechanisms operating within a given local environment.

Within the existing policy context, a series of examples of government policy and initiatives show that locally based initiatives in the field of R&TD are steadily increasing. However, a high proportion of those initiatives concern infrastructures. If the R&TD capability of the less-favoured regions is to be enhanced, greater emphasis must be placed on their indigenous potential. The role of small and medium-sized enterprises has received special attention since this sector is particularly instrumental in harnessing and expanding R&TD resources in the regions. A number of mechanisms have been examined with a view to providing support for R&TD by small and medium-sized enterprises, and it has been found that financial aids, tax incentives and better access to information are what they particularly need.

The main findings of the studies indicate how important it is in devising an R&TD policy at regional level to strengthen the role of small and medium-sized enterprises, to step up research activities in less-favoured regions, to foster vocational training and retraining, to expand the dissemination of information on innovation and to promote the establishment of physical infrastructures. R&TD is a very important aspect of the regional problem, and an effective policy on the matter must be incorporated into other programmes and policies affecting the regions. The most effective programmes will have a regional base but will be geared to the long term; as a result, it may be necessary to forgo short-term profits.

- **Link between regional development and environmental policy**

The studies by the Commission indicate that, in terms of the general objectives of the Community and in terms of the regulations and directives adopted at Community level, the situation in many regions with regard to each of the main aspects of the environment examined is unsatisfactory (or needs to be improved as a matter of urgency). In numerous fields the need and scope for action exist, e.g. in reducing air pollution, soil pollution and pollution affecting bathing waters, drinking water and groundwater, as well as in collecting and treating waste water and in removing and eliminating solid waste.

A comparison of environmental conditions in the various regions of the Community reveals major disparities, with the index numbers for most environmental indicators ranging from below 150 to over 200.

Many regions in the Community have index numbers in excess of 150, indicating that the environmental situation is highly critical compared with the Community average. Only around 15% of Community regions have index numbers close to or lower than the Community average in all cases. All the other regions, i.e. a large majority of the remaining 85%, are faced with a far worse environmental situation in at least one particular field or sector.

It is evident that Community measures are needed in less-favoured regions in order to remove obstacles to economic development or to exploit the opportunities afforded by the use of natural resources or by the growing demand for technology as regards combating pollution and recycling waste.

The problems and opportunities identified suggest that the measures of importance for regional development fall into the following categories:

- regeneration of the basic environment which has in the past deteriorated in certain regions to the point where any future investment, whether from within or outside the region, is highly unlikely;
- promotion of basic environmental infrastructures, which are lacking in many of the less-favoured regions of the Community, this would remove one obstacle to economic development;
- removal of capacity constraints, which burden the present environmental infrastructure and, in so doing, hamper economic development and any progress towards meeting the standards laid down in new Community legislation requiring extra investment in the environment; difficulties also arise in connection with preventive measures to forestall any new problems and with the promotion of private investment in "clean" technologies, which are dependent on the use of proper equipment;
- encouragement of private investment in the production of equipment to improve the environment and in "clean" technology;
- development of the potential for recycling and of tourism potential.

Following those preparatory studies, the Commission announced in its work programme for 1988 that it would be launching two Community initiatives - one on research and technological development and the other on environmental protection.

2.2 National programmes of Community interest (NPCIs)

A national programme of Community interest consists of a set of consistent multiannual measures in tune with national policies and serving Community objectives and policies. In particular, it assists the convergence of Member States' economies by reducing regional disparities. It translates into operational commitments the indications contained in regional development programmes. It may concern part of a region or one or more regions, in one or more Member States. These areas and regions are limited to assisted areas established by Member States in applying their regional aid schemes.

There was a very appreciable expansion in NPCIs in 1987, both in terms of applications submitted and in terms of decisions taken and commitments made.

2.2.1 Applications in connection with NPCIs in 1987

The volume of applications rose significantly, with 19 applications for multiannual allocations totalling 2 058 million ECU being received. This compares with a figure of only 682 million ECU the previous year. Four Member States, Italy, Ireland, Luxembourg and Greece, did not submit any applications.

The table below shows the number of programmes, and the amount applied for, for each Member State.

TABLE 4.
Number and breakdown by Member State of grant applications for NPCIs in 1987

Member State	Number of programmes	Assistance applied for (Mio ECU)
Belgique/België	1	10.77
Danmark	2	10.62
Deutschland	2	115.44
Ellas	-	-
España	1	148.73
France	3	61.91
Ireland	-	-
Italia	-	-
Luxembourg	-	-
Nederland	1	4.24
Portugal	1	251.71
United Kingdom	8	1 455.02
EUR 12	19	2 058.44

2.2.2 NPCIs approved in 1987

After thorough vetting of applications and following a favourable opinion from the ERDF Committee, the Commission formally approved 25 national programmes of Community interest (including the ERDF components of a number of integrated Mediterranean programmes), with a total of 1 635 million ECU to be made available (see Table 5).

Below a brief description is given of these programmes, the IMPs being discussed upon in Chapter 2.4.2.

NPCI - Start Lolland (Denmark)

This programme concerns the assisted area of Lolland, an island forming part of the county of Storstrøm. It sets out to stimulate economic activity in the region as a means of increasing income per inhabitant and bring unemployment down substantially over the period 1987-91.

It places the emphasis on the introduction and utilization of new technologies by local firms in order to improve the economic structure.

These objectives will be achieved by way of three complementary assistance strategies:

- the promotion of incentives to increase the rate at which new firms set up in the area;
- the compilation and dissemination of information on new technologies for local firms;
- the implementation of measures to diversify the structure of the local economy.

It is estimated that the various operations to be assisted under this programme will create some 3 000 new jobs.

NPCI - Charente-Maritime (France)

The department of Charente-Maritime is currently experiencing serious difficulties owing to the fact that, shipbuilding apart, it is not an industrial area. The unemployment rate, at 14.8%, is 3 1/2 percentage points higher than the national average. However, small and medium-sized enterprises and craft firms are well represented.

Accordingly, the NPCI that was approved by the Commission on 22 October focuses primarily on economic development. It has four objectives:

- to modernize transport;
- to preserve economic activities that help to safeguard the rural environment;
- to develop tourism;
- to develop the area's indigenous potential

NPCI - Nord/Pas-de-Calais (France)

This programme concerns the Nord/Pas-de-Calais coal and steel areas⁷, which take in the five municipalities of Béthune, Lens, Douai, Valenciennes and Avesnes (38% of the region's population). It has the following main objectives: industrial development, development of craft firms, environmental improvement through the reclamation of derelict industrial sites, and development of facilities for initial and continuing training.

The programme comprises two subprogrammes:

- an environmental improvement subprogramme for redeveloping some 500 ha of derelict land, setting up a 40 ha industrial estate, rehabilitating business premises, constructing new industrial buildings and establishing recreational areas for tourists;
- an economic development subprogramme aimed at promoting investment in modernization schemes and technology transfer and at developing the craft sector and specific industries.

NPCI - Lozère (France)

This programme is intended to help stem outmigration from the region (14 inhabitants per km²) through improved exploitation of its tourism potential. It comprises two subprogrammes:

- one concerned essentially with the provision of tourist accommodation and infrastructure for tourist services;
- one aimed at improving access by road to local tourist attractions.

NPCI - Auvergne (France)

This region is suffering from a lack of infrastructures. It will also have to modernize its small-scale industries and agriculture. The following operations are planned under this NPCI/IDO⁷ :

- improvements in road communications;
- economic development;
- development of tourism;
- expansion of training facilities.

NPCI - Limousin (France)

The development of this region is lagging behind for many reasons, the most important being population decline, geographical isolation, the tendency for people to move away from rural areas, inadequate local exploitation of agricultural products, underexploitation of forestry potential and obsolescence of productive equipment in industry (porcelaine, textiles, leather).

The ERDF is providing assistance under this NPCI/IDO⁷ in support of the following objectives:

- developing the timber industry;
- maintaining and improving the competitiveness of businesses;
- promoting technology transfers;
- developing a policy on tourist products;
- speeding up improvements in communications with the rest of the country.

NPCI - Bretagne Centrale (France)

The socio-economic indicators for this area present a much less favourable picture than those for the region of Brittany as a whole, which itself falls below the national average. In addition to population decline and the drift from the land, structural difficulties are being encountered in agriculture, the agro-industry and the craft sector.

⁷ See chapter 2.4 concerning integrated development operations (IDOs).

This NPCI/IDO⁷ aims to foster the development in the area (36 districts) by improving road communications, modernizing agricultural structures and the agro-industry, and developing the timber industry and tourism.

NPCI - Tarn-Aveyron (France)

The eastern part of the department of Tarn and the southern part of the department of Aveyron constitute a particularly isolated area in the Massif Central. The following measures are planned under this NPCI/IDO⁷:

- forestry exploitation;
- development of stockfarming-related industries (wool, leather);
- development of tourism.

NPCI - Réunion (France)

Réunion is the most heavily populated overseas department (550 000 inhabitants). Because of the distance from mainland France and its rate of unemployment (35% of the labour force), it lags significantly behind the other regions in France and the Community in terms of development. This NPCI/IDO comprises a package of measures and investments aimed at improving the situation on the island and its economic dynamism.

These include:

- a major water-distribution project in the west of the island;
- the establishment of craft estates and short-lease factories and workshops;
- the construction of holiday villages and measures to develop tourism;
- the construction of road infrastructures;
- measures to exploit indigenous development potential and to improve the provision of vocational training.

NPCI - Limburg (Belgium)

This programme, which covers the period 1987-91, forms part of an integrated development operation (IDO) for the province of Limburg, where industrial employment has undergone a sharp decline. It aims to foster socio-economic development, to raise the level of employment and to encourage the exploitation of natural resources.

A strategy for identifying marketing outlets is being formulated at the moment in support of these objectives. It will comprise the following:

- measures to boost industrial growth and to diversify the economic structure
- measures to expand the service sector, and in particular tourism;
- indirect improvements in the socio-economic structure through development of basic scientific infrastructures in the field of applied technological research, industrial infrastructures and vocational training facilities.

On the employment front, the basic objective is to bring about a substantial reduction in unemployment in Limburg by 1995.

NPCI - Westhoek (Belgium)

This five-year programme covers the Westhoek area, which takes in the districts of Diksmuide, Ieper and Veurne. It aims to increase the area's prosperity by boosting employment, expanding service infrastructures and preserving an attractive environment.

The development strategy intended to underpin these objectives involves the following:

- development of industry;
- expansion of tourism activities;
- improvements in communications infrastructures;
- improvements in water supplies and waste-water treatment;
- provision of vocational training facilities.

As to the employment situation, the aim is to reduce unemployment to 5% of the labour force, requiring the creation of some 12 000 new jobs during the period covered by the programme.

NPCI - Road development (Ireland)

This programme, which covers the entire country, aims to develop and improve the national and major interurban road network (primary and secondary roads).

The overall objective is to promote economic growth and exploit regional development potential by improving traffic flows through the establishment of an adequate interurban system for the major towns, ports and airports in the country and through the elimination of traffic bottlenecks and the reduction in urban congestion.

Minimum standards have been adopted for the roads to be developed under the programme. The most important are:

- a target speed of 80 km per hour for interurban travel;
- a 20-year design horizon for traffic growth;
- a minimum standard of 7.3 metres for single carriageways with two 3m hard shoulders (dual carriageways and motorways will be examined once traffic flows impose the need for higher standards);
- adaptation of all roads and bridges to the vehicle weights and dimensions laid down in current Community directives.

The projects to be financed during the programme period comprise the provision of 121 km of motorway or dual carriageway and the upgrading to two-lane road standard of a further 200 km of national routes.

The five-year programme is not intended as a job-creation measure in itself, its objective being to develop the type of environment conducive to the setting up and growth of firms in Ireland and to ensure that such firms are not penalized by an inefficient road network. Even so, it is estimated that expenditure under the programme will provide 17 000 man-years of work.

NPCI - Birmingham (United Kingdom)

This NPCI is the main instrument of Community assistance under a forthcoming integrated action programme for Birmingham and the West Midlands and involves the participation of Birmingham City Council, the Severn-Trent Water Authority, the West Midlands Passenger Transport Executive, the Midlands Electricity Board, British Rail and the British Waterways Board.

Birmingham is the second-largest city in the United Kingdom. It has experienced a decline in its traditional industries, particularly in manufacturing, where job losses (190 000 between 1971 and 1984) have been considerable and where unemployment is very high. Its infrastructures (roads, transport services, water supply and sewerage) are inadequate and the city suffers from pronounced urban deficiencies.

Birmingham has witnessed a sharp fall in employment and a net decline in population as a result of specific factors arising from its location at the heart of the West Midlands industrial conurbation. These include the dominance of the city's manufacturing industry by large firms, a lack of good-quality land and modern buildings, a low level of investment in technological development and its image as a declining industrial city.

Three main growth areas have been identified: business tourism, high technology and small businesses.

Six main action programmes have been drawn up for this NPCI:

- an economic action programme to stimulate economic recovery through the rehabilitation and redeployment of obsolete industrial premises and the provision of new high-quality business environments;
- a communications action programme to promote economic prosperity and regeneration through improvements in communications both between and within the various industrial, commercial and tourist areas as well as through improvements in public transport networks and in road, rail and air links for industry and commerce;
- a tourist action programme to maximize employment opportunities through the development of business tourism and associated tourist activities;
- a business development programme to foster job creation by encouraging business start-ups and by strengthening and expanding existing small businesses;
- an environmental action programme to improve the physical environment with a view to stimulating both public and private investment in the private sector;
- a manpower action programme to update the skills of the local workforce so that it is able to benefit from future employment opportunities.

NPCI - West Lothian (United Kingdom)

Overall, the programme aims to secure the economic regeneration of the area through the establishment of appropriate infrastructures for attracting industry and promoting tourism. The main priorities are:

- to provide increased employment opportunities by attracting new industries to the area, by encouraging exploitation of indigenous potential, by developing tourism, by assisting existing small and medium-sized enterprises and by providing training and retraining facilities;
- to improve the area's image by clearing away derelict industrial buildings in order to create a more attractive environment for new industries and tourism.

These priorities will be achieved by implementing four key sets of measures:

- strategic services: provision of the infrastructure needed to promote growth, among other things in the fields of transport, water supply and sewerage, waste disposal and electricity supply;
- industrial development; provision of industrial sites and small workshops;
- employment: improvements in technical training, and provision of information and advisory services (Article 15 of the ERDF Regulation);
- tourism: development and improvement of areas with tourism potential through the provision of better information and more effective promotion of the area.

It is estimated that, by improving the opportunities for industry in the area, the projects financed by the ERDF under this programme will create some 4 000 new jobs. Investments in tourism could create a further 800 jobs and lead to an increase in tourist spending in the area of 8 million, or 5% a year.

NPCI - Asturias (Spain)

The first programme to be approved in Spain concerns the central part of Asturias, an area in which extensive restructuring of the coal and steel industries is under way. It represents a concerted effort to devise a development strategy based on:

- improvement in the region's physical environment and image, which have been severely affected by cases of water and soil pollution, the aim being to attract national investment; river banks suffering from pollution caused by emissions from the coal industry will be cleaned up, industrial waste treated, derelict sites cleared, slag-heaps removed, etc.;
- action to remedy basic infrastructure shortcomings that are hampering new investment; roads will be widened and improved in this extremely mountainous area and an adequate supply of treated water will be provided;
- promotion of new job-creating economic activities. It is hoped that the programme will create or safeguard more than 1 800 jobs. Industrial estates (including a technology park) covering 200 ha will be developed and new tourist facilities will be opened on the coast and in the mountains. Small and medium-sized firms will enjoy improved access to new technologies, foreign markets, capital investment and new services.

NPCI - Aid scheme (Portugal)

This programme is mentioned here only for the record since it was effective only in 1988 following approval in November 1987. It concerns part-financing for a regional aid scheme in Portugal, the Community contribution being 247 million ECU.

The scheme is in three parts: aid for industry(SIPE), contribution to economic development, and reduction of regional disparities. It should make it possible to create or safeguard some 27 000 jobs.

TABLE 5.
Commitments for national programmes of Community interest approved in 1987

Member State	NPCI	(Mio ECU)	
		Commitments 1987	Total allocation
B	Limburg (IDO)	3.50	32.38
	Westhoek	1.41	11.60
DK	Start Lolland	0.56	5.03
GR	Nisoi Agaiou (IMP)	9.52	114.44
	Ana. kai Kedr. Ellas (IMP)	9.35	159.83
	Informatics (IMP)	1.44	26.58
	Voria Ellas (IMP)	28.71	150.24
	Pelop. Dyt. Ste. Ellas (IMP)	25.91	153.04
E	Asturias	4.32	146.58
F	Auvergne (IDO)	16.22	39.64
	Bretagne Centrale (IDO)	4.06	37.83
	Ile de la Réunion (IDO)	13.01	75.71
	Limousin (IDO)	15.74	39.18
	Nord-Pas-de-Calais	15.01	49.80
	Charente-Maritime	2.80	14.25
	Lozère	2.40	8.55
	Aquitaine (IMP)	8.65	25.70
	Ardèche (IMP)	1.35	3.32
	Corse (IMP)	13.80	18.96
	Languedoc-Roussillon (IMP)	14.17	32.34
	Midi-Pyrénées (IMP)	9.50	20.16
	IRL	Road Development	52.63
IT	Molise (IMP)	1.72	17.03
UK	Birmingham	21.50	164.27
	West Lothian	1.66	38.75
EUR	Total	278.94	1 635.54

2.2.3 Progress with NPCIs approved before 1987

The programmes approved before 1987 are progressing satisfactorily. Monitoring committees bringing together the various parties concerned have been set up to keep track of programme implementation. The partnership established through these committees between the local, regional, national and Community authorities makes it easier to coordinate the various measures taken and to identify bottlenecks and devise ways of removing them. It should also make it possible to adapt the programmes, in keeping with the agreed objectives, whenever changes in the situation so demand. In addition, the committees are proving to be a useful source of experience with a view not only to improving gradually the programme-based method of assistance but also to promoting better understanding among the various partners of the Community policies being implemented in the areas covered by the programmes.

Whereas, initially, the programme proposals were experimental in nature, the positive experience to date has meant that virtually all Member States now have programmes that have been approved or are already being implemented. By the end of 1987, all twelve of them had submitted applications for NPCI financing in respect of either independent programmes or ERDF components of IDOs or IMPs.

- In the **United Kingdom**, seven programmes were approved before 1987. The local authorities concerned have shown considerable interest in them. Although all the partners have experienced difficulties in setting in place this relatively new tool for regional policy assistance and management, there have not been many implementing delays. Compared with the initial timetables, the only change so far has been a one-year extension in the Tees Corridor programme. The Mersey Basin programme was completed during the year and all the appropriations for the programme for Glasgow are expected to be used up by the end of 1988.
The initial enthusiasm for the programme approach has not been blunted by the severe problems encountered and, by and large, progress has been satisfactory. During the year, the Commission was represented at thirteen meetings of the coordination committees across the United Kingdom.
- In the **Netherlands**, the NPCI for Oost-Groningen/Oost-Drenthe, which is part of an IDO and was approved in December 1986, got under way in 1987. This first experiment with the programme approach in the Netherlands has proved highly satisfactory.
- In **Denmark**, the Nordtek NPCI in the county of North Jutland is running according to schedule. The initial results are very encouraging. The direct involvement of the local and regional authorities in the economic development of their region is regarded as one of the major benefits of this type of ERDF operation.
- The **French** NPCIs adopted at the end of 1986 were launched in 1987. They include the programme for Decazeville (in the north of the department of Aveyron), the programme for the French part of the European development pole, and programmes forming part of integrated development operations approved on 16 December 1987 for the area of Est Tarn-Sud Aveyron, the department of Ariège and the region of Lorraine. Monitoring committees have been set up under the programmes to keep track of and assess progress with the planned operations and works. They are to meet at least twice a year under the responsibility of the authorities in the region or department concerned. Each of the monitoring committees for the aforementioned programmes held one meeting in 1987, at which the Commission was represented. These meetings took stock of the work to date, resolved difficulties encountered in getting certain measures off the ground and determined whether the rate of utilization of the ERDF appropriations intended as part-financing and hence counted upon by the regions concerned was consonant with the progress being made.

TABLE 6.
Commitments in 1987 for national programmes of Community interest
approved before 1987

(Mio ECU)			
Member State	NPCI	Total allocation	Commitments 1987
B	Pôle européen de développement	39.93	8.87
DK	Nordtek	12.10	2.52
GR	Kriti (IMP)	85.73	19.85
L	Pôle européen de développement	4.86	0.97
NL	Groningen/Drenthe	23.32	5.27
UK	Glasgow	92.31	74.95
	Shildon Newton/Aycliff	24.46	7.93
	Tayside	28.08	9.13
	Tees Corridor	25.53	11.66
EUR		336.32	141.15

2.3 Specific Community measures

Article 45 of the ERDF Regulation enables the specific Community measures referred to in Title III of the revised 1975 Regulation and instituted by the Council before 1 January 1986 to be continued. However, Article 4(3), which sets ranges for the use of ERDF resources, does not apply to resources intended to cover budget commitments still to be entered into for the execution of such measures.

2.3.1 The special role of specific Community measures

Specific Community measures were first introduced by the Community in 1980 and their scope extended in 1984 and 1985. The measures are taken on the Commission's initiative and contribute to solving regional problems for which the Community bears a special responsibility, this means that they focus on regions affected by the consequences of decisions and measures taken under other Community policies. They are implemented in the form of special programmes approved by the Commission; as the programmes are spread over five years, those adopted under the Regulations of early 1984 run until 1989, and those adopted under the Regulations of late 1985 until early 1991.

- Specific Community measures were innovative in three major ways:
 - They constituted the first application of the programme approach, to be used alongside the traditional approach of individual project financing;
 - They introduced for the first time into the Community's regional policy the notion of and measures for development of indigenous potential, with a view to improving the economic environment for business; their aim is to prepare and supplement measures in support of investment.
 - They enabled the Commission to take the initiative and launch regional measures defined in a Community context; previously, ERDF-financed measures had all been projects presented on the initiative of the Member States.

These features go some way towards explaining why implementation has in some cases run into difficulties and fallen behind schedule.

- It should be remembered that the specific aims of these Community measures⁸ are:
 - the development of certain French and Italian regions in the context of the enlargement of the Community to include Greece, Spain and Portugal, and of certain Greek regions in the context of enlargement to include Spain and Portugal - Council Regulation (EEC) No 2615/80, as amended by Council Regulation (EEC) no 214/84 and expanded by Council Regulation (EEC) No 215/84;
 - overcoming constraints on the development of new activities in certain areas adversely affected by sectoral problems, i.e.:
 - ▲ restructuring of the steel industry - Council Regulation (EEC) No 2616/80, as amended by Council Regulation (EEC) No 216/84; Commission Decisions of 30 May 1984, 10 September 1984, 3 October 1984, 11 June 1985, 7 March 1986 and 27 May 1986;
 - ▲ restructuring of the shipbuilding industry - Council Regulation (EEC) No 2617/80, as amended by Council Regulation (EEC) No 217/84 and 3635/85;
 - ▲ restructuring of the textile and clothing industry - Council Regulation (EEC) No 219/84, as amended by Council Regulation (EEC) No 3636/85;
 - ▲ implementation of the Community fisheries policy - Council Regulation (EEC) No 3638/85;
 - ▲ security of energy supply in mountainous areas of the Mezzogiorno and in the Greek islands - Council Regulation (EEC) No 2618/80, as amended by Council Regulation (EEC) No 218/84.
 - improving the economic and social situation of the border areas of Ireland and Northern Ireland - Council Regulation (EEC) No 2619/80, as amended by Council Regulation (EEC) No 3637/85.

All the members are involved to some extent in these measures except Spain and Portugal, which joined the Community after the Regulations had been adopted.

- These measures enable the ERDF to finance jointly with the Member States concerned a large number of operations tailored to the various regional situations and to the specific solutions to which they are to contribute. The measures involve aid schemes for small business and infrastructure investment (for example redevelopment of run-down sites); but their originality lies in the fact that they mainly seek to exploit the indigenous development potential, providing an economic environment conducive to small business start-up and growth. The ERDF thus helps to finance schemes to provide small firms with sectoral analyses, management advisory services, business advisory services, common services (e.g. incubator facilities) and information; schemes to give them improved access to risk capital; the encouragement of innovation in industry and the service sector, and the promotion of craft industry and tourism in rural areas.
- Altogether the ERDF's planned contribution to specific Community measures over the period 1981-91 is 1 100 million ECU. This total takes account of the Commission's 1987 decision establishing the exact

⁸ OJ no L 271, 15.10.1980; OJ No L 27, 31.1.1984; OJ No L 350, 27.12.1985.

amount of Community appropriations to be allocated to each Member State under Article 2(3) of Council Regulation (EEC) No 2616/80 as amended by Council Regulation (EEC) No 216/84. There remained a balance of 13 million ECU, to be allocated on the basis of actual capacity cuts in the steel industry approved by the Commission as part of restructuring programmes.

TABLE 7.
Planned Community contribution to specific Community measures (1981-1991)

Measure	(Mio ECU)										
	B	DK	D	GR	F	IRL	I	L	NL	UK	Total
Enlargement				40	110		130				280
Steel areas	34		42		69		42	9	8	81	285
Ship-building areas			11		14		12			34	71
Energy				20			39				59
Border areas						48				24	72
Textile areas	8		16		80	3	57		7	105	276
Fischeries		13	9		9					15	46
Total	42	13	78	60	282	51	280	9	15	259	1 089

2.3.2 Special programmes approved in 1987

In 1987 the Commission, after consulting the ERDF Committee, approved another twenty-four new special programmes involving a total of 189.3 million ECU. The programmes were as follows:

Specific measure for steel areas

Two special programmes for the Italian steel areas of Genoa Province (7.3 million ECU in grants) and Livorno (6.1 million ECU in grants). The programmes are to run until 1989. A large proportion of the planned appropriations (60%) will serve to part-finance assistance investment for by small and medium-sized enterprises, administered by the Ministry for Industry, Commerce and Craft Industries; the balance will serve to part-finance operations administered by the various regional authorities, and is divided between site improvement and services for firms.

Specific measure for shipbuilding areas

- Special programme for the Bremen-Bremerhaven labour market area in Germany (8 million ECU in grants). The emphasis is on the development of small and medium-sized enterprises through the improvement of services and through aid for investment.
- Special programme for the assisted areas of the Var and the canton of La Ciotat in France (3.4 million ECU in grants). About 40% of the grants will go to the improvement of run-down sites, 10% to the refurbishment of subsidized housing, and the rest to the improvement of services for small and medium-sized enterprises.

Both programmes are to run until 1991.

Specific measure for textile and clothing areas

- Special programme relating to the district of Mouscron, Belgium (2.4 million ECU in grants), focused on the improvement of run-down sites, notably the large Centr' Expo site intended for small and medium-sized enterprises.
- Two special programmes for the Ahaus-Steinfurt and Bayreuth labour market areas in Germany (12 million ECU in grants). Schedules to run until 1991, these provide for the setting up of technology transfer organizations, counselling for firms, the boosting of investment aid, and the improvement of old industrial sites.

- Special programme running until 1989 to assist areas in the department of Gard, France (5.1 million ECU in grants). The larger part of the programme (80%) concerns support for the improvement of the business environment of firms (innovation, common services, etc).
- Eleven special programmes for textile areas in Italy with total grants of 57 million ECU and running until 1989, covering the following areas: the assisted areas in the provinces of Arezzo, Como, Perugia, Pesaro-Urbino, Pistoia, Treviso and Vercelli in the centre and north of Italy and the provinces of Baria Enna, Lecce and Palermo in the Mezzogiorno. In general, assistance for investment by small and medium-sized enterprises accounts for a significant share (40% in central and northern Italy, and 75% in the Mezzogiorno); most of the balance is devoted to improving services for firms. Responsibility for administering the programmes is divided between the central government (Ministry for Industry, Commerce and Craft Industries and the Ministry for special assistance to the Mezzogiorno) and the regions concerned.

Specific measure for fisheries areas

- Special programme for the fishing areas of Jutland and the Island of Bornholm, Denmark (13 million ECU in grants).
- Two special programmes for the labour market areas of Cuxhaven and Bremerhaven in Germany (9 million ECU in grants).

These three programmes, which are to run until 1991, consist of a set of measures for the redevelopment of port installations for purposes other than fishing (tourism, multiple uses) and for the promotion of new activities (marinas, camping sites, leisure parks, analysis of development potential, assistance for investment by small and medium-sized enterprises, and environmental schemes).

Specific measure for the improvement of the security of energy supply

The amended special programme relating to energy operations in the mountain areas of the Mezzogiorno provides for ERDF assistance of 34 million ECU, to be added to that granted under an earlier programme (5 million ECU) approved in 1981. The amended programme concerns the provision of energy infrastructures in all the categories covered by the Community Regulation except geothermal energy. It concentrates mainly on solar energy (28%), biomass (23%), hydroelectricity (22%) and wind power (17%). About 10% of the ERDF grant serves to finance information measures, feasibility studies and technical initiation operations. A special feature of the programme is that it prepares the ground for larger-scale assistance under the Community's Valoren programme (see Chapter 2).

Specific measure for the border areas of Ireland and Northern Ireland

The amended special programme relating to the border areas of Ireland (32 million ECU in grants) reinforces the measures carried out under an earlier programme adopted in 1981. This additional financing is accompanied by new measures, planned to run until 1991, concerning the extension of the natural gas network to the border areas and wider distribution in the areas already supplied, namely the counties of Donegal, Leitrim, Cavan, Monaghan, Louth and Sligo.

2.3.3 Implementation of current programmes

This section deals with the implementation in 1987 of the special programmes previously approved by the Commission; it describes their progress by specific Community measure and by Member State. A general point to note is that if one or the other programme has fallen behind schedule, it is because of the innovative nature of the specific measures already referred to in point 2.3.1. Also, as regards the specific measure for steel areas, the most recent areas to qualify for assistance were declared by the Commission in 1986 only, which this inevitably reduces the effective duration of the programmes for those areas and thus explains their state of progress. Lastly, the Member States, in order to enhance efficiency in carrying out the special programmes have increasingly accepted that coordinating committees should be set up and should meet regularly, and this will lead to improved monitoring of operations.

Specific "enlargement" measure

This measure, to which 280 million ECU, has been allocated contribute to the development of certain regions in Greece, France and Italy in the context of the Community enlargement. It is based on Regulation (EEC) No 2615/80, as amended by Regulation (EEC) No 214/87, and Regulation (EEC) No 215/84. The special programmes are due to expire in March 1989.

- Special programme for the Greek Islands

The special programme (40 million ECU) for the period 1985-89 was approved in 1984. The principal measures concern the development of small and medium-sized enterprises, small-scale tourism, communications between the islands and with the mainland, and environmental projects. At the end of 1987 commitments stood at 16.4 million ECU (or 40% of the total allocation) and payments at

13.9 million ECU. The measures where most progress has been made in relation to the initial forecast are the development of tourism and, as a corollary, communications with the islands. Further talks with the authorities responsible for the programme have been held in order to speed up progress.

- Special programme for the regions of Aquitaine, Languedoc-Roussillon and Midi-Pyrénées in France.

This amended special programme was approved by the Commission in 1986. It has an allocation of 71.6 million ECU and covers the period 1985 to 1989. The four measures in the programme concern the development of small and medium-sized enterprises, innovation, craft industries and rural tourism. At the time the amended programme was approved, the French authorities had not yet used all the appropriations committed under the first special programme (38.4 million ECU). Up to the end of 1987, most of the operations conducted in the three regions concerned were therefore settled by the Commission out of the old commitments. To these was added in 1986 an advance of 60% on the first annual tranche for the amended programme. Compared with the forecasts, therefore, progress on this special programme continues to be slow. Two meetings of the coordinating committee, whose task it is to monitor and assess progress, were held early in 1988 to speed up, if possible, implementation of the operations before the programme is due to expire.

- Special programme for the regions of the Mezzogiorno in Italy

The amended special programme, assisted with a grant of 96.2 million ECU for the period 1985-89, was approved by the Commission in 1986. The planned measures cover the same fields as the programme described above. In 1986 the commitments contracted by the Italian authorities matched to the amount which the Commission had itself committed in respect of the first programme, i.e. 33.8 million ECU. In 1987 implementation continued slowly, with the result that the programme will not be completed on time. One main reason is the political and administrative difficulties experienced by the organization responsible for the programme and, more generally, all the organizations in charge of specific assistance operations in the Mezzogiorno.

Specific measure for steel areas

This measure, introduced in 1980 and strengthened from 1984 onwards, is intended to contribute to the development of new economic activities in the areas of the Community worst hit by restructuring of the steel industry, restructuring which in 1987 resulted in the loss of some 30 000 additional jobs across the Community. This regional conversion measure, which has been allocated 285 million ECU, is based on Regulation (EEC) No 2616/80, in progress as amended by Regulation (EEC) No 216/84. Programmes in 1987 related to areas in Belgium, Germany, France, Luxembourg, the Netherlands and the United Kingdom. They are due to expire in March 1989.

- Steel areas in Belgium

The amended special programme was approved by the Commission in 1986, the grant being 33 million ECU. The programme concerns the provinces of Hainaut, Liège and Luxembourg; it comprises both horizontal measures (site improvement, subsidized housing, innovation and assistance for investment by small and medium-sized enterprises) and vertical measures administered by local business (operation 3E in Charleroi, a business start-up company (SOCRAN) in Liège, and a project development centre in Arlon). Coordination of the programme as a whole is the responsibility of the Ministry for the Wallonia Region. Implementation of the programme has fallen behind schedule, partly because of the time needed for preparation and because of the difficulties associated with the novelty of the measures being carried out. Nevertheless, certain impediments to the establishment of administrative procedures were removed in 1987 and an initial effort to catch up is being made. About 12.2 million ECU have been committed by the Commission, or 36% of the total allocation. Measures relating to run-down sites and subsidized housing have so far accounted for most of these. Of the horizontal measures for encouraging technological innovation, the most original is the introduction of innovation technology managers in firms - by the end of 1987 about 75 projects were being carried out under this head, resulting in the creation of some 200 jobs. As to vertical measures, special emphasis was placed in 1987 on the promotion of services supplied and on business counselling. The committee monitoring the special programme met on 10 November 1987; it examined progress and proposed a few minor adjustments.

- Steel areas in Germany

Current special programmes concern the Saarland (approved in 1984; 13 million ECU in grants), the labour market areas of Bochum, Dortmund and Duisburg in North Rhine-Westphalia (1985; 22 million ECU in grants), those of Braunschweig/Salzgitter and Osnabrück in Lower Saxony (1985; 5.7 million ECU in grants), and those of Amberg and Schwandorf in Bavaria (1985; 1.3 million ECU in grants).

The content of these programmes obviously depends on the situation of the regions and the regional policy principles applied at national level ("Gemeinschaftsaufgabe"). Consequently, a considerable proportion of the appropriations is allocated to the improvement of run-down industrial sites and to assistance for investment by small and medium-sized enterprises. At the end of 1987, the programmes for the Saarlands and Bavaria had largely reached the stage indicated in the initial forecast (84% and 91% respectively of

the assistance having been committed); delays had occurred in the other programmes, however, notably those for the areas in Lower Saxony. The measures which attracted fewer applications from small and medium-sized enterprises related to sectoral analyses and risk evaluation; progress was more satisfactory, however, as regards site improvement. Overall, commitments at the end of 1987 stood at 23.6 million ECU, or 56% of grants approved, and payments at 18.6 million ECU.

- **Steel areas in France**

The special programmes in progress were approved by the Commission in 1986 and concern the departments of Moselle and Meurthe-et-Moselle in Lorraine (32.2 million ECU in grants), the Nord/Pas-de-Calais region (21 million ECU), the districts of Charleville-Mézières and Sedan in Ardennes (7 million ECU) and the district of Autun and Charolles in Saône-et-Loire (6.8 million ECU). Whereas a considerable proportion, though not all, of the appropriations earmarked for Lorraine and Nord/Pas-de-Calais are devoted to the improvement of run-down sites (derelict industrial areas) and to investment assistance, the other two programmes place more emphasis on measures to assist the business environment of small and medium-sized enterprises SMEs (services for firms). Overall, commitments by the Commission at the end of 1987 stood at 37.4 million ECU, or 56% of all planned assistance, and payments at 23.8 million ECU. The special programme for Saône-et-Loire followed the original schedule fairly closely (70% of the grant committed), but the other three programmes were behind schedule, notably because of the time spent on preparation. The coordinating committee met in March 1988 to examine the progress of operations.

- **Steel area in Luxembourg**

The special programme approved in 1986 provides for a grant of 9 million ECU and covers assistance for investment by small and medium-sized enterprises, site improvement and refurbishment of subsidized housing, plus one measure relating to management consultancy for firms and one to innovation promotion. Commitments at the end of 1987 stood at 2.4 million ECU (27% of the total in grants). The main activities in 1987 were the housing improvement and the granting of investment aid. The meetings of the monitoring committee on 1 December 1986 and 24 February 1988 made it possible, in particular, to settle the problems of the link between this special programme with the national programme, also assisted by the ERDF, concerning the European development pole.

- **Steel area in the Netherlands**

This programme, for which the grant is 5 million ECU, was approved in 1985; it concerns the COROP regions of IJmond, Alkmaar and Kop van Noord-Holland. For the most part, the programme consists of measures linked to the reclamation of derelict industrial areas and the stimulation of the business environment of small and medium-sized enterprises. Progress at the end of 1987 was behind schedule to some extent. Commitments were therefore low (15% of the total multiannual grant).

- **Steel areas in the United Kingdom**

The special programme concerning all the areas in the United Kingdom affected by restructuring of the steel industry was approved by the Commission in 1984. The areas covered are those listed in Regulation (EEC) No 216/84. By the end of 1987 commitments stood at 36.7 million ECU (47% of the total allocation) and payments at 29.8 million ECU. The part relating to improved services for firms attracted numerous applications; progress on the improvement of run-down sites, while slightly slower, was steady.

Specific measure for shipbuilding areas

Also introduced in 1980, and subsequently expanded in 1984 and again in 1985, this specific measure has an allocation of 71 million ECU and is designed to contribute to the creation of new activities in the areas hardest hit by restructuring of the shipbuilding industry, areas which are often fairly small. The measure is governed by Regulation (EEC) No 2617/80, as amended by Regulations (EEC) No 217/84 and No 3635/85. The special programmes for the areas in the United Kingdom and Germany are to run until March 1989, while those for the French and Italian areas which have been eligible only since 1985, are due to expire in February 1991. The programmes in progress in 1987 concerned the following areas:

- **Shipbuilding areas in the United Kingdom.**

The amended special programme has an overall allocation of 34 million ECU. It concerns the region of Strathclyde, the counties of Cleveland, Tyne and Wear and Merseyside and the Belfast urban area. At the end of 1987, commitments stood at 21 million ECU, or 62% of the total allocation, and payments at 18.7 million ECU. As in the case of the specific measure for steel areas, there was strong demand for services for small and medium-sized enterprises; site improvement progressed more slowly. The programme's overall progress was satisfactory.

- **Shipbuilding area in Germany**

The special programme was approved in 1985, the grant being 3 million ECU. It concerns the labour market area of Lübeck-Ostholstein in Schleswig-Holstein. Commitments at the end of 1987 stood at 1.5 million ECU. Measures relating to management consultancy and information on innovation for small

and medium-sized enterprises made good progress and have already produced significant results; however, measures relating to site improvement, risk evaluation and sector analyses are being implemented more slowly.

- **Shipbuilding areas in France**

The programme, on which work began in 1987, concerns the department of Loire-Atlantique (excluding greater Nantes); it was adopted in 1986. The planned grant for the period to 1991 is 10.6 million ECU. All the measures provided for in the Community Regulation (excluding housing) figure in the programme, with special emphasis being placed on stimulating the business environment of small and medium-sized enterprises. At the end of 1987, 4.8 million ECU had been committed and 2.9 million ECU paid. Given the time left, it should be possible to complete the planned operations.

Specific measure for textile and clothing areas

This measure was introduced in 1984 and expanded in 1985. It will contribute a total of 276 million ECU to overcoming constraints on the development of new economic activities in certain areas adversely affected by restructuring of the textile and clothing industry. Regulation (EEC) No 219/84 provided for special programmes for textile areas in Belgium, France, Ireland, Italy, the United Kingdom and the Netherlands, the expiry date being March 1989; Regulation (EEC) No 3636/85 added areas in Germany and amended the expiry date to February 1991. Programmes in progress in 1987 concerned the following areas:

- **Textile areas in Belgium**

A special programme was approved in 1986 for the districts of Aalst and Oudenaarde (5.6 million ECU in grants). Implementation of this first programme is coordinated by the Regional Development Corporation for Western Flanders (GOMOV). In 1987 work was in progress on the initial improvement of three large run-down sites (the Keizershallen and Le Lion d'Or complexes in Aalst, and the Oude Industriezone in Ninove) and the full-scale launch of the Mentor sub-programme concerning various services for firms. The monitoring committee examined progress at its meeting on 26 May. Although operations are proceeding satisfactorily, the level of commitments to date is still relatively low.

- **Textile areas in France**

The special programmes, for the most part approved in 1986, related in 1987 to all or part of the following areas: the Nord/Pas-de-Calais region (28.6 million ECU in grants); the Vosges (14.6 million ECU); the Loire and the assisted areas in Ardèche (14.0 million ECU); the assisted areas in Alsace (5.3 million ECU); the assisted areas in the department of Somme and the cantons of Catelet and Bohain in Aisne (4.7 million ECU); Ariège and Tarn (6.9 million ECU). Responsibility for implementation of the programmes lies with the Préfets of the regions or departments concerned. Except for the programme for Nord/Pas-de-Calais, a good start was made on implementation in 1987. ERDF assistance either supplements the financing of measures initiated by the public authorities concerned (e.g. by the municipalities in the case of the reclamation of derelict industrial areas) or went as direct aid to firms under the policies for assisting small and medium-sized enterprises under existing machinery (e.g. through FRAC (Fonds régional d'aide au conseil) or MECA (Machines et équipements de conception avancée). Commitments at the end of 1987 had built up to 28.7 million ECU or 39% of the total grant planned. The coordinating committee for all these programmes met on 11 March 1988 to make an initial assessment, given that the programmes are due to expire in March 1989.

- **Textile areas in Ireland**

Approved in 1986, the special programme concerns the planning regions of Donegal, Northwest and West, the total grant being 3 million ECU. At the end of 1987 commitments amounted to 0.7 million ECU, or 23% of the multiannual grant; implementation is still fairly slow at the moment.

- **Textile areas in the United Kingdom**

The special programme, approved by the Commission in 1984, has an allocation of 105 million ECU; it concerns Northern Ireland, Tayside, the textile areas in the counties of West Yorkshire, Lancashire and Greater Manchester. In progress since early 1985, the programme had, by the end of 1987, absorbed commitments amounting to 45% of the total grant. Payments came to 33.6 million ECU. The parts relating to the improvement of run-down sites obviously take more time to implement than those for the improvement of services supplied to small and medium-sized enterprises, for which local demand was strong.

- **Textile areas in the Netherlands**

The Community measure applies to the COROP gebied of Twente and to the textile area of Helmond. Approved in 1984, the special programme is to receive a total grant of 7 million ECU. Operations are proceeding smoothly and are on schedule. The main achievements have been the improvement of various run-down sites and the establishment of various services for firms, in particular for new entrepreneurs. In Twente, the technological park linked with the University is being built. Commitments at the end of 1987 counted for 39% of the total grant, or 2.7 million ECU.

Specific measure for fisheries areas

Adopted by the Council in 1985 under Regulation (EEC) No 3638/85 this measure has a total allocation of 46 million ECU and has as its objective the development of new economic activities in certain areas affected by the implementation of the Community fisheries policy. The areas concerned are in Denmark, Germany, France and the United Kingdom. The special programmes are to run until February 1991. Programmes in progress in 1987 related to the following areas:

- **Fisheries areas in France**

The special programmes approved in 1986 concerned the districts of Lorient and Quimper in Brittany (6 million ECU in grants) and the district of La Rochelle in Charente-Maritime (3 million ECU in grants). The measures implemented relate to the development of fishing ports, the improvement of the economic environment of small and medium-sized enterprises and the promotion of tourism. Implementation of the programmes is the responsibility of the Préfets of the regions or departments concerned. Commitments at the end of 1987, after the first effective year of implementing the two programmes amounted to 5.1 million ECU; payments were 3 million ECU. The rate of implementation is therefore satisfactory.

- **Fisheries areas in the United Kingdom**

With an allocation of 15 million ECU, the special programme approved by the Commission in 1986 concerns the travel-to-work areas of Blackpool, Hull and Grimsby. In 1987 no new commitments were made; those in 1986 amounted to 2 million ECU.

Specific measure concerning energy development in certain regions in the south-east of the Community

Introduced in 1980 by Regulation (EEC) No 2618/80 and renewed in 1984 by Regulation (EEC) No 218/84, this measure is intended to contribute to improving the security of energy supply in the mountain areas of the Mezzogiorno regions and in the Greek islands. The programmes are due to expire in March 1989.

- **Mountain areas of the Mezzogiorno**

Under the first special programme (1981) it was possible to commit only 5 million of the 16 million ECU allocated. The programme, whose progress had been blocked for several years, was amended in 1987 (see point 2.3.2). Implementation has run into serious problems, notably because the territorial scope is too limited (existing potential too low).

- **Greek islands**

The programme was approved in 1984, with an allocation of 20 million ECU, but very few operations were carried out in its first three years. Commitments at the end of 1987 amounted to only 2.9 million ECU. The operations fall into three groups: measures carried out by the public electricity corporation, DEI, with regard to geothermal energy, wind power, solar energy and hydroelectricity; the integrated energy programme for Naxos; and studies and projects by the Greek Bank for Industrial Development (ETVA). The geothermal projects have long been troubled by technical problems (brine take-off). More generally, the main projects in the programme are taking much longer to prepare than initially expected.

Specific measure for the border areas of Ireland and Northern Ireland

This measure was introduced in 1980 by Regulation (EEC) No 2619/80, and subsequently expanded in 1985 by Regulation (EEC) No 3637/85, the total grant of 72 million ECU being for the improvement of the socio-economic situation in these border areas.

The first two programmes approved in 1981 were allocated 16 million ECU for the areas in the Republic of Ireland and 8 million ECU for those in Northern Ireland. At the end of 1987 all commitments for these first two programmes had been made.

The new special programme for the border areas of Northern Ireland was adopted in 1986 (commitment of 1.9 million ECU), whereas the amended programme for the border areas in the Republic of Ireland was approved in 1987 (see point 2.3.2).

2.4 ERDF participation in integrated development operations in the Community

Under Article 34 of the ERDF Regulation, measures qualifying for ERDF financing that form part of an integrated development approach, such as integrated operations or programmes, may be accorded priority treatment in the management of the ERDF's resources.

The ERDF thus contributes, in the form of National Programmes of Community Interest (NPCIs), to the funding of Integrated Development Operations (IDOs) and Integrated Mediterranean Programmes (IMPs). The latter are covered by Council Regulation (EEC) No 2088/85.

2.4.1 Integrated development operations (IDOs) applied for and approved in 1987

An integrated development operation consists of a coherent set of public and private measures and investments with the following features:

- they relate to a limited geographical area affected by particularly serious problems, holding back the region's development;
- the Community, through the joint use of various structural financial instruments, and the national and local authorities in Member States contribute in a closely coordinated manner to their implementation.

In 1987, the Commission approved integrated development operations in the following areas: Oost-Groningen/Oost Drenthe (Netherlands) and Auvergne, Limousin, eastern Tarn/southern Aveyron, Ariège, Central Brittany and Réunion (France).

Under these integrated development approaches, the Community contribution can come from the structural Funds (ERDF - through a national programme of Community interest; ESF; EAGGF Guidance Section) and from other financial instruments (EIB; fisheries; ECSC measures, etc.). In the case of the structural Funds, measures that form part of an IDO are financed by way of priority.

The ERDF component of these integrated operations has already been described in Chapter 2.2.

In 1987 the Commission also received official proposals for integrated development operations in the following areas:

Nordtek (Denmark)
Schleswig-Holstein (Germany)
Central Brittany (France)
Bradford, Manchester/Salford/Trafford, Strathclyde, Dyfed/Gwynedd/Powys, Humberside/South Yorkshire (United Kingdom).

2.4.2 The integrated Mediterranean programmes (IMPs)

The IMPs are multiannual programmes intended to improve socio-economic structures in Community regions and focused in particular on investment in the productive sector, the creation of infrastructure and better use of human resources. They concern various sectors of economic activity: agriculture, fisheries, crafts, building and public works, tourism, etc.

The IMPs cover:

- the entire territory of Greece;
- in France⁹, the regions of Languedoc-Roussillon, Corsica, Provence-Alpes-Côte d'Azur, Aquitaine and Midi-Pyrénées, and the departments of Drôme and Ardèche;
- in Italy⁹, the whole of the Mezzogiorno (including Lazio), the regions of Liguria, Tuscany, Umbria and Marche, the slope of the Apennines located in Emilia-Romagna, and - for agriculture measures - the lagoons of the northern Adriatic between Comacchio and Marano Lagunara.

France

In July 1987, the Commission adopted a set of integrated Mediterranean programmes for France.

The purpose of the programmes is to improve economic structures in the French Mediterranean regions to help them adjust to the new situation created by the enlargement of the Community to include Spain and Portugal. The total cost of the seven IMPs is put at 1 230 million ECU in 1986-88, with the Community contributing 360 million ECU (Aquitaine: 60 million ECU; Midi-Pyrénées: 66 million ECU; Languedoc-Roussillon: 90 million ECU; Provence-Côte d'Azur: 70 million ECU; Corsica: 40 million ECU; Drôme: 13 million ECU; Ardèche: 12 million ECU). The programmes comprise measures in agriculture and forestry, industry and research, tourism, vocational training and infrastructure.

⁹ Various large French and Italian conurbations are excluded: Bordeaux, Toulouse, Marseille, Genoa, Florence, Rome, Naples and Palermo

The ERDF contribution to the programmes in the form of NPCIs comes to about 100 million ECU, comprising 32 million ECU for Languedoc-Roussillon, 21 million ECU for Midi-Pyrénées, 26 million ECU for Aquitaine, 19 million ECU for Corsica and 3.3 million ECU for Ardèche.

Italy

On 23 December 1987, the Commission approved the first IMP for the Mezzogiorno, which covers the entire Molise region for the period 1987-92.

The total cost of the IMP is 93.4 million ECU, with the Community contributing 43 million ECU (46%), of which ERDF assistance (NPCIs) accounts for 17 million ECU or 39%.

The ERDF assists small businesses and craft firms with financial engineering measures (risk capital, guarantees, leasing) and the provision of equipment for craft estates and advanced services to small businesses.

In inland areas, ERDF measures to promote tourism involve creating and restructuring accommodation infrastructure, and improving tourist and cultural circuits.

Greece

The Commission has adopted the full set of integrated Mediterranean programmes for Greece in their final form. These programmes will lead to an improvement in socio-economic structures in Greece, making it easier for the country to adjust to the new conditions created by the enlargement of the Community. The total cost of the Greek IMPs (including the IMP for Attiki) for the seven years from 1986 to 1992 is put at about 3 215 million ECU. Community assistance to be allocated to these programmes comes to about 1 837 million ECU, or 57% of the total cost. EIB and NCI loans are to fund 28% of total expenditure.

The ERDF contribution to the IMPs as a whole in the form of NPCIs totals about 691 million ECU, broken down as follows: IMP for Crete: 85.8 million ECU; sectoral IMP for information technology: about 26.5 million ECU; IMP for northern Greece: about 150 million ECU; IMP for the Peloponnese and western Greece: 153 million ECU; IMP for the Aegean islands: 114.4 million ECU; IMP for east central Greece: 160.4 million ECU. The intensity of ERDF aid varies from 60 ECU per capita in northern Greece to 172 ECU per capita in Crete.

2.4.3 Preparatory studies for integrated operations

Budget item 5410 enables the Commission, on its own initiative or on the initiative of the Member States, to help finance the studies necessary for launching an integrated operation, in agreement with the Member States concerned.

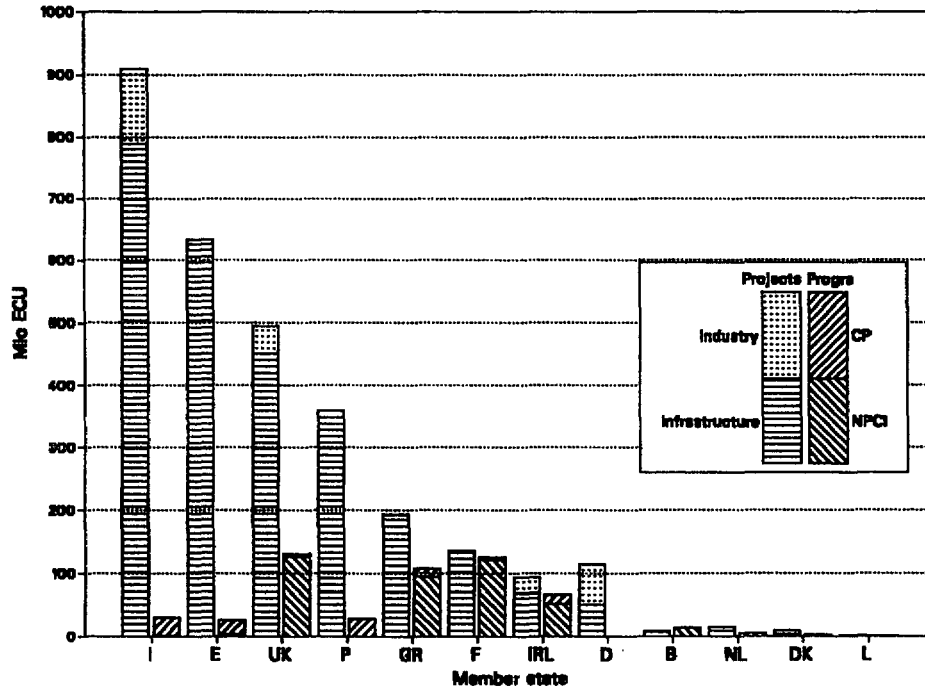
The studies help to analyse the economic and social situation in a given area by devising an appropriate development strategy and proposing a multiannual programme of measures. The programme indicates priority measures, identifies the links between the various projects and the expected synergy and sets out an indicative financing plan drawing on various sources, both national and Community. The studies have led to continuing productive dialogue between local, regional and national authorities and the various Commission departments.

In 1987, the Commission committed a total of some 800 000 ECU to help finance the following seven preparatory studies:

- labour market in Limburg (Belgium)
- Vale do Ave and Sotavento Algarvio (Portugal)
- province of Teruel, region of Lower Guadalquivir, non-urban area of Murcia, inland mountain areas of Galicia (Spain).

Since the introduction of budget item 5 410 in 1982, the Commission has helped to finance 51 preparatory studies; 32 of these have been completed, 14 are in progress and five were subsequently cancelled.

GRAPHIC 2.
Assistance granted in 1987 by country and by type of operation



Chapter 3. Projects

The ERDF contributes to the financing of investment projects 50 000 ECU each:

- in industry, craft industry and services
- in infrastructure.

Regions and areas in which the ERDF may help to finance projects are limited to the assisted areas designated by Member States under their regional aid systems.

3.1 Analysis by sector

3.1.1 Applications for 4 707 projects

For the 1987 budget year, the Member States submitted to the Commission grant applications concerning 4 707 investment projects, with the amount of assistance requested totalling 3 943 million ECU. The table below gives the breakdown by Member State.

TABLE 8.
Breakdown by Member State of grant application for projects in 1987
(Mio ECU)

Member State	Number of projects	Industry, services and crafts	Infrastructure	Total
B	40	2.24	9.44	11.68
DK	83	3.45	4.29	7.75
D	218	50.75	51.78	102.53
GR	168	2.53	490.66	493.19
E	487	-	1 160.40	1 160.40
F	208	6.59	188.41	195.00
IRL	267	39.94	77.39	117.33
I	1 570	179.97	555.22	735.19
L	4	-	3.44	3.44
NL	6	-	14.56	14.56
P	747	-	377.08	377.08
UK	909	95.98	629.48	725.46
EUR 12	4 707	381.45	3 562.15	3 943.61

The number of applications submitted in 1987 was smaller than that for the previous year (6 154), principally on account of the growth of programme financing as a funding method.

The breakdown of applications by sector is as follows:

- infrastructure: 3 699 applications (3 562 million ECU);
- industry, craft industry and services: 1 008 applications (381.5 million ECU).

The current Regulation lays down a number of requirements as regards the information to be supplied in grant applications. The work of the Commission's departments is therefore divided into two main stages:

- stretching from the last quarter of the previous year to the first quarter of the current year, the first stage is devoted primarily to contacts with the Member States to prepare applications and obtain an overall view of the projects that might receive grants over the year;
- taking in the second and third quarters of the current year, the second stage is, in practice, given over to examining most of the applications.

A steady improvement in the quality of grant applications for projects has been observed over the three years that the Regulation has been in force.

3.1.2 3 750 projects approved, with assistance amounting to 2 985 million ECU

In 1987 the Commission adopted decisions granting assistance totalling 2 985 million ECU for 3 750 projects. The breakdown was as follows:

TABLE 9.
Projects assisted in 1987

Member State	Industry, services and crafts		Infrastructure		Indigenous potential		Total	
	Number	Assistance	Number	Assistance	Number	Assistance	Number	Assistance
B	7	1.37	30	7.26	4	1.05	41	9.68
DK	122	5.17	20	4.18	-	-	142	9.35
D	136	63.01	51	51.30	-	-	187	114.31
GR	23	1.49	27	192.43	-	-	50	193.92
E	-	-	309	633.94	-	-	309	633.94
F	37	3.40	65	133.24	35	8.84	137	145.48
IRL	50	24.77	127	69.41	2	0.88	179	95.06
I	122	122.36	1 089	788.12	-	-	1 211	910.48
L	-	-	2	2.32	-	-	2	2.32
NL	-	-	5	15.15	1	0.01	6	15.16
P	-	-	795	359.26	-	-	795	359.26
UK	182	43.64	508	450.19	1	1.84	691	495.67
EUR 12	679	265.20	3 028	2 706.81	43	12.63	3 750	2 984.63

The decisions were divided into ten allocations, of which six were specifically for projects costing less than 5 million ECU each.

The number of projects assisted and the volume of grants made were slightly down on 1986. This is due primarily to the fact that 96% of total assistance (projects and programmes combined) went to projects in 1986, but no more than 84.7% in 1987. Average assistance per project, which this year was slightly less than 800 000 ECU, was up by nearly 12% on 1986. Average assistance was equivalent to nearly one half of national public expenditure and one third of the investments concerned.

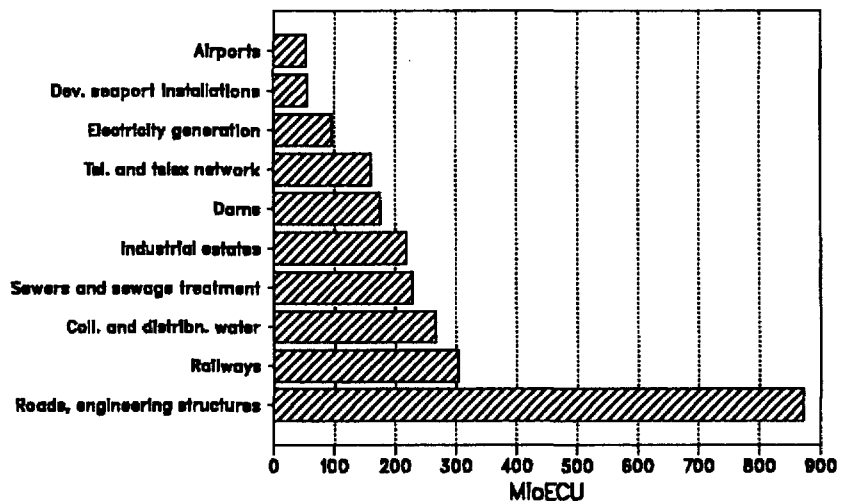
Eight out of ten projects were located in four countries: Italy, the United Kingdom, Portugal and Spain.

Over the period 1975-87, 37 141 projects were approved involving total assistance of nearly 20 000 million ECU.

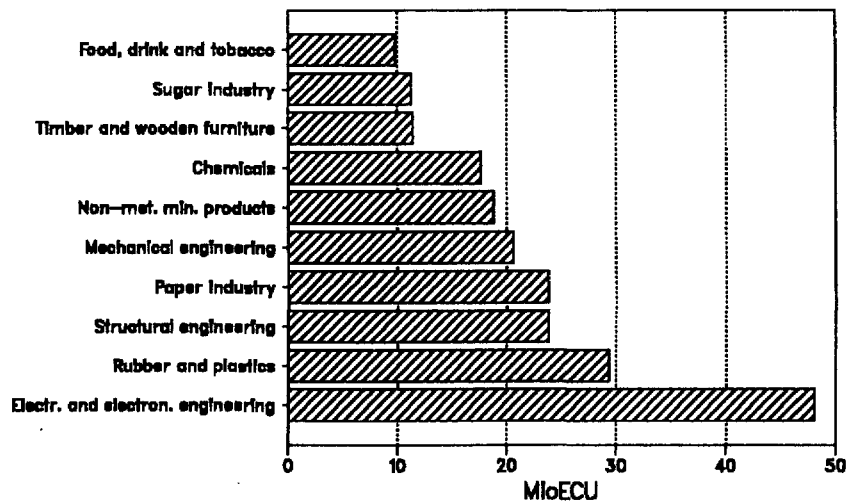
GRAPHIC 3.
Assistance granted in 1987 to the leading ten types of infrastructure and to the leading ten industrial sectors

ERDF, projects

Types of infrastructure



Industrial sectors



3.1.3 91% of aid goes to infrastructure projects

In 1987 infrastructure projects received 2 700 million ECU from the ERDF, i.e. 91% of assistance for projects, a rise of four percentage points compared with 1986.

A higher average rate of contribution

The average ERDF contribution per infrastructure project amounted to 895 000 ECU, or just under half of public expenditure and 40% of total investment costs.

As a proportion of public expenditure, the average ERDF contribution to infrastructure projects was 46%, slightly up (2%) on the previous year. Since 1985 the rate, laid down in the Regulation, has been 50% of the total expenditure met by a public authority or equivalent body where the investment is less than 15 million ECU, and between 30% and 50% in the case of investment projects costing 15 million ECU or more (Article 20(2)). In 1987, the higher rate of 55% was applied in respect of 131 projects located primarily in Portugal (79), Ireland (27) and France (18), with assistance totalling 111 million ECU or 4% of the aid for infrastructure projects.

The largest single grant in 1987 was to a project in Italy. This was 68 million ECU for water disposal in Campania. The average contribution to large projects¹⁰ was 17.5 million ECU, slightly higher than in the previous year.

Transport still in the lead

Three sectors - transport (48%), water engineering (25%) and infrastructure linked to productive activities (9%) - absorbed more than four fifths of the aid granted to infrastructure projects.

In the transport sector, roads and highway structures received 66% of aid, easily outdistancing railway projects and port improvements. The bulk of aid for transport infrastructure projects went to Italy and the United Kingdom.

In the water engineering sector, aid was provided primarily for water collection and distribution schemes, followed by sewerage schemes. Here, too, most projects were located in Italy.

Infrastructure projects linked to productive activities ranked third, on account principally of the aid granted to the development of areas intended to receive such infrastructure.

Energy infrastructure, which in 1986 was among the first three, fell back to fifth position (5.5% of assistance), having been overtaken also by telecommunications infrastructure (7%).

Lastly, socio-cultural and environmental infrastructures received no more than 3.8% and 1% of assistance.

Tables 29 and 31 in the Annex give, for 1987, a detailed breakdown of the number of infrastructure projects, and of assistance, by types of infrastructure, while Chart 2a) shows the assistance given to the ten types of infrastructure receiving the most aid.

3.1.4 Aid for investment projects in industry, craft industry and services

Article 19 of the Regulation specifies that investment projects eligible for this type of assistance must relate to economically sound activities which are intended to help create or maintain permanent jobs. The amount of the ERDF's contribution is 50% of the aid granted to each project by the public authorities under a regional aid scheme.

In order to promote investment by small and medium-sized enterprises in these sectors, the Commission and the Member States "shall endeavour to set aside an appropriate proportion of the ERDF's total endowment for assistance in the form of interest-rate subsidies on loans for small and medium-sized undertakings" (third paragraph of Article 19(2)). Since they may choose between grants, which they receive themselves, and interest-rate subsidies, which are paid direct to enterprises, Member States are seen in practice to prefer the former. Some governments have requested ERDF assistance in the form of a capitalized sum to fund interest-rate subsidies granted by them to businesses for loans raised by the latter on the capital market.

In addition, Article 35 of the Regulation stipulates that Member States, in submitting their applications, and the Commission, in administering the ERDF, are to endeavour to ensure that an appropriate proportion (if possible, 30%) of the ERDF's resources is allocated to investments in industry, the crafts and the service sector.

Under the old Regulation, compliance with the 30% threshold was compulsory. Since this obligation could not be met it was replaced in the new Regulation, which now encourages appropriate use of the new

¹⁰ Projects costing more than 15 million ECU.

opportunities afforded by part-financing of aid schemes, grants for the development of indigenous potential, and the integrated approach.

Unfortunately, this objective also seems difficult to reach under the new Regulation, since, for 1987, the proportion of assistance allocated to productive investment (9.2%) was 3% down on the previous year, as was the number of projects financed (599 fewer).

There are however two reasons for these poor results:

- the countries with the greatest development lag (Spain and Portugal) submitted no projects of this type in 1987. Yet one of the key conditions for the development of these backward regions is that they should have appropriate infrastructure (roads, telecommunications, etc.). It is only in such an environment that capital can be attracted and certain directly productive investment projects carried out;
- the applications submitted by Germany and France in this field were much lower than in previous years: composed with 1986, they were on 1987, in particular, down by 40 million ECU and 16 million ECU respectively.

In the case of Germany, this is all the more significant since that country traditionally allocates the bulk (55% in 1987) of ERDF assistance to productive investment.

As Chart 2 clearly shows, the proportion of ERDF resources allocated to productive investment varies widely from one country to another: apart from Germany, Denmark (54%) is the only Member State above the 30% target, far ahead of Ireland (27%), Belgium (25%), Italy (13%), the United Kingdom (9%) and France (8%).

Greece allocated only a little over 1% of its aid to this type of project. Four Member States - Luxembourg, the Netherlands, Spain and Portugal - did not finance any projects of this type in 1987.

The table below gives the size breakdown of the directly productive projects.

TABLE 10.

Size breakdown of industrial, craft industry and service projects - comparison 1986-1987

	ERDF assistance				National aid				Investment			
	per project		per job		per project		per job		per project		per job	
	Mio ECU	ECU	Mio ECU	ECU	Mio ECU	ECU	Mio ECU	ECU	Mio ECU	ECU	Mio ECU	ECU
	1986	1987	1986	1987	1986	1987	1986	1987	1986	1987	1986	1987
Small projects: Investment < 15 Mio ECU	0.22	0.32	4921	3697	0.44	0.66	9848	7567	1.51	2.29	33889	26147
Large projects: Investment > 15 Mio ECU	3.29	1.43	9349	8638	6.57	2.85	18698	17251	45.70	33.54	130045	203031
Average standard project	0.29	0.38	5607	4165	0.58	0.78	11279	8484	2.51	3.94	48784	42899

The last column shows that the total investment per average standard project was up by about 57% on 1986. Small projects increased substantially (+ 52%), whereas large projects were down (-26%).

Also, the amount of investment per job created fell, indicating that investment in 1987 was, on average, more creative of jobs, mainly thanks to small projects.

Average assistance per project increased significantly (+ 33%); national aid also increased by roughly the same rate (+ 34%). The increase in total investment per average standard project was 57%; it is clear, consequently, that "other financing" expanded significantly in 1987 (+ 70%).

In addition, average assistance per standard project was equivalent to 49% of national aid and 10% of the investment cost, as against 50% and 11.5% respectively in the previous year.

The breakdown of ERDF assistance between small and large projects shows that small projects (684 in 1987) received 80% of the assistance allocated (74% in 1986).

3.1.5 Employment

Job creation is one of the main purposes of ERDF operations. When submitting grant applications, Member States indicate the expected effect on employment (Article 22(2) and (3)) of their industrial, craft industry and service investment projects. In the case of National Programmes of Community Interest (NPCIs), applications must contain information which will enable the Commission to assess their likely direct or indirect effect on employment (Article 11).

TABLE 11.
Estimate of jobs created or maintained in 1987

Member State	Number of jobs		
	Created	Maintained	Total
B	106	-	106
DK	1 698	-	1 698
D	5 847	1 935	7 782
GR	490	-	490
E	-	-	-
F	1 142	117	1 259
IRL	3 547	758	4 305
I	5 233	8 504	13 737
L	-	-	-
NL	-	-	-
P	-	-	-
UK	9 387	27 513	36 900
EUR 12	27 450	38 827	66 277

Many jobs are also created directly and indirectly as infrastructure projects are carried out. These projects entail a large volume of work, particularly in the building and public works sector.

In addition, as with industrial investment projects, the construction of certain infrastructures leads to the creation of jobs for operating personnel. This is particularly the case with ports, airports, power stations and research centres, all of which require permanent qualified technical staff. Lastly, like productive activities, some infrastructure projects generate in a substantial number of indirect jobs.

This year, the Commission's staff carried out an analysis, based on figures supplied by the Member States, of ERDF-assisted industrial projects completed in the period 1975-87. The results are given in the following table.

TABLE 12.
Breakdown, by Member State, of jobs actually created or maintained, compared with forecast

Member State	Jobs created		Jobs maintained	
	Forecast	Outturn	Forecast	Outturn
B	6 100	6 092	102	260
DK	6 778	6 579	212	137
D	71 542	72 042	14 847	10 272
GR	1 481	997	-	-
E	143	-	-	-
F	152 384	105 253	13 447	8 338
IRL	21 570	19 472	255	255
I	44 390	35 617	1 346	36
L	-	-	-	-
NL	259	248	685	685
P	-	-	-	-
UK	49 172	34 386	10 380	9 601
EUR 12	353 819	280 686	41 274	29 647

These figures, which reflect a success rate of 78.5%, cannot however be regarded as a measure of the ERDF's impact on the creation and maintenance of jobs from 1976 to 1987.

The data given capture the situation at the moment when the final payment claim was submitted for 4 400 completed projects, which is less than half (47%) of the projects grant-aided during the period. They do not take account of the assisted firms' subsequent performance or of the jobs generated by second-round effects of the investments undertaken. Moreover, the figures supplied by the Member States to back up their grant applications are only a forecast. Given the economic situation in recent years, it is not surprising that these forecasts should not have been fully realized: to remain competitive, some sectors preferred to invest mainly in the modernization or indeed automation of their plant and machinery.

3.1.6 Development of the regions' indigenous potential in 1987

Articles 15, 16 and 27 of the Regulation assumed greater significance in 1987 since increasing efforts were made to assist small and medium-sized enterprises in industry, craft industry and tourism. The creation of small businesses, technological innovation and the transfer of new technologies are now widely recognized as vital components of effective regional development programmes. The utilization of local resources and diversification of the local economy are among the key contributions which small and medium-sized enterprises can make to the development of less-favoured regions or regions in the process of conversion.

Under Article 15 of the Regulation, the ERDF part-finances the operating costs of technology consultancy and transfer organizations, the carrying out of market research and provision of advisory services for small and medium-sized firms, and the operation of services common to several firms, particularly in the field of promoting and coordinating tourist accommodation.

Investment or infrastructure expenditure associated with such operations can be funded by the ERDF under Articles 18 and 19.

There are three types of measure which the ERDF part-finances:

- start-up assistance for small and medium-sized enterprises through the launching of schemes to identify and support new entrepreneurs and the operation of "incubators" and service centres;
- assistance for modernizing existing small businesses in industry and the crafts by organizing common management services, making experts or specialist technicians available for a limited period, and running technology transfer and R&D centres that serve such small businesses.
- in rural areas, in particular, measures relating to tourism (surveys, product and market research, confidential advice for promoters of new products) and the improvement of conditions for the sale of firms by systematically bringing together sellers and buyers (surveys, registers, business audits, advice to buyers).

In 1987 the French Government submitted to the Commission a number of applications for ERDF grants towards projects of this kind. The majority of the projects were located:

- in rural areas faced with the need for agricultural conversion: Indre (Centre), Maine et Loire, Mayenne, Vendée (Pays de Loire), Massif du Morvan (Bourgogne), Massif Vosgien (Alsace et Lorraine), and the rural districts of Charente and Vienne (Poitou-Charente);
- in crisis-struck industrial employment centres or areas (not already covered by special programmes undertaken at the Community's initiative) in respect of which the authorities, in close association with large local firms, are mounting a diversification drive: Brittany (Brest, Le Trégor, etc.), Lower Normandy (Cherbourg, Flers), the Auvergne (Moulins, Montluçon) and Franche-Comté (Lure district).

In addition, certain NPCIs also include measures for developing the indigenous potential of regions.

In the seven National programmes of Community Interest¹¹ and the five integrated Mediterranean programmes¹² approved by the Commission in 1987, Article 15 was used to support the policies implemented by the central government and the regions under the Plan contracts and to assist local economic development initiatives:

- Promotion of technology transfer and innovation in small and medium-sized enterprises, by means of networks of technology consultants and the dissemination of information and technology offers by the Regional Innovation and Technology Transfer Centres (CRITT);

¹¹ Auvergne, Limousin, Nord-Pas-de-Calais, Réunion, Lozère, Charente Maritime, Central Brittany.

¹² Corsica, Midi-Pyrénées, Aquitaine, Languedoc-Roussillon, Ardèche.

- Establishment of regional advisory services Funds to enable small and medium-sized enterprises to obtain easier access to outside advice in order to underpin their expansion strategies: computerization studies, preparation of vocational training programmes, market research, production planning, marketing, management, etc;
- Local development surveys, studies and analyses: use of local products, specialist consultancy services, search for new tourist products, etc;
- Setting up of regional guarantee Funds to facilitate access by small and medium-sized enterprises and craft industries to the capital markets.

In Ireland, grants were made towards the implementation of a strategic plan for craft industries in the Gaeltacht and to the running of the Galway Innovation and Management Centre.

In Belgium, assistance was granted towards the operating expenditure of the Innotek Centre. A project submitted jointly by the Belgian, Dutch and German authorities for the Meuse-Rhine region and relating to the collection of data on research institutes, with dissemination to small and medium-sized firms, also received assistance.

In the Westhoek, several measures for the development of indigenous industrial and tourism potential were financed with ERDF assistance. These included the establishment of a business centre (0.54 million ECU) and technological assistance (0.23 million ECU); financing for a campaign to promote industrialization cost some 67 000 ECU.

In the province of Limburg, financial assistance was granted for the extension of services supplied to small and medium-sized enterprises and for diversification initiatives (including aid to the Limburg Regional Development Corporation to extend its diversification services); each of these items received 0.69 million ECU. In addition, 0.21 million ECU was allocated to the promotion of business activities.

In the United Kingdom, the Strathclyde Business and Innovation Centre received a grant towards its operating expenditure.

The NPCI for West Lothian features various measures aimed at increasing employment possibilities by developing the region's indigenous potential. These measures include the opening of the Business Development Centre, that is to enable Bathgate Area Support for Enterprise Ltd. to extend its services to small businesses. The programme contains measures under Article 15 of the Regulation amounting to a total of 1.5 million ECU.

This substantial assistance supplements that already given to the United Kingdom for small businesses under the special programmes, particularly those for, steel, shipbuilding and textiles.

The NPCI for Birmingham includes a number of measures to develop indigenous potential, involving a total of 1.4 million ECU. These cover support for firms to enable them to develop new products, enter new markets, obtain loans for financing investment and have access to common services designed to facilitate the growth of start-up firms. The programme also contains measures to encourage the use of new technologies in manufacturing processes and the development of a new high-tech product sector for the city's economy.

In Spain, the NPCI for Asturias includes measures to assist small and medium-sized enterprises, which by:

- facilitating the establishment of firms in the region by speeding up administrative procedures, conducting location surveys and undertaking viability studies and market research;
- organizing common services for exporters in the form of advisory and information services, the handling of administrative formalities, product promotion and the creation of a network of commercial agents;
- contributing to the provision of loan guarantees, so as to put up a common guarantee in dealings with financial institutions.

In the Danish Start Lolland NPCI, two measures are of special interest:

- aid for advice to small and medium-sized enterprises (exploiting export markets, systematic analysis of productivity management, and use of professional management methods);
- encouragement for firms to upgrade their technology through data retrieval, data communication, product development and expert systems (artificial intelligence).

In Italy, the IMP for Molise includes among the measures financed by the ERDF:

- the creation of a venture-capital company with a maximum holding of 35% in the capital of the company in which the investment is made;
- the setting up of a mutual guarantee fund to provide guarantees for modernization loan contracts, based on the result of the holding of the venture-capital company or other institutional investor;

- aid for advice to small and medium-sized enterprises on technological information, projects, planning, data-processing, marketing and financial analysis.

In Greece, the five IMPs approved¹³ include measures to assist local development and small and medium-sized enterprises in three fields:

- creation or expansion of local initiative centres, organizations or companies, whose task is to support the development of industry and craft industries in the region:
 - by supplying small and medium-sized enterprises with information on taxation, finance, innovation and new technology, and on product promotion and business start-up procedures,
 - by supplying technical assistance and services to small and medium-sized enterprises focused on management, organization, production and marketing methods;
- development of common services for firms in the fields of raw materials purchasing, joint use of premises and equipment, and product promotion and sales;
- using data-processing to improve management in small and medium-sized enterprises: preliminary expert studies to determine requirements and designing of programs tailored to those requirements.

3.1.7 Studies

Most studies are treated as projects; two categories of study are financed by the ERDF:

- studies closely related to ERDF operations (Article 24(1) of the Regulation).

Such studies may be submitted by Member States or by local or regional authorities (with the agreement of the Member State concerned). The ERDF's rate of contribution is set at 50% of the cost and may rise to 70% in exceptional cases.
- studies of special significance for the ERDF (Article 24(2)).

These studies may cover a fairly wide field ranging from ex ante examination of grant applications, through methodological studies, the preparation of assistance programmes or the ex post appraisal of measures, to technical assistance for local and regional authorities in preparing measures to be submitted to the ERDF.

In 1987, seven Member States submitted or endorsed 28 grant applications. Decisions were taken on 27 studies. These are listed in table 42 in the Annex.

Though larger than in 1986, the relative share of ERDF assistance allocated to studies remains very small, making up 0.2% of commitments.

With regard to the state of progress of studies, 25 were completed in 1987, of which fourteen in the United Kingdom, three in Belgium, three in Italy, two in Germany, one in France and one in Denmark, plus one Community study.

Trend of studies in the period 1975-87

Over the whole period, Member States submitted 399 applications for ERDF grants towards the cost of studies; 182 were approved by the Commission. Of these, 80 have been completed; no payment has been made in respect of 54 of the remaining 102 studies.

Total (net) commitments for the period are 52.04 million ECU. Over the same period, payments for completed studies amounted to 11.88 million ECU, or 22.8%.

3.2 Geographical analysis

The geographical concentration of project-based assistance can be estimated by analysing the share allocated to the regions which received most of the assistance and by studying the breakdown by country and, if possible, region.

¹³ Eastern and Central Greece; the Aegean Islands; northern Greece; western Greece and the Peloponnese; information technology.

3.2.1 The ten most assisted regions received half of the grants

By its very nature, the ERDF operates exclusively in those Community regions which are lagging behind in their development or in which formerly dominant industrial activities are in decline. Such regions benefit from national regional aid under the various schemes in operation in the Member States. The population of the regions which are assisted under national aid schemes and which are therefore eligible for Fund assistance is 140 million persons or 41% of the Community's total population.

TABLE 13.
Population of ERDF-assisted areas

Member State	Population (in millions)		
	total	eligible	as %
B 1987	9.9	3.3	33.1
DK 1986	5.1	1.1	20.7
D 1986	61.0	22.9	37.5
GR 1981	9.7	6.4	65.7
E 1981	37.7	25.0	66.4
F 1982	55.6	22.4	40.2
IRL 1981	3.5	3.5	100.0
I 1985	57.2	22.2	38.8
L 1981	0.4	0.3	79.5
NL 1987	14.6	2.1	14.7
P 1981	9.9	9.9	100.0
UK 1981	56.3	21.3	37.7
EUR	320.9	140.4	41.3

In 1987 major changes were made to the areas eligible for ERDF assistance in the following countries:

Germany

As a result of the various changes which took effect on 1 January 1987, the eligible areas in almost all the Länder were modified. The proportion of the population covered by ERDF assistance thus increased in Schleswig-Holstein, Lower Saxony and Bavaria and fell in Baden-Württemberg, North Rhine-Westphalia, Hesse and Rhineland-Palatinate.

Denmark

On 1 January 1987, a redistribution of eligible areas took effect in the West of Great Belt region: as a result, 15 municipalities in Jutland are no longer eligible for ERDF assistance, while 6 municipalities in Fyn have been added to the list of eligible areas.

Spain

Since 26 May 1987, the regions already assisted - Andalusia, Aragon (province of Huesca and Zaragoza), Asturias, Castile-La Mancha, Castile-Leon, Extremadura, Galicia, the Canary Islands and Murcia - have been supplemented by the following: Cantabria, Catalonia (part of province of Barcelona), Ceuta-Melilla, Valencia (inland area), Madrid (part of northern area), Navarre (Pyrenean area only) and the Basque Country (part only).

Portugal

With the inclusion of Lisbon as from 31 July 1987, the whole of Portugal is now eligible for assistance.

The regional analysis of assistance in 1987 shows that, in absolute terms, the ten most aided regions in the Community - which are all located in the main recipient countries referred to above - received half of all the assistance granted. Campania (Italy), with 14% of the total assistance granted, still heads the list of Fund-assisted regions. If, however, account is taken of population, the ten leading regions include eight (five located in the new member countries, Portugal and Spain) that do not appear in the previous list.

TABLE 14.
The ten regions receiving the most ERDF assistance in 1987

In absolute terms			In relative terms	
Region	Assistance Mio ECU	%	Region	Per capita assistance ECU
Campania	504.33	16.9	Basilicata	151.1
Andalucia	269.38	9.0	Guyane	145.0
Sicilia	162.10	5.4	Açores	120.6
Norte	142.24	4.7	Madeira	101.6
Castilla la Mancha	107.68	3.6	Algarve	93.6
Ireland	95.30	3.2	Campania	89.2
Basilicata	93.54	3.1	Crète	73.5
Castilla y León	84.97	2.8	Alentejo	71.5
Scotland	78.80	2.6	Castilla	65.3
West Midlands	72.60	2.4	South West	60.6
Total	1 610.96	53.9		
EUR 12	2 984.78	100.0		

If account is taken only of the less-developed regions as defined for the purposes of the reform of the structural Funds,¹⁴ it can be seen that a little over 75% of ERDF assistance went to them.

3.2.2 Location of projects

BELGIUM

In 1987, a total of 9.75 million ECU, or 41% of commitments for Belgium, was granted for 37 projects in development areas. A sixth of the assistance took the form of grants for industrial investment projects which should ultimately create 106 direct jobs, all in Flanders. The remaining five sixths of the ERDF assistance allocated to projects went to infrastructures, primarily water collection and distribution schemes, followed by infrastructure support for productive activities.

Generally speaking, the ERDF assistance is allocated in full or in part to the contracting body for the project, which in most cases is a municipality or an inter-municipal consortium.

Assistance by region

Flanders

In 1987, ERDF grants to Flanders totalled 8.3 million ECU, of which 18.8% went to 7 productive investment projects, mainly in the chemical and electronics industries.

Most of the infrastructure projects financed (21 out of 25) concerned drinking water distribution in West Flanders and Limburg. In addition, a coordinated drive to exploit local potential and to provide infrastructure facilities led to the setting up of a business and service centre for new firms in Geel. The number of these centres part-financed by the ERDF in Flanders now stands at eight. They provide new firms with a wide range of services during the start-up period.

Wallonia

Wallonia received grants totalling 1.45 million ECU for five infrastructure projects.

The main projects assisted included the conversion of a disused building into a business and service centre for new firms in the Liège area (grant of 0.5 million ECU) and the construction of a sewerage system for a tourist scheme and the preservation of the Lake at Bütgenbach (grant of 0.3 million ECU).

¹⁴ Greece, Portugal, Ireland, Northern Ireland, the French overseas departments, Corsica, the Mezzogiorno, and a large part of Spain.

DENMARK

Denmark was granted assistance of 9.4 million ECU for a total of 142 projects.

Aid totalling 4.2 million ECU - 33.6% of the total amount allocated to Denmark (including programmes) - was granted to 20 infrastructure investment projects. A wide variety of infrastructure projects were covered, ranging from the maintenance of industrial sites and port and road projects to the construction of technical training centres.

In 1987, the proportion of ERDF assistance allocated to industrial investment projects was higher than in previous years. Grants totalling 5.2 million ECU were made to 122 investment projects.

Most of the projects in Denmark concerned the regional development areas of Jutland.

GERMANY

ERDF grants to the Federal Republic of Germany in 1987 amounted to more than 114.32 million ECU or 3.2% of the total assistance granted to Member States.

All of the assistance was allocated to projects; the majority of the grants (some 58.3% worth 63 million ECU) went to industrial projects.

ERDF grants in 1987 went primarily to the Länder of Lower Saxony (some 24% of the total), Berlin (approximately 19%), Rhineland-Palatinate (16.8%), North Rhine-Westphalia (11.5%), Hesse (approximately 5%), Schleswig-Holstein, Bremen, Saarland and Baden-Württemberg.

In the case of infrastructure projects, the purchase of new rolling stock for the Berlin metropolitan railways accounted for a substantial proportion of the ERDF grants made (some 22 million ECU). Other infrastructure projects assisted included a training centre in Bremen and tourist facilities in Lower Saxony.

In the case of industrial projects, the main sectors assisted were the following: manufacture of structural metal products, metalworking, electronics, car accessories, plastics processing and precision instruments.

Over the three-year period from 1985 to 1987, Germany received some 3.9% of all ERDF assistance¹⁵ granted to Member States.

Since 1975, ERDF grants to Germany have totalled some 814.15 million ECU (i.e. approximately 3.9% of all grants to Member States). Most of this finance (some 57%) has been allocated to industrial projects. From a geographical viewpoint, Lower Saxony and Bavaria have been the main beneficiaries (some 21.3% and 21.2% respectively), with Schleswig-Holstein receiving 11.4% and the other regions the remainder.¹⁶

GREECE

In 1987, a sum of 193.95 million ECU was used primarily to finance of infrastructure investment.

In 1987, a large proportion of ERDF grants once again went to investment projects in central and western Macedonia to complete the financing of the large-scale works undertaken by the Greek Electricity Authority (DEH) in that region. The role of such infrastructure works in the development process and their positive effects at local, regional and national levels have frequently been highlighted.

The various schemes carried out in 1987 include in particular a series of projects for improving and updating the country's telecommunications facilities (work carried out by the Greek Telecommunications Authority (OTE) primarily in the prefectures of eastern Macedonia, central and western Macedonia, the Peloponnese and western mainland Greece, Thessaly and Epirus. More than 12% of the total assistance granted to Greece went to those projects.

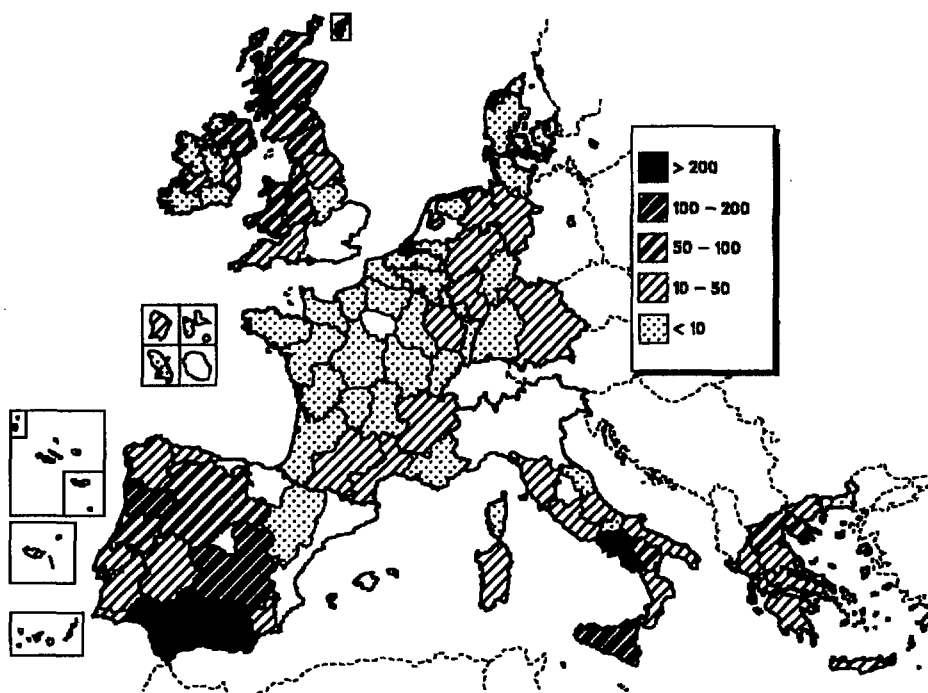
Mention should also be made of the DEH projects in the electricity sector, which the ERDF continued to help finance during the year and which involved the power stations of Ptolemaida (prefecture of Kozani), Amindaion (prefecture of Florina) and Megalopolis (prefecture of Arkadia).

The large-scale roadschemes assisted consisted mainly of the construction of two dual carriageway tunnels at Katara-Metsovo and Artemision (Corinth-Tripoli road), the improvement of the Sitia-Chora Sfakion road in Crete, roadworks in the region of Xanthi, at Alexandroupoli, at the Kipi Bridge, on the Larissa-Kosani road and on the bridge over the Axios at Varvarovasi.

¹⁵ The Federal Republic of Germany and Luxembourg were the only Member States to have submitted applications confined to projects.

¹⁶ As Hamburg does not benefit under the Federal Government's national regional aid scheme ("Gemeinschaftsaufgabe"), it does not receive assistance from the ERDF.

MAP 2.
Regional distribution of ERDF assistance in 1987
ERDF, projects (Mio ECU)



The basic infrastructure projects financed included the sewerage network and the biological purification plant at Thessaloniki and Kavala and the projects in the industrial estates (Greek Industrial Development Bank) of Kilkis and Alexandroupoli.

In the case of social infrastructure,¹⁷ the financing of school buildings in areas with very limited educational facilities continued on a reduced scale together with the funding of hospitals (for example, the extension of the Ioannina hospital in Epirus).

In the seven years since Greece joined the Community, total ERDF assistance has amounted to approximately 2 107 million ECU,¹⁸ equivalent to some 10.2% of the total assistance granted to the various Member States from the ERDF's inception up to the end of 1987.

SPAIN

The year was marked by the Spanish regional authorities' direct involvement in the ERDF; this access was restricted to certain regions and to a limited amount of ERDF assistance by agreements concluded between the central government and the regional authorities in the context of the Inter-territorial Compensation Fund (FCI). Despite those constraints, ERDF funding for projects directly submitted by the regions accounted for 31% of the total assistance for Spain, the remaining 69% being of course allocated to projects submitted by the central government.

Grants totalling 633.34 million ECU were made to 309 Spanish projects in 1987. All of those projects concerned basic infrastructures (roads, railways, water engineering).

The projects which each cost more than 15 million ECU received 329 million ECU, i.e. 50% of the total assistance granted.

With regard to the definition of the regions eligible for ERDF assistance, an official aid framework was established in 1987 with the Commission's approval on 26 May of the Spanish Government's proposals regarding assisted areas and the ceilings which should apply to those areas. This new map of areas eligible for regional aid covers 85% of the national territory and 65% of the total population of Spain. The effects of the new arrangements will be felt only from 1988.

During these first two years of ERDF assistance for Spain, 572 projects have been financed, of which 136 cost in excess of 5 million ECU each. Total assistance amounted to 1 268 million ECU, while the overall investment involved totalled 3 182 million ECU.

Andalusia

In 1987, the number of projects receiving grants from the ERDF was 99, of which 76 were the direct responsibility of the regional authorities.

The assistance granted totalled 269.4 million ECU and the overall investment involved amounted to 634.44 million ECU. The bulk of the investment projects in question were in the transport (roads, railways) and water engineering infrastructure sectors.

The road infrastructure projects financed included a number of sections of the Seville-Granada-Baza motorway (important for regional development) and the Algeciras bypass, which forms part of the Costa del Sol motorway.

The water engineering projects assisted included the construction of seven dams for which grants totalling 79 million ECU were made (Guadalquivir-II, Yeguas, San Rafael de Navallana, San Clemente, Colomera, La Viñuela, José Torán). These dams constitute important elements in the water supply system of the region, whose development hinges initially on a regular supply of water. Assistance in this sector also extended to the financing of a number of water supply projects on the Costa del Sol and the construction of sewage treatment plants in a number of towns and cities (Cádiz, Seville and Córdoba).

The most important project in terms of its medium- and long-term economic implications was the financing of the new section of the link between Andalusia and the centre of the country, a project which, when completed, will solve the serious problems of communication between the two. This project is scheduled for completion in 1992. The ERDF assistance granted to this project, split between 1987 and 1988, amounts to 209 million ECU. The Commission's grant decisions in 1987 related to four sections of this project, with assistance totalling 143 million ECU (93.3 million ECU of which for Andalusia).

Castile-Leon

The assistance granted to this region (84.9 million ECU) helped to finance 49 basic infrastructure projects

¹⁷ See the list (annexed to the Fund Regulation) of categories of infrastructure which the ERDF may not assist.

¹⁸ In addition, 60 million ECU have been granted for two specific programmes ("energy" and "enlargement") in the Greek islands.

costing a total of 250 million ECU. Of those projects, 22 were the responsibility of the regional authorities. Most of those projects involved road infrastructures, with the assistance granted accounting for 78.5% of all grants made to the region. Particular mention should be made of three major projects connected with the Madrid - Burgos - Irun motorways link (an important European route), and work on the upgrading to motorway standard of the La Flecha - Tordesillas section of the Burgos - Salamanca - Portugal route. In the energy infrastructure sector, assistance was provided for the section of the Burgos - Cantabria - Asturias gas pipeline running through the region.

Castile - La Mancha

In 1987, assistance amounting to 107.68 million ECU was granted in this region to 50 projects costing a total of 214.6 million ECU. Of those projects, 42 were submitted by the regional authorities. Almost all the projects concerned transport infrastructures.

In the railway sector, ERDF assistance of 49.60 million ECU was granted for the new Brazatortas - Conquista link.

In the road infrastructure sector, assistance totalling 28 million ECU was granted for the Manzanares (Norte) - Valdepeñas (Sur) and Ocaña - La Guardia sections of the Andalusia motorway.

Galicia

In 1987, 20 projects were approved in the region, 18 of which were submitted by the regional authorities; the total assistance granted was 39.45 million ECU and the overall cost of the projects was 89.13 million ECU.

The projects financed concerned transport infrastructures, water engineering and port improvements.

They included the complete overhaul of the Lalín - Santiago railway line and, in the case of water engineering infrastructures, the projects for collecting, supplying and purifying drinking water in the towns of Ponteceso, Santiago and Pontevedra. The port improvement projects included work on extending the quays in the ports of Malpica and Fisterra in the province of La Coruña.

The road infrastructure projects financed involved the widening of certain roads and the construction of urban centre bypasses.

Extremadura

ERDF grants were made to 17 projects in this region in 1987; of those projects, 13 were submitted by the regional authorities. The assistance granted amounted to 24.61 million ECU and the overall investment in the projects to 51.65 million ECU.

The most important projects involved water engineering infrastructures and water supplies for 22 urban areas in the province of Badajoz.

The remaining projects were concerned with improvements to regional roads and the construction of a number of bridges.

Aragón

Assistance amounting to 5.55 million ECU was granted to the region of Aragón in respect of 14 road infrastructure projects costing a total of 10.86 million ECU.

The most important of those projects involved bypasses for a number of centres of population (Hoz de la Vieja, Muniesa and Mas de las Matas) and the construction of a section of road (Muniesa) on the borders with the province of Zaragoza.

Murcia

Assistance totalling 38.41 million ECU was granted in this region to 35 projects costing 80.74 million ECU.

These grants were concentrated on road, water engineering and energy infrastructure. The most important road projects included the "Ronda Oeste de Murcia" section of the Alicante - Murcia motorway, the upgrading of the "Puerto de la Cadena" road to dual carriageway standard, a motorway bypass for Cartagena and one for the town of Lorca.

The energy infrastructure projects which the ERDF helped to finance included the construction of the natural gas distribution network for the city of Cartagena; this project complements that which was financed in 1986 and which involved a regasification plant for liquid gas in the same city.

The water engineering projects part-financed by the ERDF involved the construction of a number of sewage treatment plants and the drinking water supply systems for the urban areas of Mazarrón, Mula, Cartagena, San Javier and Lorqui-Ceuti.

Asturias

Grants totalling 48.74 million ECU were made in this region for 11 projects costing a total of 135.66 million ECU.

The projects financed were in the transport and energy infrastructure sectors. The transport projects included major works on the León-Gijón railway line, a project in which the EIB is also involved and which will entail major changes to the route to improve access to the region. A total of 14.5 million ECU was granted to this project.

The most important road infrastructure projects involved the Oviedo - Las Segadas sections of the Oviedo - Mieres - Campomanes motorway (a grant of 7 million ECU) and the "La Ronda de Langreo" project for which the local authorities were responsible and which received a grant of 5.6 million ECU.

A water engineering scheme receiving assistance was the "Túnel de Aramo" project, for supplying drinking water to the city of Oviedo.

Canary Islands

All of the projects financed in 1987 in the Canary Islands were submitted by the regional authorities. Assistance amounting to 14.55 million ECU was granted for 14 road and water engineering infrastructure projects costing a total of 30.42 million ECU.

The road infrastructure projects included the conversion of the Tarajalillo - San Fernando road on the island of Gran Canaria into a dual-carriageway road; the other projects involved the construction of link roads, road widening, etc.

Finally, ERDF assistance was provided for water supply projects for the urban areas of Guimar, San Andrés and La Palma.

FRANCE

The grants made for projects amounted to 145.5 million ECU in 1987, of which no less than 8.8 million ECU went to projects for exploiting indigenous development potential.

The Commission gave first priority to projects for which ERDF assistance would provide the missing portion of finance. This was principally the case with road projects forming part of the Road Plan for the Massif Central. A total of 36.4 million ECU was allocated to 14 investment projects in the Auvergne, Limousin, Rhône-Alpes, Midi-Pyrénées and Languedoc-Roussillon regions. Most of the projects assisted involved the RN 9 (the Clermont-Ferrand - Mediterranean link) and will contribute to the ultimate conversion of this major Community route into a dual-carriageway road. On average, the financial assistance provided by the ERDF will mean that work will be completed two to three years earlier than would otherwise have been the case.

In addition to the central government, other authorities receiving ERDF assistance were the regions, departments, inter-municipal consortia, other local authorities and, occasionally, such public bodies as the chambers of commerce and industry. In 1987, the volume of ERDF assistance allocated to the regions for topping up the resources of the departmental and local authorities was sharply up on the previous year, giving the ERDF a much stronger impact.

In the case of industrial projects, 1987 saw a further fall in the number of projects financed compared with 1986 and 1985. A total of 37 such projects were financed at a cost of no more than 3.4 million ECU (i.e. 2.5% of the assistance granted for projects). The number of direct jobs expected to be created or maintained was 1 250. This mirrors a steady fall at national level in the industrial investment grants made under the regional planning grant scheme, responsibility for which was shifted entirely to the central government at the beginning of 1987.

The investment projects assisted in 1987 were located primarily in the manufacturing, metalworking and precision instruments industries and generally involved small or medium-sized units.

In all, 97.5% of the assistance for projects went to infrastructures. Of this, nearly four fifths was allocated to road investment projects; in second place came energy infrastructures, followed by water engineering projects, with educational infrastructures in last place.

Among the most significant infrastructure projects financed in 1987, were the following:

- **POITOU-CHARENTES:** the construction and fitting out at Jauray-Clan, near Poitiers and the Futuroscope park, of an innovative technological training establishment for 1 100 pupils and students training for jobs in electronic imaging, information technology and communications (6.3 million ECU in grants);
- **RHÔNE-ALPES:** construction of the first section of the Saint-Chamond bypass, the last gap in the A 47 motorway linking Lyons and Clermont-Ferrand (trans-European route) (8.6 million ECU in grants);

- **NORD-PAS-DE-CALAIS:** construction of a new section of the link road between the A 1 and the A 2 motorways from Waziers to Pecquencourt (2.6 million ECU in grants).

Lastly, ERDF grants totalling 5.2 million ECU were made towards three studies financed under Article 24(1) of the Regulation: tourism in Languedoc-Roussillon, construction of a port in Guadeloupe and water prospecting in Réunion (5 million ECU in grants).

Assistance by region

A look at the breakdown by region of the assistance granted to projects and studies shows that in 1987 the four overseas departments combined were the main regions to benefit from the ERDF - accounting for a total of 20% of grants - followed by Midi-Pyrénées (17%) and Lorraine (14%).

Lorraine

In 1987, this industrial conversion region received grants totalling 20.52 million ECU for financing four projects. Three of these were infrastructure projects and concerned major roadworks in Meuse, Meurthe-et-Moselle and Moselle. In department Moselle, a grant of 11 million ECU was made to help finance a section of the A 30 motorway between Knutange and Fontoy, the purpose of the scheme being to improve communications with the northern Lorraine steel area and facilitate access to the three-frontier European Development Pole.

To the south, a grant of 8.1 million ECU was made for the construction of the first section of the new carriageway of the Nancy-Epinal road, between Flavigny and Charmes.

The only industrial investment project assisted was located in the steel area, with 50 jobs expected to be created.

Midi-Pyrénées

In 1987 Midi-Pyrénées was the leading region to benefit from the ERDF as far as projects were concerned: it received 23.91 million ECU in grants for 23 projects.

Fifteen industrial investment projects received a total of 1.9 million ECU. Those projects are supposed to lead directly to the creation of 530 jobs and the maintenance of 120 threatened jobs, i.e. half of the jobs assisted in France in 1987. The investments are in the agri-food industry, timber and timber products, mechanical engineering, electronics and plastics.

Of the eight infrastructure investment projects assisted (total grants: 22 million ECU), six were roadwork schemes, four of them part of the Road Plan for the Massif Central.

Lastly, 3.6 million ECU was granted for the implementation, by the municipality of Graulhet in the Tarn, of a collective sewage control project. The project, included as a model scheme in the European Year of the Environment programme, will have a beneficial effect on the industrial, tourist and agricultural development of the region.

Overseas departments: Guadeloupe, Guiana, Martinique and Réunion

In 1987, the four overseas departments received total ERDF grants of 27.61 million ECU for 21 projects and two studies, 30% more than in the previous year. All project grants went to energy, transport and water infrastructure investment:

- **GUADELOUPE:** establishment of the first stage of an international trading estate, which will constitute an incubator for new firms (2 million ECU in grants);
- **GUIANA:** extension of Larivot fishing port (0.6 million ECU in grants);
- **MARTINIQUE:** further work on the Fort-de-France bypass (1.2 million ECU in grants).

IRELAND

In 1987 Ireland received grants totalling 95.13 million ECU for 179 investment projects. Although the larger part of this assistance was for infrastructure projects, a significant amount (26.05%) was allocated to industrial projects.

Aid totalling 32.5 million ECU was granted to promoting the development of Ireland's telecommunications network. Schemes to upgrade 110 km of forest roads in various parts of the country received 10.38 million ECU, to enable Ireland to exploit its considerable potential for developing forestry. Sizeable grants were also made towards water supply projects in several regions. A grant of 3 million ECU helped to finance the modernization of Donegal's three fishing ports.

Industry, which produces a wide range of manufactured goods, received assistance totalling 24.7 million ECU. This will make it possible to create about 3 500 new jobs.

ITALY

In 1987, 1 211 projects received grants from the ERDF totalling 909.59 million ECU, 13.2% of which went to 122 industrial projects and 86.75% to 1 089 infrastructure projects.

Contrary to the trend in previous years, ERDF grants to productive activities declined in 1987 in number and value. This was largely due to difficulties in the processing of applications at national level, caused by institutional problems associated with the implementation of Law 64/86 on special assistance to the Mezzogiorno.

Assistance was mainly granted to the following organizations:

- the special office responsible for the implementation of Law 219/81 in the non-urban area affected by the earthquake (infrastructure: 147.07 million ECU, productive investment: 86.92 million ECU). The organization only serves the areas affected by the 1980 and 1981 earthquakes, i.e. Campania and Basilicata;
- the regional authorities;
- the Agenzia per la promozione dello sviluppo del Mezzogiorno (Mezzogiorno Development Promotion Agency).

Looking at the breakdown of ERDF assistance by region, Campania obtained grants totalling 504.24 million ECU (174 projects approved), Sicily 156.91 million ECU, Basilicata 95.20 million ECU and Calabria 34.79 million ECU, followed by the other regions; as listed in the statistical annex.

As far as studies were concerned, Italy submitted only one application for an ERDF grant. The study was part-financed by the Fund during the period in question and concerned preparation of the plan to build a services centre at the port of Piombino, Tuscany, an important port in its own right and essential to the tourist development of Corsica, Sardinia and the Tuscan Archipelago.

Assistance by region

Apulia

The largest grant to this region was 9 520 000 ECU, towards the building of a new terminal for the Bari-Palese airfield.

Basilicata

Work continued in this region on reconstruction and development under the Government's programme for the construction of industrial estates and the establishment of industrial firms following the 1980 earthquake. The ERDF helped to finance industrial firms, the development of industrial estates and the construction of roads linking those estates to the main network.

Calabria

In 1987 this region received total grants of about 35.15 million ECU for 222 projects, notably small infrastructure works.

In the province of Cosenza, a grant of 4.28 million ECU was made towards SIP investment projects (upgrading the telephone network) and a grant of about 2.62 million ECU to finance the second stage of the construction of the natural gas distribution network.

Sicily

After Campania, this region received most ERDF assistance in 1987: 157 million ECU for 221 projects carried out by the municipalities or the regional government.

Among the most significant projects to receive ERDF assistance were the construction of a second runway at Catania airport, construction of the Favara-Aragona industrial estate near Agrigento (a project carried out under a co-financing arrangement) and the building of a dam (third stage) on the River Gibbesi in the province of Caltanissetta.

Campania

Most of the assistance concerns projects financed under the integrated operation for Naples (see Chapter 4). Projects not part of that operation received grants totalling over 170.70 million ECU, a considerable part of which went to projects carried out in inland areas.

The integrated operation in Naples

By the end of 1987, investment projects totalling some 3 400 million ECU had received ERDF financing under the integrated operation.

In 1987, 19 new projects were approved, with grants totalling over 333 million ECU; most of the assistance serves to supplement the finance available for the building of major basic infrastructure under Law 219/81 on post-earthquake reconstruction.

The main problems which the projects financed this year are intended to solve are problems of water supply, transport, and scientific research structures:

- Water supply projects include:
 - the construction of a pumping station at Capodimonte;
 - the main water supply plant at Lufrano;
 - the construction of a new aqueduct at Serino, on which will depend a large proportion of the Naples water supply;
 - the rebuilding of the Sperone and canals flowing into it.
- Transport projects include:
 - the metropolitan railway link between Vanvitelli and Cilea;
 - the link road serving industry (Villa Literno);
 - the main Alveo Pollena road link.
- Scientific research projects include:
 - restructuring and improving the faculties of architecture and agricultural science of the University of Naples.

LUXEMBOURG

For the first time since 1984, it was decided to make a financial contribution of 2.32 million ECU in 1987 to two projects located in the eligible areas of the Grand Duchy.

The main infrastructure project selected concerned the construction of the first stage of the southern feeder road, which, when completed, will provide a direct road link between the opposite ends of the Luxembourg steel basin, Dudelange in the south and Rodange (European Development Pole) in the north (1.9 million ECU in grants).

NETHERLANDS

In 1987, 15.18 million ECU were allocated to projects, which represents 74% of the grants made. The aid went to five infrastructure investment projects.

For all these investment projects, the ERDF assistance was "additional", i.e. without it the projects would have been carried out only later or not at all. The assistance is channelled via the Ministry of Economic Affairs to the authority responsible for implementing the project (municipality or province) and constitutes an essential part of total funding.

No assistance was granted to industrial projects, since no such application was submitted by the Dutch authorities.

Construction of the aqueduct carrying the Prinses Margriet Canal across the N 32 in Friesland was the largest infrastructure project to receive financial assistance.

Assistance by region

North of the country

This region, which covers the provinces of Groningen, Friesland and Drenthe, received 6.7 million ECU in 1987 for two road infrastructure projects.

The larger project was the above-mentioned aqueduct, near Grouw (grant of 4.8 million ECU). The second concerned a new layout for a crossroads and the construction of a regional bus station, with underground garage and car park, in the centre of Drachten (grant of 1.9 million ECU).

Limburg

For several years the Dutch authorities have been concentrating ERDF assistance to this province in the South Limburg redevelopment area. In 1987 the area received 8.4 million ECU in grants towards three infrastructure projects.

The three projects concerned parts of the eastern regional road link between the eastern and western mining areas. Certain sections have already been part-financed by the ERDF in previous years.

In 1987, assistance was allocated to the Middenweg section near Geleen and Sittard (grant of 3.5 million ECU), the SW 21 between Doenrade and Brunsum (grant of 3.1 million ECU) and Zwart Zes Zuid near Heerlen (grant of 1.8 million ECU).

PORTUGAL

Project grants amounted to 359.8 million ECU and accounted for nearly 92.5% of commitments for Portugal with the projects spread across the whole country, including Madeira and the Azores. The latter two regions rank third and fourth in the list of regions assisted by the Community (in terms of assistance per inhabitant). It should be noted that in December 1987 the ERDF Committee approved the regional aid scheme covering the whole country.

In assisting infrastructure investment, priority was clearly given to the three basic categories of transport, energy and water engineering projects. About 47% of total assistance was granted to investment in transport infrastructure. Water engineering infrastructure accounted for 26% of total assistance for projects, and energy infrastructure for 13%.

Assistance by region

North

In 1987, grants totalling 142.25 million ECU were made for 250 infrastructure projects in this region (36.5% of ERDF assistance to Portugal).

More than 65% of the total went to transport infrastructures, including the Porto-Campo and Porto-Cruz sections of motorway and the expansion of Porto Airport.

Centre

ERDF grants for this region in 1987 totalled 51.13 million ECU (13.16% of total assistance to Portugal) and were distributed among 219 projects.

Transport infrastructure was again the most important category (about 55% of the assistance granted to the region). Noteworthy was the construction of two sections of the IP-3 road between Coimbra and Viseu.

In addition, 3.55 million ECU was granted for the construction and equipping of the University of Aveiro's engineering department.

Lisbon and the Tagus Valley

Grants worth 40.76 million ECU (11% of total assistance for Portugal in 1987) were made in respect of 162 infrastructure projects in the Lisbon and Tagus Valley region. Water engineering projects were the main type of infrastructure to receive ERDF assistance.

Alentejo

In 1987, the Alentejo region received grants worth 40.07 million ECU in respect of 60 investment projects. The largest was for the construction of a fourth set of generators at the Sines power station (about 29.26 million ECU) - a key component of Portugal's electricity grid.

Algarve

Grants to the Algarve account for 9% of the total assistance granted to Portugal in 1987. Approximately 30.31 million ECU was allocated to 32 projects. The regional authorities pressed ahead with their efforts to solve the pollution problems in this popular tourist region and a large number of assisted projects concerned basic sanitation schemes. The largest projects assisted in the region were the modernization of Faro Airport, construction of the Funcho dam for water-supply purposes, and the hotel management and tourism school in Vilamoura.

Autonomous region of the Azores

In 1987, this region received 8% of the total granted to Portugal, i.e. about 29.32 million ECU; 51 projects were concerned. These included the construction of the Praia da Vitoria power station, the second stage of the Praia da Vitoria commercial port, a school for nurses and three medical centres in a region considerably under-endowed with health infrastructure.

Autonomous region of Madeira

In 1987, this region received 7% of the total grant for Portugal. In all, 21 investment projects, including the winter hydroelectric power station at Calheta and the Lido tourist complex, received about 25.71 million ECU.

UNITED KINGDOM

Project financing continued at a high level, and 90% of the approximately 496 million ECU granted towards projects in various parts of the country went to infrastructure investment.

The following is a brief outline of the projects implemented in the various regions.

North

Altogether, 69.4 million ECU was made available to the region to finance 109 projects. Infrastructure assistance accounted for the larger share: in particular a sum of 23.2 million ECU was granted to help finance two stages in the electrification of a section of the main East-coast railway line, which runs through the region. In addition, 2.9 million ECU was allocated to four tourist infrastructure projects initially planned as part of the 1990 Gateshead Garden Festival.

North West

In 1987, 90 projects received assistance totalling 52.7 million ECU. Of the 49.10 million ECU allocated to infrastructure projects, 10.3 million ECU went to the construction of a new railway line - the Windsor Line - joining up the two main lines in Manchester and establishing direct rail links not only with the heart of the region but with the South-East.

In addition, a total grant of 4.2 million ECU was made towards substantial investment in the conversion of a former textile mill into a training centre (Gildow Mill Training Centre) for the many apprentices in local industry needing to acquire new skills.

South West

In 1987, grants totalling 40 million ECU were made to help finance 32 projects. Of this assistance, 92% was used to finance infrastructure projects, notably the considerable investment in the Roadford reservoir, which will help to ensure the water supply for the Plymouth area.

The construction of a power cable to the Scilly Islands received a grant of 6.5 million ECU, the purpose being to encourage local economic activity in the area, which is experiencing difficulties on account of its peripheral situation.

East Midlands

A total of some 3.5 million ECU was granted to 15 projects in the region. The larger part (2.45 million ECU) went to infrastructure investment projects, mainly the creation of industrial estates. However, nine grants (1.09 million ECU) were made to industrial investment projects, which will make it possible to create 353 new jobs.

West Midlands

Because of their unemployment and inner-city decay problems, the West Midlands again received a high percentage (13%) of the total assistance for the United Kingdom. Infrastructure projects attracted 92% of the funds allocated to the region: 17.7 million ECU went, in particular, to major expansion of the Birmingham National Exhibition Centre; in addition, investment was undertaken to improve the region's transport infrastructure.

Yorkshire and Humberside

Grant commitments for these two regions in 1987 were 43.67 million ECU, or 8% of the allocation for the United Kingdom. Here, too, most of the finance went to infrastructure; in particular, 14 million ECU were allocated to financing the electrification of a main railway line in the Doncaster area. However, industrial investment projects also received assistance (total of 8 million ECU), which will make it possible to create 2 450 and safeguard 539 jobs.

Wales

In 1987, Wales received grants totalling 79 million ECU in respect of 70 projects, or 14.4% of the total commitments allocated to the United Kingdom. Of this figure, 90% went to infrastructure projects and 10% to industrial projects.

Industry grants again covered a wide range of manufacturing companies, especially in high technology, while grants for infrastructure projects served in particular to major improvements to the road system. This reflects recognition of the seriousness of Wales' communications problems, due to the nature of the terrain. A grant of 7.1 million ECU was also made to the construction of a dam on the Tawe. This will bring considerable economic and ecological benefits to the lower Tawe valley in Swansea.

Scotland

In Scotland, 105 investment projects received assistance totalling 78.83 million ECU, or 22% of the total allocated to the United Kingdom; this was the highest percentage of all the regions.

In all, 100 infrastructure investment projects were carried out, 43 of them in the transport sector (roads, etc). Considerable assistance was granted to the power link to the Western Isles (28.8 million ECU). This important project will ensure the continuity and safety of the Western Isles' electricity supply, at prices identical to those on the mainland.

Grants worth 7.8 million ECU were made to five industrial investment projects, which will make it possible to create 1 795 and safeguard 302 jobs.

Northern Ireland

Despite a significant decline in the number of projects (76, as against 217 in 1986), the amount of ERDF assistance granted to Northern Ireland in 1987 was virtually the same as in 1986 (56.32million ECU, or 10.4% of the total commitment for the United Kingdom).

In all, 46 industrial investment projects were carried out receiving total assistance of 50.55 million ECU.

The largest grant was made to Carrickfergus, where the Northern Ireland Electricity Service received 34.5 million ECU to convert Kilroot power station to coal and oil firing.

In all, 30 industrial projects received assistance totalling 5.5 million ECU, which should make it possible to create 862 and safeguard 920 jobs.

The integrated operation in Belfast

The document on the integrated programme for Belfast presented to the Commission in February 1985 provided for a number of measures for the economic regeneration of the city. The total cost of the projects covered is about 1 250 million ECU.

In 1987 about 8.5 million ECU was spent on suitable projects in the Belfast area, in particular to help improve Belfast docks so as to promote trade with the UK, the rest of the Community and the rest of the world. A number of projects to provide small businesses with modern workshops were also assisted, as were projects to improve water supply and sewage systems. Since the programme was launched, the ERDF has granted about 34 million ECU.

TABLE 15.
Regional breakdown of commitments 1987 for programmes, projects and studies

(Mio ECU)

Member State Region	Programmes			Projects				Studies	Total commitments
	Community	N.P.I.C.	Total	Industry, services and craft	Infrastruc- ture	Internally generated development*	Total		
BELGIQUE/BELGIË	-	13.78	13.78	1.37	7.33	1.05	9.75	-	23.53
Vlaanderen	-	4.91	4.91	1.37	5.88	1.04	8.29	-	13.20
Wallonie	-	8.87	8.87	-	1.45	0.01	1.46	-	10.33
DANMARK	-	3.08	3.08	5.17	4.18	-	9.35	0.11	12.54
DEUTSCHLAND	-	-	-	63.02	51.30	-	114.32	-	114.32
Schleswig-Holstein	-	-	-	3.46	0.96	-	4.42	-	4.42
Bremen	-	-	-	0.33	1.32	-	1.65	-	1.65
Nordrhein-Westfalen	-	-	-	8.64	4.60	-	13.24	-	13.24
Hessen	-	-	-	5.51	0.31	-	5.82	-	5.82
Rheinland-Pfalz	-	-	-	19.17	-	-	19.17	-	19.17
Baden-Württemberg	-	-	-	0.24	0.24	-	0.48	-	0.48
Bayern	-	-	-	8.41	9.64	-	18.05	-	18.05
Saarland	-	-	-	1.24	-	-	1.24	-	1.24
Berlin (West)	-	-	-	-	22.11	-	22.11	-	22.11
Niedersachsen	-	-	-	16.02	12.12	-	28.14	-	28.14
ELLAS	12.98	94.78	107.76	1.48	192.47	-	193.95	-	301.71
Ana.Ster.Kai Nisoi	-	-	-	-	22.28	-	22.28	-	22.28
Kentr.Dyt.Makedonia	-	-	-	-	50.47	-	50.47	-	50.47
Pelop.Dyt.Ste.Ellas	-	-	-	0.08	30.97	-	31.05	-	31.05
Thessalia	-	-	-	0.15	21.30	-	21.45	-	21.45
Anatoliki Makedonia	-	-	-	-	17.61	-	17.61	-	17.61
Kriti	-	19.85	19.85	-	17.06	-	17.06	-	36.91
Ipiros	-	-	-	0.04	15.43	-	15.47	-	15.47
Thraki	-	-	-	0.48	3.94	-	4.42	-	4.42
Nisoi Anat.Agaiou	-	-	-	0.73	10.20	-	10.93	-	10.93
Multi-regional	12.98	74.93	87.91	-	3.21	-	3.21	-	91.12

* Measures to exploit the potential for internally generated development are also included in programmes.

Regional breakdown of commitments 1987 for programmes, projects and studies
(continued)

(Mio ECU)

Member State Region	Programmes			Projects				Studies	Total commitments
	Community	N.P.I.C.	Total	Industry, services and craft	Infrastruc- ture	Internally generated development*	Total		
ESPAÑA	23.02	4.32	27.34	-	633.34	-	633.34	-	660.68
Galicia	-	-	-	-	39.45	-	39.45	-	39.45
Princ. de Asturias	-	4.32	4.32	-	48.74	-	48.74	-	53.06
Aragon	-	-	-	-	5.55	-	5.55	-	5.55
Castilla y León	-	-	-	-	84.97	-	84.97	-	84.97
Castilla-La-Mancha	-	-	-	-	107.68	-	107.68	-	107.68
Extremadura	-	-	-	-	24.61	-	24.61	-	24.61
Andalucía	-	-	-	-	269.38	-	269.38	-	269.38
Murcia	-	-	-	-	38.41	-	38.41	-	38.41
Canarias	-	-	-	-	14.55	-	14.55	-	14.55
Multi-regional	23.02	-	23.02	-	-	-	-	-	23.02
FRANCE	4.22	121.72	125.94	3.40	133.29	8.84	145.53	5.18	276.65
Haute-Normandie	-	-	-	-	2.12	-	2.12	-	2.12
Basse-Normandie	-	-	-	-	-	0.90	0.90	-	0.90
Picardie	-	-	-	0.06	-	-	0.06	-	0.06
Champagne-Ardennes	-	-	-	0.10	1.78	-	1.88	-	1.88
Bourgogne	-	-	-	-	-	0.21	0.21	-	0.21
Centre	-	-	-	-	-	0.31	0.31	-	0.31
Nord-Pas-de-Calais	-	15.01	15.01	0.16	5.66	-	5.82	-	20.83
Bretagne	-	4.06	4.06	-	3.03	2.52	5.55	-	9.61
Pays de la Loire	-	-	-	0.24	2.03	2.26	4.53	-	4.53
Poitou-Charentes	-	2.80	2.80	0.56	6.83	0.46	7.85	-	10.65
Lorraine	-	-	-	0.18	20.25	0.09	20.52	-	20.52
Alsace	-	-	-	-	-	0.16	0.16	-	0.16
Franche-Comté	-	-	-	-	1.50	0.51	2.01	-	2.01
Limousin	-	15.74	15.74	-	6.50	-	6.50	-	22.24
Aquitaine	-	8.65	8.65	0.06	6.10	-	6.16	-	14.81
Midi-Pyrénées	-	9.50	9.50	1.90	22.01	-	23.91	-	33.41
Auvergne	-	16.22	16.22	0.14	7.11	1.42	8.67	-	24.89
Rhône-Alpes	-	6.36	6.36	-	11.40	-	11.40	-	17.76
Languedoc-Roussillon	-	16.57	16.57	-	10.87	-	10.87	0.08	27.52
Prov.-Alpes-C.d'Azur	-	-	-	-	3.44	-	3.44	-	3.44
Corse	-	13.80	13.80	-	0.15	-	0.15	-	13.95
Martinique	-	-	-	-	5.70	-	5.70	-	5.70
Guadeloupe	-	-	-	-	6.23	-	6.23	0.14	6.37
Guyane	-	-	-	-	10.58	-	10.58	-	10.58
Réunion	-	13.01	13.01	-	-	-	-	4.96	17.97
Multi-regional	4.22	-	4.22	-	-	-	-	-	4.22

* Measures to exploit the potential for internally generated development are also included in programmes

Regional breakdown of commitments 1987 for programmes, projects and studies
(continued)

(Mio ECU)

Member State Region	Programmes			Projects				Studies	Total commitments
	Community	N.P.I.C.	Total	Industry, services and craft	Infrastruc- ture	Internally generated development*	Total		
IRELAND	14.23	52.63	66.86	24.78	69.47	0.88	95.13	0.12	162.11
Donegal	-	-	-	-	3.06	0.10	3.16	-	3.16
North East	-	-	-	2.80	1.20	-	4.00	-	4.00
North West	-	-	-	-	10.83	-	10.83	-	10.83
West	-	-	-	-	3.83	0.78	4.61	-	4.61
Midlands	-	-	-	-	0.45	-	0.45	-	0.45
East	-	-	-	3.37	32.15	-	35.52	-	35.52
Mid West	-	-	-	5.90	8.33	-	14.23	-	14.23
South East	-	-	-	3.69	2.20	-	5.89	-	5.89
South West	-	-	-	1.24	7.05	-	8.29	-	8.29
Multi-regional	14.23	52.63	66.86	7.78	0.37	-	8.15	0.12	75.13
ITALIA	29.27	1.72	30.99	120.55	789.04	-	909.59	0.12	940.70
Toscana	-	-	-	0.43	10.04	-	10.47	0.12	10.59
Marche	-	-	-	5.84	0.54	-	6.38	-	6.38
Lazio	-	-	-	19.17	14.04	-	33.21	-	33.21
Abruzzi	-	-	-	9.98	22.19	-	32.17	-	32.17
Molise	-	1.72	1.72	-	4.14	-	4.14	-	5.86
Campania	-	-	-	32.90	471.43	-	504.33	-	504.33
Puglia	-	-	-	1.01	10.46	-	11.47	-	11.47
Basilicata	-	-	-	51.22	42.32	-	93.54	-	93.54
Calabria	-	-	-	-	35.15	-	35.15	-	35.15
Sicilia	-	-	-	-	157.23	-	157.23	-	157.23
Sardegna	-	-	-	-	21.50	-	21.50	-	21.50
Multi-regional	29.27	-	29.27	-	-	-	-	-	29.27
LUXEMBOURG	-	0.97	0.97	-	2.32	-	2.32	-	3.29
NEDERLAND	-	5.27	5.27	-	15.17	0.01	15.18	-	20.45
Noord-Nederland	-	5.27	5.27	-	6.77	-	6.77	-	12.04
Zuid-Nederland	-	-	-	-	8.40	0.01	8.41	-	8.41

* Measures to exploit the potential for internally generated development are also included in programmes.

Regional breakdown of commitments 1987 for programmes, projects and studies
(continued)

(Mio ECU)

Member State Region	Programmes			Projects				Studies	Total commit- ments
	Community	N.P.I.C.	Total	Industry, services and craft	Infrastruc- ture	Internally generated development*	Total		
PORTUGAL	29.01	-	29.01	-	359.73	-	359.73	0.24	388.98
Norte	-	-	-	-	142.24	-	142.24	-	142.24
Centro	-	-	-	-	51.13	-	51.13	-	51.13
Lisboa e Vale do Tejo	-	-	-	-	41.19	-	41.19	-	41.19
Alentejo	-	-	-	-	40.07	-	40.07	-	40.07
Algarve	-	-	-	-	30.31	-	30.31	-	30.31
Açores	-	-	-	-	29.32	-	29.32	-	29.32
Madeira	-	-	-	-	25.47	-	25.47	0.24	25.71
Multi-regional	29.01	-	29.01	-	-	-	-	-	29.01
UNITED KINGDOM	3.84	126.83	130.67	43.62	451.13	1.84	496.59	0.91	628.17
North	-	19.59	19.59	1.28	68.37	-	69.65	0.25	89.49
Yorkshire Humberside	-	-	-	8.00	35.70	-	43.70	0.01	43.71
East Midlands	-	-	-	1.09	2.46	-	3.55	-	3.55
South West	-	-	-	3.54	36.47	-	40.01	0.10	40.11
West Midlands	-	21.50	21.50	5.46	67.16	-	72.62	0.11	94.23
North West	-	-	-	3.48	49.26	-	52.74	0.16	52.90
Wales	-	-	-	7.15	72.02	-	79.17	0.10	79.27
Scotland	-	85.74	85.74	7.85	69.14	1.84	78.83	0.18	164.75
Northern Ireland	-	-	-	5.77	50.55	-	56.32	-	56.32
Multi-regional	3.84	-	3.84	-	-	-	-	-	3.84
Community	-	-	-	-	-	-	-	0.05	0.05
EUR 12	116.57	425.10	541.67	263.39	2 708.77	12.62	2 984.78	6.73	3 533.18

* Measures to exploit the potential for internally generated development are also included in programmes.

TABLE 16.

Regional breakdown of population and per capita assistance in ERDF-assisted areas

Member State	Population ' x 1000		Aid per capita (ECU) ²	
	total	eligible ¹	1987	1975/87
BELGIQUE/BELGIË			7	
Vlaanderen	5 686	1 308	10	68
Wallonie	3 206	1 958	5	45
DANMARK			11	
Øst for Storebælt	585	118	4	60
Vest for Storebælt	2 812	940	12	60
DEUTSCHLAND			5	
Schleswig-Holstein	2 623	2 356	2	41
Bremen	671	671	2	15
Nordrhein-Westfalen	16 775	4 878	3	15
Hessen	5 551	1 421	4	36
Rheinland-Pfalz	3 599	1 603	12	35
Baden-Württemberg	9 211	99	5	111
Bayern	10 919	3 475	5	51
Saarland	1 037	1 037	1	86
Berlin	1 816	1 816	12	36
Niedersachsen	7 198	5 495	6	36
ELLAS			47	
Ana.Ster. Kai Nisoi	3 996	652	34	246
Kentr.Dyt.Makedonia	1 696	1 696	30	420
Pelop.Dyt.Ste.Ellas	1 294	1 294	24	210
Thessalia	696	696	31	195
Anatoliki Makedonia	426	426	41	173
Kriti	502	502	73	291
Ipiros	446	446	35	399
Thraki	345	345	13	221
Nisoi Anat.Agaiou	340	340	32	277
ESPAÑA			26	
Andalucía	6 441	6 441	42	80
Aragón	1 197	411	13	13
Asturias	1 130	1 130	47	80
Canarias	1 368	1 368	11	18
Cantabria	513	513		
Castilla la Mancha	1 649	1 649	65	100
Castilla-León	2 583	2 583	32	89
Cataluña	5 956	2 139		
Ceuta y Melilla	119	119		
Comunidad Valenciana	3 647	1 100		
Extremadura	1 065	1 065	23	91
Galicia	2 812	2 812	14	29
Madrid	4 687	856		
Murcia	956	956	40	64
Navarra	509	158		
País Vasco	2 142	1 729		
¹ Depending on the sources available, the population figures relate to years 1980-87 inclusive. ² Population in the ERDF-assisted areas. ³ Per capita aid: includes multiregional projects and is calculated on the latest available figures for eligible population.				

Regional breakdown of population and per capita assistance in ERDF-assisted areas
(continued)

Member State	Population ' x 1000		Aid per capita (ECU) ¹	
	total	eligible ²	1987	1975/87
FRANCE			12	
Haute Normandie	1 655	153	14	19
Basse Normandie	1 351	969	1	43
Picardie	1 740	541	0.1	10
Champagne-Ardenne	1 346	354	5	68
Bourgogne	1 596	43	5	20
Centre	2 264	209	1	22
Nord-Pas-de-Calais	3 933	2 233	9	76
Bretagne	2 708	2 473	4	112
Pays de la Loire	2 930	1 963	2	57
Poitou Charentes	1 568	1 568	7	54
Lorraine	2 320	1 429	14	133
Alsace	1 566	138	1	74
Franche Comté	1 084	110	18	22
Limousin	737	737	30	175
Aquitaine	2 657	2 016	7	73
Midi-Pyrénées	2 325	1 784	19	158
Auvergne	1 333	1 022	24	150
Rhône-Alpes	5 016	890	20	71
Languedoc-Roussillon	1 927	1 666	16	99
Provence-Côte-d'Azur	3 965	618	6	50
Corse	240	240	58	297
Martinique	329	329	17	334
Guadeloupe	328	328	19	284
Guyane	73	73	145	1 062
Réunion	516	516	35	291
IRELAND	3 508	3 508	46	
ITALIA			42	
Friuli-Venezia-Giulia	1 224	1 224	-	58
Toscana	3 581	30	353	860
Marche	1 421	279	23	319
Lazio	5 056	1 137	29	243
Abruzzi	1 250	1 250	26	250
Molise	334	334	17	353
Campania	5 651	5 651	89	476
Puglia	4 005	4 005	3	107
Basilicata	619	619	151	932
Calabria	2 131	2 131	16	287
Sicilia	5 084	5 084	31	197
Sardegna	1 638	1 638	13	239
¹ Depending on the sources available, the population figures relate to years 1980-87 inclusive. ² Population in the ERDF-assisted areas. ³ Per capita aid: includes multiregional projects and is calculated on the latest available figures for eligible population.				

**Regional breakdown of population and per capita assistance in ERDF-assisted areas
(continued)**

Member State	Population ' x 1000		Aid per capita (ECU) ¹	
	total	eligible ²	1987	1975/87
LUXEMBOURG	366	291	11	45
NEDERLAND			10	
Noord Nederland	1 591	1 316	9	103
Oost Nederland	2 961	108	-	45
Zuid Nederland	1 092	723	12	106
PORTUGAL			39	
Norte	3 428	3 428	41	67
Centro	1 751	1 751	29	93
Lisboa e Vale do Tejo	3 292	3 292	12	31
Alentejo	560	560	71	217
Algarve	324	324	94	133
Açores	243	243	121	240
Madeira	253	253	102	178
UNITED KINGDOM			29	
North	3 117	2 589	35	260
Yorkshire/Humberside	4 917	2 592	17	140
East Midlands	3 852	93	38	716
South West	4 381	662	61	308
West Midlands	5 187	3 611	26	74
North West	6 459	4 139	13	143
Wales	2 814	2 575	31	263
Scotland	5 150	3 500	47	316
Northern Ireland	1 564	1 564	36	293
¹ Depending on the sources available, the population figures relate to years 1980-87 inclusive. ² Population in the ERDF-assisted areas. ³ Per capita aid: includes multiregional projects and is calculated on the latest available figures for eligible population.				

Chapter 4. Financial management of ERDF operations (commitments, payments)

4.1 99.9% of commitment appropriations used in 1987

The funds available for commitment in 1987 to finance ERDF operations excluding specific Community measures totalled 3 536.36 million ECU compared with 3 201.30 million ECU in 1986. This amount breaks down as follows:

TABLE 17.
Funds available for commitment in 1987

	(Mio ECU)
Appropriations entered in 1987 budget	3 217.42
Appropriations outstanding from 1986	15.20
Appropriations available from:	
- decommitments	162.06
- changes in value of ECU	141.68
Total appropriations available in 1987	3 536.36

The breakdown of appropriations from decommitments and changes in the value of the ECU is as follows:

TABLE 18.
Commitment appropriations available in 1987, from decommitments and changes in value of ECU by Member State

Member State	(Mio ECU)		
	Appropriations available from:		
	decommitments	changes in ECU rate	Total
B	3.64	- 0.12	3.52
DK	1.63	0.16	1.79
D	23.37	- 0.99	22.38
GR	0.82	30.22	31.04
E	16.79	- 1.41	15.38
F	12.74	20.12	32.86
IRL	3.45	2.99	6.44
I	61.86	137.87	199.73
L	-	- 0.01	- 0.01
NL	1.26	- 1.06	0.20
P	0.03	11.83	11.86
UK	36.47	- 57.92	-21.45
EUR 12	162.06	141.68	303.74

4.2 Payments

The payment appropriations initially entered in the 1987 budget, including 165 million ECU from the supplementary and amending budget for 1987, amounted to 2 491.68 million ECU, an increase of 9.2% compared with 1986. Including 2.87 million ECU which had been carried over, total payment appropriations available amounted to 2 494.55 million ECU (see table 33 in the Annex).

Table 19 shows that payments actually made amounted to 2 444.59 million ECU. The increase over payments made the previous year was 2.1%.

In actual fact, payment claims submitted by the Member States exceeded payment appropriations initially available by some 198 million ECU.

At the end of 1987, commitments still to be paid amounted to 6 509.39 million ECU compared with 5 724.47 million ECU at the end of 1986. This situation is attributable to the Fund Regulation. When a decision to grant aid is taken, the total amount of the grant is committed immediately, whereas disbursement is staggered over several years in step with the progress of the investment projects financed and with the outlay by Member States. Moreover, ERDF payments are made only in response to specific claims by the Member States concerned.

Table 35 in the Annex provides a breakdown, for each Member State, of payments made in 1987 against the corresponding commitments made in previous years.

Advances made in respect of projects under Article 31 of the Regulation amounted to 1 141.2 million ECU in 1987 compared with 345.7 million ECU in 1986. Accelerated payments totalled 696.4 million ECU in 1987 compared with 560 million ECU in 1986.

TABLE 19.
Payments made in 1987 and commitments still to be paid at the end of 1987

Member State	Commit-1975-1986 still to be paid at end of 1987 (*)	Commit-1987	Payments		Commit-to be paid at end of 1987
			1986	1987	
B	56.15	23.53	21.61	23.00	56.68
DK	21.29	12.54	18.94	15.58	18.25
D	149.22	114.32	88.23	60.94	202.60
GR	294.62	301.71	302.87	287.40	308.93
E	311.19	660.68	314.30	345.34	626.53
F	687.85	276.65	200.36	263.72	700.78
IRL	182.92	162.11	77.04	133.92	211.11
I	2 441.49	940.70	701.45	530.32	2 831.87
L	5.13	3.29	0.13	2.29	6.13
NL	100.62	20.45	11.82	19.45	101.62
P	180.20	388.98	188.78	222.76	346.42
UK	989.22	628.19	468.26	519.29	1 098.10
COM	0.89	0.05	0.37	0.58	0.36
EUR 12	5 420.79	3 533.18	2 394.16	2 444.59	6 509.39

(*) Amounts adjusted to take account of decommitments and adjustments for fluctuations in the ECU rate (see last but one column of table 16)

Table 36 in the Annex gives total ERDF payments to Member States in 1987 and in previous years.

4.3 Controls

In 1987 the Commission made on-the-spot checks of 236 projects compared with 146 in 1986 and 168 in 1985. This brought the number of projects inspected on site since the Fund was established to 2 222. In 1987, the first checks were made on programmes financed under Regulation (EEC) no 1784/84, the components of three of them being inspected. The projects and programmes inspected in 1987 accounted for ERDF assistance totalling some 370 million ECU and involved investment amounting to approximately 1 395 million ECU. Checks were also made on special programmes assisted by the ERDF under specific Community measures (see point 4.5).

The Commission systematically continued in 1987 its general effort to speed up the closure of files. Previously it had concentrated on files dating back to the first five-year period of the ERDF's existence that had not yet been closed. In 1987, the action was extended to files still pending from 1981 and previous years, and to files from 1982 and 1983 that had not resulted in payment claims. It will be gradually extended to files still pending from subsequent years.

As a result, unsettled commitments dating back to the period 1975-83 were down to 943.5 million ECU by 31 December 1987 from 1 078.7 million ECU at the end of 1986, and represented 14% of total unsettled commitments at the end of 1987.

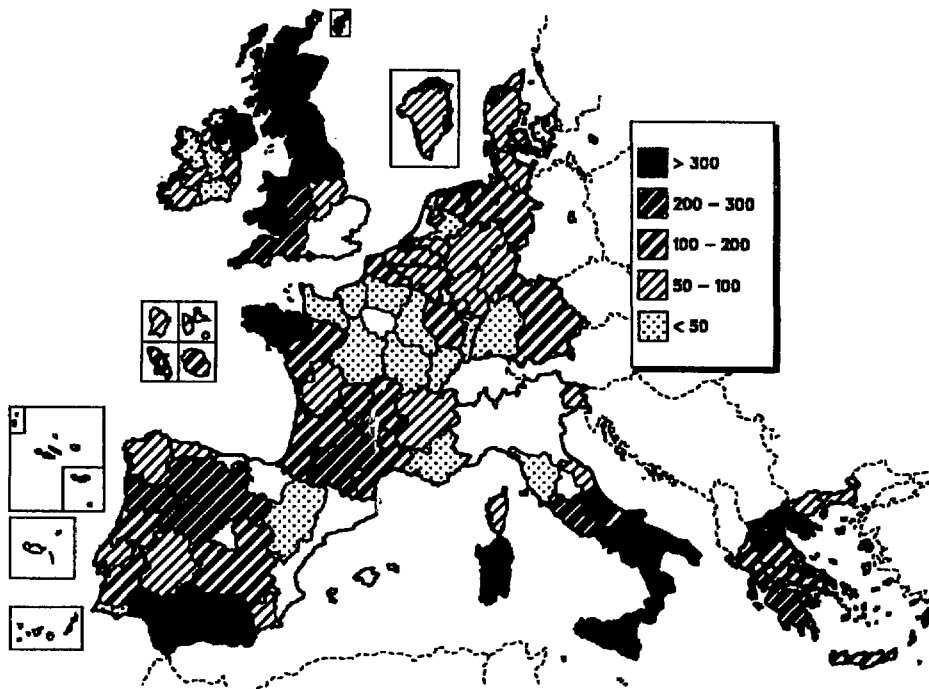
During the year, the Commission continued to use on-the-spot checks to examine, in association with the administering authorities, projects where payment had fallen behind schedule. The purpose was to discover the cause of such delays and to speed up the processing or closure of the files, either by final payment if the projects had been completed or by decommitting the appropriations allocated if they had not been carried out. In 1987, alongside checks proper, 937 dormant projects were inspected (as against 320 in 1986 and 547 in 1985). Following these inspections, 58 projects lost their grants (the appropriations being decommitted) while 49 were the subject of new payment claims and 178 the subject of a final claim to close the file.

On-the-spot checks carried out by Commission staff in 1987 did not reveal any irregularity, i.e. any fraudulent operation enabling benefit to be obtained from the ERDF by way of illegal procedure.

Examination of dormant projects confirms the particular delay in the communication of information concerning the progress of ERDF projects, notably certain cancellation decisions taken without the Commission having been informed.

The national authorities have been asked to ensure in such cases a speedier communication of such information in order to avoid undue delay in the decommitment of ERDF aid, and the recovery of ERDF aid already paid.

MAP 3.
Regional distribution of ERDF assistance 1975-87
ERDF, Operations (Mio ECU)



4.4 Financial resources 1975-87

Since its inception in 1975, the ERDF has committed 20.7 billion ECU to the financing of 37 141 projects, 181 studies and 48 national programmes of Community interest, or NPCs. In addition, the Commission has approved special programmes receiving 1 033 million ECU in assistance.

All this has made it possible, over the last thirteen years, to initiate or maintain a large number of economic activities and ultimately to create or safeguard over 800 000 jobs.

The budgetary allocation has increased thirteenfold over the period, as the following table shows:

TABLE 20.
ERDF allocations 1975-1987

ERDF: TOTAL				(Mio ECU)	
Year	Commitment appropriations			Annual increase (%)	Share in Community budget (%)
	Operations	Specific measures	Total		
1975	-	-	257.6 ¹	-	4.8
1976	-	-	394.3 ¹	53.1	5.6
1977	-	-	378.5 ¹	-4.0	4.9
1978	-	-	581.0	53.5	4.6
1979	900.0	45.0	945.0	62.7	6.1
1980	1 106.8	58.2	1 165.0	23.3	6.7
1981	1 463.0	77.0	1 540.0	32.2	7.3
1982	1 669.0	90.5	1 759.5	14.3	7.6
1983	1 909.5	100.5	2 010.0	14.2	7.6
1984	2 025.0	115.0	2 140.0	6.5	7.3
1985	2 174.9	115.0	2 289.9	7.0	7.5
1986	3 003.0	95.0	3 098.0	35.3	8.6
1987	3 217.4	93.6	3 311.0	6.9	9.1

¹ 1975: 300 million u.a., 1976: 500 million u.a.
1977: 500 million u.a., converted into ECU at the January 1978 rate.

During the first thirteen years of ERDF operations, virtually all the appropriations available were committed. The difference between total appropriations available and total commitments leaves a balance of 3.18 million ECU only, which is the total cumulative balance outstanding at each year-end since the Fund was set up. Table 21 provides a synopsis of the balance of commitment appropriations outstanding at each year-end. It shows that the available appropriations have been almost entirely used up since 1975.

TABLE 21.

Balances of commitment appropriations outstanding each year-end from 1975 to 1987

(Mio ECU)

Year	Budget appropriations	Appropriations available for commitment (*)	Appropriations used up (†)	Balance outstanding at year-end and used up the following year
75/77	1 030.40(*)	1 047.23(*)	1 032.20(*)	15.03(*)
1978	581.00	599.84	556.36	43.48
1979	900.00	973.65	970.43	3.22
1980	1 106.75	1 169.64	1 137.79	31.85
1981	1 463.00	1 615.17	1 596.19	18.98
1982	1 669.00	1 817.69	1 812.13	5.56
1983	1 909.50	2 164.28	2 121.61	42.68
1984	2 025.00	2 327.12	2 322.20	4.92
1985	2 174.90	2 473.69	2 457.11	16.58
1986	3 003.00	3 201.30	3 186.10	15.20
1987	3 217.42	3 536.36	3 533.18	3.18

(*) Including appropriations carried over from the previous year and appropriations made available through decommitment and through adjustments to take account of fluctuations in the ECU rate in respect of commitments remaining payable from previous years.
 (†) Commitments for the respective years adjusted to take account of fluctuations in the ECU rate.
 (‡) Budget appropriations: 1 300 million u.a., appropriations available for commitment: 1 312.33 million u.a., appropriations used up: 1 301.64 million u.a. This leaves a balance of 10.69 million u.a. converted into ECUs at the rate ruling in January 1978.

Appropriations actually committed to operations totalled 20 726 million ECU. Table 34 in the Annex gives a breakdown by country and by sector of activity.

Table 22 summarizes the settlement of payment appropriations since the ERDF was set up. Annual allocations of payment appropriations now total 12 848.9 million ECU. At 31 December 1987, payments made since 1975 amounted to 12 801.81 million ECU, so that virtually all payment appropriations had been absorbed.

TABLE 22.
Payment appropriations since 1975

(Mio ECU)				
Year	Budget appropriations	Balance carried over	Payments made	Balance
	(a)	(b)	(c)	(a + b - c)
1975(*)	122.31	-	74.06	48.25
1976(*)	229.05	48.25	213.05	64.25
1977(*)	294.53	64.25	275.70	83.08 (*)
1978	525.00	83.08	254.89	353.19
1979	483.00	353.19	513.15	323.04
1980	392.38	323.04	726.70	4.72
	+ 16.00 (*)			
1981	799.20	4.72	791.41	15.85
	+ 3.34 (*)			
1982	1 015.00	15.85	950.67	97.96
	+ 17.78 (*)			
1983	1 180.00	97.96	1 246.60	31.36
1984	1 312.50	31.36	1 325.98	35.88
	+ 18.00 (*)			
1985	1 540.00	35.88	1 590.85	115.03
	+ 130.00 (*)			
1986	2 282.00	115.03	2 394.16	2.87
1987	2 488.81	2.87	2 444.59	47.09
Total	12 848.90		12 801.81	47.09
(*) Million of units of account (u.a.) converted into million ECU at the average rate for the year.				
(*) Transfer from specific Community measures (Chap. 51) to operations (Chap.50).				

4.5 Commitments and payments for the specific measures

Table 23 shows the situation regarding funds available and appropriations used at 31 December 1987 for all the special programmes approved by the Commission.

Commitments made in 1987 amounted to 129 million ECU, which brings total commitments for these measures since 1981 to some 449 million ECU. This is equivalent to 43.5% of the allocations approved so far, which total 1 033 million ECU.

Payments in 1987 amounted to 90.5 million ECU, bringing total payments made so far to some 277 million ECU, equivalent to nearly two thirds of commitments (61.7%).

TABLE 23.
Available funds and commitments 1987

(Mio ECU)	
Appropriations entered in 1987 budget	124.52
Appropriations outstanding from 1986	37.97
Transfer to the negative reserve (*)	-30.90
Total appropriations available in 1987	131.59
Appropriations committed	128.93
Balance outstanding at end of year	2.66
(*) Article 100 of the budget	

The ratio of payments to commitments improved in 1987, from 58.3% to 61.7%. Although commitments were 9% down on 1986, progress on programmes, as measured by the ratio of commitments to total allocations, increased by 7.2% in 1987.

Progress on the individual special programmes was still marked by the special energy programme for Italy continuing to be held up, implementation of the special enlargement programme for Italy being delayed considerably and many other special programmes being implemented rather slowly. Commission departments have kept in touch with the Member States in an attempt to improve the situation.

TABLE 24.
Commitments and payments 1981-1987

Member State	Special programmes	Total allocation	Commitments			Payments			Balance	Commit./ alloc. %	Paym./ commit. %
			1981/86	1987	Total	1981/86	1987	Total			
			(Mio ECU)								
B	Steel	34.000	12.198	-	12.198	7.710	-	7.710	4.488	35.88	63.21
B	Textiles	8.000	1.951	0.027	1.979	1.171	0.042	1.213	0.766	24.74	61.31
D	Shipbuilding	11.000	0.632	2.475	3.107	-	0.712	0.712	2.395	28.24	22.93
D	Fisheries	9.000	-	2.339	2.339	-	-	-	2.339	25.98	0.00
D	Steel	42.000	10.364	13.259	23.623	6.790	11.713	18.503	5.119	56.24	78.33
D	Textiles	16.000	3.515	8.992	12.507	3.123	4.854	7.977	4.530	78.17	63.78
DK	Fisheries	13.000	-	2.604	2.604	-	1.040	1.040	1.564	20.03	39.93
F	Shipbuilding	14.000	1.533	4.894	6.427	-	2.860	2.860	3.567	45.90	44.50
F	Enlargement	110.000	51.971	-	51.971	35.852	7.260	43.111	8.860	47.25	82.95
F	Fisheries	9.000	1.824	3.274	5.097	-	3.058	3.058	2.039	56.64	60.00
F	Steel	67.000	19.075	18.368	37.443	3.150	20.628	23.778	13.665	55.88	63.51
F	Textiles	79.200	14.728	15.948	30.676	4.290	13.640	17.930	12.746	38.73	58.45
GR	Enlargement	40.000	10.864	5.540	16.404	7.889	6.054	13.943	2.461	41.01	85.00
GR	Energy	20.000	2.935	-	2.935	2.261	0.421	2.682	0.253	14.67	91.39
I	Enlargement	130.000	54.018	-	54.018	15.450	-	15.450	38.568	41.55	28.60
I	Energy	39.000	5.026	14.396	19.422	1.508	-	1.508	17.914	49.80	7.76
I	Steel	13.464	-	1.749	1.749	-	-	-	1.749	12.99	0.00
I	Textiles	56.932	-	35.258	35.258	-	13.142	13.142	22.116	61.93	37.27
IRL	Textiles	3.000	0.700	-	0.700	-	0.420	0.420	0.280	23.33	60.00
IRL	Border Areas I	16.000	16.000	-	16.000	14.287	0.379	14.666	1.334	100.00	91.66
IRL	Border Areas II	32.000	-	1.358	1.358	-	-	-	1.358	4.25	0.00
L	Steel	9.000	2.454	-	2.454	-	1.472	1.472	0.982	27.27	60.00
NL	Steel	8.000	0.766	-	0.766	0.460	0.192	0.651	0.115	9.58	85.00
NL	Textiles	7.000	2.696	-	2.696	1.932	-	1.932	0.764	38.51	71.66
UK	Shipbuilding	34.000	15.160	5.887	21.047	13.431	5.261	18.692	2.355	61.90	88.81
UK	Fisheries	15.000	1.994	-	1.994	-	1.196	1.196	0.798	13.29	60.00
UK	Steel	78.000	36.718	-	36.718	29.797	-	29.797	6.921	47.07	81.15
UK	Textiles	105.000	47.250	-	47.250	33.600	-	33.600	13.650	45.00	71.11
UK	Border Areas I	8.000	8.000	-	8.000	6.965	0.389	7.354	0.646	100.00	91.92
UK	Border Areas II	16.000	1.187	-	1.187	-	0.573	0.573	0.615	7.42	48.22
BUR 10	Total	1 039.796	320.043	128.931	448.974	186.542	90.453	276.995	171.979	43.18	61.70

4.6 Controls

In 1987, on-the-spot checks were carried out in respect of five of the special programmes of the series of specific Community measures.

The technical and financial checks did not reveal any intentional fraud.

Chapter 5. The first three years of implementing the current ERDF Regulation and reform of the Structural Funds

This chapter pursues the three elementary objectives of:

- reviewing the first three years of application of the ERDF Regulation,
- analysing the breakdown, over the three-year period, of ERDF grants in excess of the lower limit of the ranges, i.e. the "margin",
- outlining the reform of the Structural Funds that is now in progress and which began to take substantial effect within this period.

Over the three years in question the budget allocation has increased by nearly 45% and, since 1 January 1985, the date when the current Regulation came into force, a total of 9 152 million ECU has been committed for programmes, projects or studies, as set out in the table below:

TABLE 25.
Amounts committed 1985-1987 (by Member State)

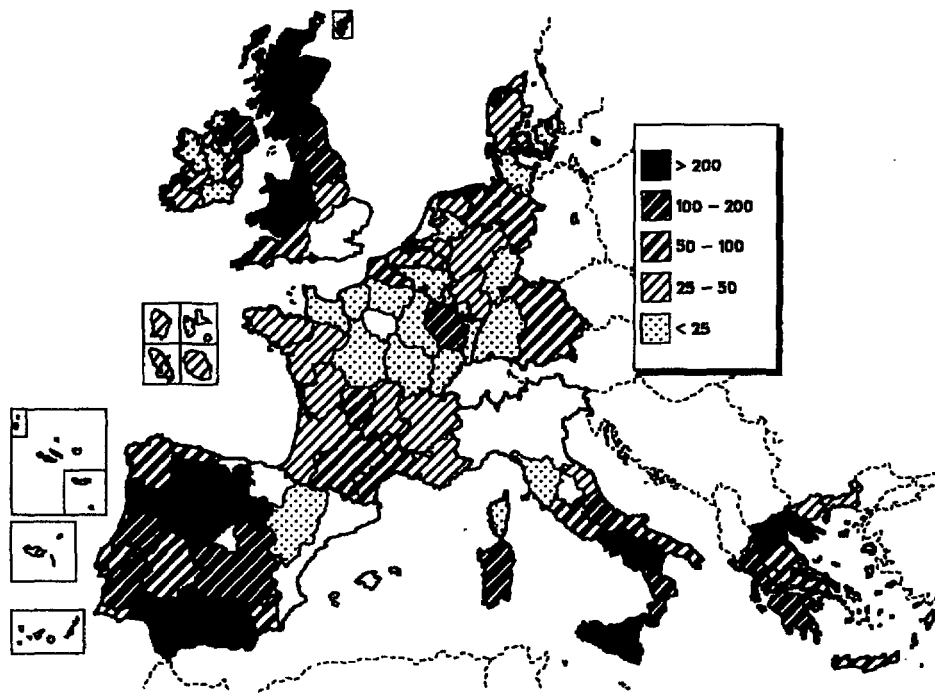
Member State	Programmes			Projects				Studies	Total commitments
	Community	N.P.C.I.	Total	Industry, services and craft	Infrastructure	Internally generated development	Total		
B	-	17.46	17.46	9.39	38.63	1.35	49.37	0.26	67.09
DK	-	5.57	5.57	9.03	21.93	0.20	31.16	0.13	36.86
D	-	-	-	168.49	101.86	-	270.35	0.14	270.49
GR	12.98	112.36	125.34	3.20	885.50	-	888.70	-	1 014.04
E	23.02	4.32	27.34	11.16	1 257.24	-	1 268.40	-	1 295.74
F	4.22	180.48	184.70	51.07	595.94	8.84	655.85	5.32	845.87
IRL	14.23	53.25	67.48	84.31	286.96	1.50	372.77	0.12	440.37
I	29.27	1.72	30.99	501.42	2 091.54	-	2 592.96	1.42	2 625.37
L	-	1.94	1.94	-	2.32	-	2.32	-	4.26
NL	-	10.32	10.32	9.84	45.52	0.01	55.37	0.12	65.81
P	29.01	-	29.01	-	730.46	-	730.46	0.24	759.71
UK	3.84	288.22	292.06	212.81	1 214.87	3.02	1 430.70	3.09	1 725.85
Comm.	-	-	-	-	-	-	-	-	1.27
EUR 12	116.57	675.64	792.21	1 060.71	7 272.77	14.92	8 348.40	12.11	9 152.74

5.1 Programmes

Before 1985, there was no provision for programme financing, except for relatively small amounts intended for non-quota specific measures. Part-financing of programmes, introduced by Articles 6 to 14, 25 and 26 of the Regulation, is designed to improve the impact of ERDF assistance; it is within the framework of programmes that the convergence of Community and national priorities and the organization of genuine joint action become possible. Programmes can take the form of either Community programmes or national programmes of Community interest.

The objective laid down in Article 6 of the Regulation is to allocate at least 20% of the Fund's appropriations to programmes at the end of the third year (1987) following the entry into force of the Regulation. In the case of both NPCI and Community programmes, the first two years were taken up primarily with vetting and the adoption of the total allocations. Commitments really began to be made only in 1987, when the level of grants allocated to programmes amounted to 15.3% of ERDF assistance. This percentage is not far off the target set, which, on current trend, will easily be exceeded next year.

MAP 4.
Regional distribution of ERDF assistance 1985-87
ERDF, operations (Mio ECU)



Five Member States did in fact exceed the target:

- Belgium: 58%
- France: 45.5%
- Ireland: 41%
- Denmark: 24.7%
- United Kingdom: 21%.

5.1.1 Community programmes

This new approach was applied more widely during the period 1985-87. Two programmes are now in progress:

- The STAR¹⁹ and VALOREN²⁰ Community programmes: frameworks put forward by the Commission and adopted by the Council in 1986, and assistance programmes approved by the Commission in 1987 (see point 2.1.2). The programmes, which cover the period 1987-91, are to help develop the least-favoured regions of the Community:
 - in the case of STAR, by improving access to advanced telecommunications services (grants approved: 776.5 million ECU), and
 - in the case of VALOREN, by exploiting indigenous energy potential (grants approved: 392.8 million ECU);
- Two Community programmes were proposed by the Commission in 1987: RENAVAL and RESIDER. The first of these concerns the regional conversion of the areas severely affected by the restructuring of shipyards, and the second relates to the steel industry (see point 2.1.1). The framework for the RESIDER programme²¹ has since been adopted by the Council (February 1988). The estimated total budget allocations of 200 million ECU for RENAVAL and 300 million ECU for Resider are for an initial three-year period;
- Two other Community programmes have been announced by the Commission for 1988: STRIDE and ENVIREG. These programmes will be specifically aimed at ensuring better links with research and technological development policy and with environmental policy (see point 2.1.3).

With Community programmes the Community has acquired new instruments which will put it in a better position to tackle the variety of regional problems to be solved. The programmes also represent a more Community contribution to the general objective of greater economic and social cohesion.

5.1.2 National programmes of Community interest (NPCIs)

It is largely due to the NPCIs that it has been possible to develop the programme side in a relatively satisfactory manner in terms of commitments made. During the period in question grant commitments in respect of NPCIs totalled 675.6 million ECU.

During the three years, 48 NPCIs (including the IMPs²²), have been adopted by the Commission after endorsement by the ERDF Committee. The total assistance involved is about 2 324 million ECU.

France (23 programmes) and the United Kingdom (9 programmes) showed the greatest interest in this form of assistance, ahead of Greece (6 programmes), Belgium (3 programmes) and Denmark (2 programmes). Five Member States - Ireland, Italy, Spain, the Netherlands and Luxembourg - were each the subject of one decision.

As a result of the drive to increase awareness among regional and local authorities and national governments over these three years, the volume of commitments should expand sharply in the years ahead.

¹⁹ Council Regulation (EEC) No 3300/86, OJ L 305, 31.10. 1986, p.1.

²⁰ Council Regulation (EEC) No 3301/86, OJ L 305, 31.10.1986, p.6.

²¹ Council Regulation (EEC) No 328/88, OJ L 33, 5.2.1988, p.1.

²² Integrated Mediterranean programmes

5.2 Projects

Overall, project activity continued at a high level during this period.

The volume of grants decided remained virtually unchanged from year to year. This performance - at first sight paradoxical, since programme commitments have progressively increased over the same period - is explained by the fact that the increase in programme commitments matched that in the ERDF allocation.

Moreover, as there was a decline in the number of applications during the period (7 250 in 1985, 6 154 in 1986 and 4 707 in 1987), it must be concluded that Member States are tending to apply for increasingly large grants.

Altogether, during these three years, the Commission adopted decisions totalling 8.34 billion ECU and covering 11 367 projects. Of the grants made, 87% went to infrastructure and slightly under 13% to investment projects in industry, craft industries and services. The 30% target for this second type of investment, laid down in Article 35 of the Regulation, could not therefore be achieved, the main reason being that Spain and Portugal, which joined the Community on 1 January 1986, concentrated almost exclusively on infrastructure projects.

Development of indigenous potential

Since this is a new type of measure, assistance has taken a while to get off the ground; indeed, the first four operations were not undertaken until 1986. The year 1987 was more successful: by the end, the number of projects financed over the two years had risen to 46, and total assistance was 14.9 million ECU.

It should also be remembered that the development of indigenous potential is a major component of NPCIs.

5.3 Studies

During the three-year period, 87 studies were financed in nine Member States, the total assistance being 12.11 million ECU.

TABLE 26.
Studies financed in 1985, 1986, 1987

Member State	Number	(Mio ECU)
		Amounts committed
Belgique/België	3	0.26
Danmark	4	0.13
Deutschland	2	0.14
Ellas	-	-
España	-	-
France	5	5.32
Ireland	1	0.12
Italia	15	1.42
Luxembourg	-	-
Nederland	4	0.12
Portugal	2	0.24
United Kingdom	43	3.09
COM	8	1.27
EUR 12	87	12.11

During the same period, 58 studies were completed and payments amounting to 7.1 million ECU made; in 22 cases, the financing decisions had been adopted during the three-year period.

5.4 Three years of applying the system of ranges

The allocation of ERDF resources and, consequently, the examination of national applications is carried out on the basis of Article 3 of the Regulation, applying a system of ranges which lays down lower and upper limits (see Table 27) for each Member State.

TABLE 27.
Ranges for ERDF assistance

(%)

Member State	Ranges as from 1.1.1986	
	Lower limit	Upper limit
Belgique/België	0.61	0.82
Danmark	0.34	0.46
Deutschland	2.55	3.40
Ellas	8.36	10.64
España	17.97	23.93
France	7.48	9.96
Ireland	3.82	4.61
Italia	21.62	28.79
Luxembourg	0.04	0.06
Nederland	0.68	0.91
Portugal	10.66	14.20
United Kingdom	14.50	19.31

As Articles 4 and 5 of the Regulation provide that these lower and upper limits shall apply for a three-year period, it was necessary at the end of 1987 to devise a method for distributing the margin for the period 1985-87.

5.4.1 The method adopted

To allocate the volume of resources falling between the lower and upper limits of the range, the Commission, in accordance with the commitments it had entered into when the Regulation was adopted by the Council, devised a method for assessing operations part-financed by the ERDF.

The method is based on an analysis of all operations in the form of programmes or projects that receive an ERDF grant, starting with an individual appraisal of the Community interest of each measure financed. The method thus makes it possible to establish a direct link between the overall attempt by a Member State to submit projects of greater Community interest and the volume of assistance allocated to it from the range between the minimum and maximum levels.

The principles of the method adopted were communicated to the Member States in June 1986, following examination by the Regional Policy Committee and the ERDF Committee.

5.4.2 Criteria for assessing applications

As certain information was not forthcoming and the particulars supplied by Member States were too varied in nature, the general design of the method was eventually simplified and made to resolve the following three criteria:

1. Contribution to the achievement of regional policy objectives:
 - correction of regional imbalances
 - severity of regional imbalances at Community level
 - priority regions at national level
 - frontier, island or peripheral location

- contribution to economic development and conversion
 - impact on the regional economy
 - link with the priorities of the regional development plans
- 2. Contribution to the implementation of other Community policies:
 - sectoral objectives of Community activity
 - use of local resources and mobilization of indigenous potential
 - effect on employment
- 3. Organization of operation to receive ERDF assistance:
 - Community programmes
 - integrated Mediterranean programmes
 - integrated development measures
 - national programmes of Community interest

The foremost criteria are therefore those most closely associated with the objectives of Community regional policy, that is, the contribution to the correction of the main regional imbalances in the Community and to the development and structural adjustment of the less developed regions and the conversion of declining industrial regions.

Because of Community nature of the ERDF's financial contribution to the Member States' regional development efforts and the part played by regional policy in economic and social integration, the contribution which assistance makes to achieving the objectives of other Community policies has also been taken into account. This is why, when the Community interest is assessed, operations in the main areas of Community activity have been among the first to be selected: large transport infrastructures, telecommunications and advanced technologies, environmental protection and improvement, the use of local natural resources, the mobilization of indigenous potential to assist small businesses and vocational training. Investment projects have also been appraised in the light of their effect on the safeguarding and direct or indirect creation of jobs.

Finally, the new emphasis placed on programming and the integrated approach in the ERDF Regulation led to special account being taken of efforts to organize operations into programmes and integrated measures: in accordance with the undertaking given by the Commission, Community programmes, integrated Mediterranean programmes and integrated development operations enabled the Member States concerned significantly to increase the share of the margin allocated to them.

5.4.3 Results and application of the method over the period 1985-87

The results of the first three years of application of the method are shown in the table below.

TABLE 28.
Distribution of the ERDF margin for the period 1985-1987

Member State	Maximum three-year margin Mio ECU	Margin resources allocated to each State		% of potential maximum of Member State's margin
		Mio ECU	%	
Belgique/België	19 588	7 205	0.76	36.8
Danmark	10 944	3 167	0.33	28.9
Deutschland	75 710	14 111	1.49	18.6
Ellas	215 555	98 533	10.36	45.7
España	370 737	168 379	17.73	45.4
France	234 520	75 687	7.97	32.3
Ireland	75 023	36 465	3.84	48.6
Italia	677 631	293 622	30.90	43.3
Luxembourg	1 679	516	0.05	30.7
Nederland	21 702	6 343	0.67	29.2
Portugal	220 203	94 831	9.98	43.1
United Kingdom	454 490	151 135	15.91	33.3

Analysis of the results presented in this way shows that the new management system introduced by the Regulation provides an effective inducement to implementation of the priorities decided at Community level and to enhancing the Community interest of the measures submitted for ERDF part-financing; thus, it is

encouraging to see that from 1985 to 1987 a clear upward trend is apparent in the average level of the annual results obtained in most of the Member States. The progressive implementation of the programme approach has consolidated this trend.

During this first three-year period of the new Regulation's application, the principle of the margin and, more generally, of ERDF management based on the Community interest of all the measures submitted by the Member States for Community financing has therefore proved its usefulness in better targeting ERDF assistance.

Consequently, while maintaining the fundamental principles laid down in the Regulation and in the light of this initial experience, the Commission is planning, in the context of its current study of ways of improving the effectiveness of the structural Funds, to strengthen and adjust the method by applying improved criteria and any suitable indicators available.

5.5 Reform of the structural Funds

Following the European Council meeting on 29 and 30 June, the Commission was invited, on the basis of Article 130d of the Treaty, to submit a comprehensive proposal to the Council, the purpose of which was to make such amendments to the structure and operational rules of the existing structural Funds (European Agricultural Guidance and Guarantee Fund, Guidance Section, European Social Fund, European Regional Development Fund) as were necessary to clarify and rationalize their tasks in order to contribute to the strengthening of the Community's economic and social cohesion and, in particular, to reduce the gap between its different regions and the backwardness of the least-favoured regions.

The Commission responded to this request by putting forward to the Council, which subsequently adopted it, a proposal for a framework Regulation which builds on and clarifies the guidelines already outlined in the communication "Making a success of the Single Act"²³.

The reform is intended to increase the effectiveness of the Community's structural measures, notably through improved general coordination and multiannual programming. The Commission's proposal is thus based on the following three key ideas:

5.5.1 Concentration of resources on five priority objectives

The Commission selected five priority objectives on which the activities of the Funds, the EIB and the other financial instruments should henceforth be concentrated:

1. promoting the development and structural adjustment of the regions whose development is lagging behind;
2. converting the regions, frontier regions or parts of regions (including employment areas and urban communities) seriously affected by industrial decline;
3. combating long-term unemployment;
4. facilitating the occupational integration of young people;
5. with a view to reform of the common agricultural policy,
 - speeding up the adjustment of agricultural structures, and
 - promoting the development of rural areas.

5.5.2 Rationalization of the methods of assistance

Based on the three principles of complementarity with national initiatives, partnership and programming, Community structural assistance will henceforth involve three different stages:

- submission by the Member States of plans setting out their wishes, especially as regards the use of the Community's structural instruments;
- concerted preparation of a Community support framework which will define priorities and identify the necessary structural assistance;
- the assistance itself, priority being given to operational programmes.

²³ Supplement 1/87 of the Bulletin of the European Communities

5.5.3 Doubling of financial resources

Concentration and rationalization of Community measures are necessary but not sufficient conditions for stronger economic and social cohesion. It is also necessary to increase financial resources and spend them more effectively. To deal with the problems arising, the Commission proposes that Fund resources be doubled and rules and techniques adopted to ensure better use of the appropriations (timetable, multiannual budgetary programming, monitoring and assessment of assistance operations).

Acting in accordance with the Treaty, the Council considered this proposal for a framework Regulation on 13 and 14 June 1988 and adopted it. For each Fund, the Commission will subsequently put forward the implementing Regulations which the Council will adopt by a qualified majority, together with a regulation on the methods of coordinating the structural instruments between themselves.

It is planned that the whole system will enter into force on 1 January 1989.

Chapter 6. Information on ERDF operations

Information must be regarded as a major component of Community regional policy in general and of ERDF operations in particular, since it helps to form a concrete idea of the impact which that policy has.

ERDF information policy has its legal basis in various provisions of the Regulation. Taking Community programmes, Article 8(g) refers to the arrangements for publicizing ERDF aid, the purpose being to make potential beneficiaries and trade and industry aware of the opportunities offered by the programme and of the role played by the Community. Article 12(g) lays down the same provision for national programmes of Community interest. In the case of infrastructure projects, Article 23(2) provides that Member States, in agreement with the Commission, are to take all necessary steps to ensure that ERDF assistance is given suitable publicity.

Information on ERDF activities covers a wide range of measures, including the publication of press articles, the organization of conferences and hosting groups of visitors. Essentially, however, there are two priority components of information activity: the presence, at the site of a project, of publicity signboards, and the most effective media coverage possible of ERDF operations.

6.1 Signboards

The above-mentioned provisions of the ERDF Regulation are relatively vague about signboards. The ERDF Committee therefore decided a few years ago that boards should be systematically erected for all projects costing more than 1 million ECU. Hitherto this decision has been implemented unevenly by the Member States, whose attitudes have ranged from full, uniform application throughout the country, as in Spain, to somewhat patchy cooperation from the regional authorities concerned. Accordingly, consideration is being given to the inclusion in future of more stringent publicity clauses in decisions relating to projects. This has been done systematically in the case of programmes: all programmes, whether Community ones or national programmes of Community interest, carry mandatory publicity clauses. In a second stage it will be necessary to harmonize the design of boards, paying special attention to the use of the Community emblem adopted in 1986. Such harmonization would undoubtedly help to give the ERDF a distinctive image in the regions concerned. In addition to signboards erected when projects are implemented, there are a great many commemorative plaques, especially in buildings to which the general public has access, such as conference centres and vocational training institutions.

6.2 Press information

Information to the media about ERDF operations is disseminated principally through the Spokesman's Service of the Commission and the external offices of the Directorate-General for Information. The former concentrates mainly on the correspondents of the main national media accredited in Brussels, while the offices and their suboffices in the Member States cover the regional press. That press shows a great interest in the various announcements - whether of programmes, projects or decisions to develop indigenous potential - and covers them extensively. As far as possible, the Directorate-General for Regional Policy collects press cuttings to have feedback. Where necessary, the Spokesman's Service puts journalists in direct touch with the official responsible. Many requests for information also come from universities, consultants, public or semi-public bodies and trade organizations. Because of their scale, programmes receive particular attention: they are often announced in the Member State at a special press conference by the competent minister. For instance, a teleconference was set up from the Commission's studio to announce the STAR and VALOREN programmes in Ireland. Lastly, local events such as official openings have always proved very successful.

Television in particular gave coverage to the following programmes:

- NPCI for Charente Maritime, Lozère, Réunion, Birmingham, West Lothian, Asturias, Lolland (Start programme), Central Brittany and Ireland;
- Special programme for textile areas: Gard; Special programme for shipbuilding areas: Var, Bouches du Rhône.

6.3 Miscellaneous measures

On the institutional side, the relevant bodies of Parliament and the Economic and Social Committee are informed at the same time as the press of ERDF grant decisions taken by the Commission. Parliament and the Economic and Social Committee also put to the Commission many questions concerning ERDF operations in the various regions.

The situation as regards feedback is broadly similar: there are considerable differences from one Member State to the next. Some States provide ample information at regular intervals without prompting while others report only if requested. The problem will be easier to solve in the case of programme thanks to the monitoring committees, which are an integral part of practical implementation.

6.4 Reform of the structural Funds requires reform of information policy

All the positive aspects described above should not mask certain disadvantages, however. Since it has no resources for the purpose, the ERDF cannot organize publicity measures or even pay for signboards for small projects. This deficiency should be remedied when the ERDF Regulation is revised as part of the reform of the structural Funds. Information policy will have to be adapted, therefore, to the new objectives. Preparatory studies have been started and the results should be reflected in the new ERDF Regulation. Present thinking is broadly as follows:

Information policy will assume greater importance, not only for the general public but also for potential investors. In the regional policy field, dissemination of information will become particularly significant in the context of completing the internal market and, more particularly, achieving economic and social cohesion. Information must encourage the emergence of local job-creating initiatives. The task here is to reach traders and investors. The large single market is going to strengthen the tendency of all production factors towards mobility and fluidity. The growth in potential markets will generate in a greater need for knowledge in all areas and make economic agents' current stock of information obsolescent more rapidly.

The objective which should be set in this connection to help regions is to organize and set up interregional and international networks and channels for cooperation and exchange. Given the importance of this new growth factor and its impact on regional development, the Community has a key role to play, in cooperation with national authorities and trade associations of all kinds, in fostering and assisting the creation of such networks. This is a new activity which has to be properly organized and which cannot be based on the current provisions of the ERDF Regulation. To a certain extent it represents a third tool, alongside infrastructure financing and assistance for productive investment.

Chapter 7. Other forms of Community assistance in the regions

In connection with the integrated approach, it should be noted that the ERDF is not the only Community instrument to provide assistance in the regions: other Community Funds or financial instruments contribute to the achievement of the same objective, and non-financial schemes encourage cooperation between firms and promote innovation.

• THE STRUCTURAL FUNDS

There are two other structural Funds, the European Social Fund and the EAGGF, which also support regional development. The reform of the structural Funds, now under way, will lead to their assistance operations being streamlined and coordinated in future.

▪ The European Social Fund

A large proportion of European Social Fund aid goes to projects located in eligible areas for ERDF assistance. In the course of 1987, 44% of ESF grants were thus committed for operations in the less-favoured regions²⁴.

▪ The EAGGF Guidance Section

In 1987, 938 million ECU was committed under the Guidance section of the EAGGF to promote the improvement of agricultural sectors and structures. The portion of that amount going to less-favoured regions, including compensatory allowances, can be put at about 650 million ECU. This means that the Guidance section of the EAGGF allocated no less than 69% of its total commitments to less-favoured regions in 1987²⁴.

• THE FINANCIAL INSTRUMENTS

▪ Loans from the European Investment Bank (EIB)

The bulk of EIB lending is for investment projects in areas lagging behind in their development or faced with serious industrial decline. In 1987, loans to projects contributing to regional development represented 58% of all financing granted in the Community, and 62% of funding from the Bank's own resources²⁴.

▪ Operations under the NCI (New Community Instrument)

NCI loans signed in 1987 totalled 447 million ECU, compared with 393 million ECU in 1986.

The main purpose of NCI loans is to promote investment and modernization by small firms (88% of loans in 1987), but the instrument is also used to finance energy (5%), regional development (8%) and to a lesser extent Community infrastructure (0.6%).

▪ ECSC conversion loans

Regions threatened with serious problems of industrial decline due to reductions in activity and employment in mining and steel are also eligible for ECSC social aid and conversion loans. In 1987, the Commission approved conversion loans amounting to about 240 million ECU; providing the relevant contracts are signed, these loans should contribute to the creation of some 18 000 jobs over a three to five year period with interest rebates²⁵.

▪ Budget article 772

A pilot scheme to encourage investment by employment-creating small businesses was launched in Portugal in 1987. It involves granting interest subsidies totalling 10 million ECU on bank loans to small firms for investment and modernization. It is estimated that the pilot scheme will generate

²⁴ See the relevant annual reports for 1987.

²⁵ Instruments administered by DG XVI with DG V en DG XVIII.

investment of over 50 million ECU in firms (including 40% in Portugal's most deprived areas) and lead to the creation of almost 1 500 new jobs²⁵.

- **MEASURES TO ASSIST SMALL BUSINESS**

- **Business and innovation centres**

Establishing BICs and extending their network provides the Community with a major regional policy tool that helps to ensure optimum use of local resources, whether human, natural or financial, in the creation and expansion of enterprises. The services provided by BICs encourage the setting up of rapidly expanding export-oriented small firms and help existing small businesses to grow to appropriate size.

Under budget article 543, the Commission contributed to financing preparatory work for 14 BICs in 1987. The proposed BICs are located not only in areas assisted by the ERDF or under IMPs but also in ECSC employment areas, projected as they are in Siena, Battipaglia, Livorno (Italy); Dunkirk, Toulon, Montpellier, Nimes, Poitiers (France); Porto (Portugal); Barcelona (Spain); Plymouth, Nottingham (UK); Helmond (Netherlands); Cloppenburg (Germany).

Altogether, 23 BICs have been set up since the Community BIC programme was first launched in 1984.

The Council is at present considering a four-year programme for creating and developing BICs. These have proved to be an effective means of supplying the full range of services required by existing or planned firms in order to exploit innovative potential: management training, marketing advice, technological assessment, financial and business planning, access to capital. BICs tap local sources of financing and act as catalysts in mobilizing, for the benefit of new firms, the technical knowledge obtained through their links with universities and research centres.

- **Europartnership**

In the second half of 1987 the Commission decided to finance a pilot project designed to encourage cooperation agreements between small firms in deprived areas of Ireland and small firms in the Community's more prosperous regions. The project is to be carried out jointly by the Directorate-General for Regional Policy and the Task Force for Small and Medium-Sized Enterprises. Community aid amounts altogether to 300 000 ECU, of which 140 000 ECU, representing the contribution under regional policy, is charged to budget Article 543.

Appendix A. Statistical data 1987 and 1975-1987

TABLE 29.
Number of projects assisted in 1987 (detail)

Member State	Industry, services and crafts			Infrastructure			Total	Total	Total
	Large (1) projects	Small(2) projects	Total	Large (1) projects	Small(2) projects	Total	Large (1) projects	Small(2) projects	Endogeneous potential
B	-	7	7	-	30	30	-	37	4
DK	-	122	122	-	20	20	-	142	-
D	30	106	136	1	50	51	31	156	-
GR	-	23	23	9	18	27	9	41	-
E	-	-	-	20	289	309	20	289	-
F	-	37	37	5	60	65	5	97	35
IRL	2	48	50	-	127	127	2	175	2
I	1	121	122	21	1 068	1 089	22	1 189	-
L	-	-	-	-	2	2	-	2	-
NL	-	-	-	1	4	5	1	4	1
P	-	-	-	13	782	795	13	782	-
UK	5	177	182	15	493	508	20	670	1
EUR 12	38	641	679	85	2 943	3 028	123	3 584	43

(1) Large projects: projects costing 15 million ECU or more.
(2) Small projects: projects costing less than 15 million ECU.

TABLE 30.
Amounts committed for projects in 1987 (detail)

Member State	Industry, services and crafts			Infrastructure			Total	Total	Total
	Large projects	Small projects	Total	Large projects	Small projects	Total	Large projects	Small projects	Endogeneous potential
B	-	1.37	1.37	-	7.26	7.26	-	8.63	1.05
DK	-	5.17	5.17	-	4.18	4.18	-	9.35	-
D	37.19	25.82	63.01	22.11	29.19	51.30	59.30	55.01	-
GR	-	1.49	1.49	157.22	35.21	192.43	157.22	36.70	-
E	-	-	-	329.71	304.23	633.94	329.71	304.23	-
F	-	3.40	3.40	41.78	91.47	133.24	41.78	94.87	8.84
IRL	5.12	19.66	24.77	-	69.41	69.41	5.12	89.07	0.88
I	1.78	120.57	122.36	574.67	213.45	788.12	576.45	334.02	-
L	-	-	-	-	2.32	2.32	-	2.32	-
NL	-	-	-	4.83	10.32	15.15	4.83	10.32	0.01
P	-	-	-	181.65	177.61	359.26	181.65	177.61	-
UK	10.13	33.50	43.64	189.26	260.93	450.19	199.39	293.43	1.84
EUR 12	54.22	210.98	265.20	1 501.23	1 205.58	2 706.81	1 555.45	1 416.56	12.63

TABLE 31.

Breakdown of amounts committed by type of infrastructure in 1987

(Mio ECU)

Type of infrastructure	Large projects		Small projects		Total	
	Projects	Assistance	Projects	Assistance	Projects	Assistance
1. LINKED TO PRODUCTIVE ACTIVITIES	7	166.87	233	71.18	248	238.05
11 Sites for productive activities	7	166.87	156	52.40	171	219.28
12 Factory construction	-	-	64	12.24	64	12.24
13 Centres for applied research - studies - support	-	-	9	4.91	9	4.91
14 Commercial centres	-	-	4	1.63	4	1.63
2. TRANSPORT	40	649.84	1 146	661.72	1 182	1 311.55
20 Miscellaneous	-	-	2	0.61	2	0.61
21 Roads, related works	22	308.79	1 039	562.98	1 068	871.77
22 Railways	12	277.88	24	25.41	36	303.30
23 Sea port installations	-	-	50	55.80	50	55.80
24 Waterways	-	-	4	3.44	4	3.44
25 Airports	4	41.05	15	12.31	19	53.35
26 Urban transport (tram, underground, bus)	1	22.11	-	-	1	22.11
27 Other transport systems (funiculars, etc.)	-	-	2	1.17	2	1.17
3. TELECOMMUNICATIONS	10	160.15	80	34.69	102	194.84
30 Miscellaneous	-	-	80	34.68	80	34.68
31 Telephone, telex	10	160.15	-	0.01	22	160.16
4. ENERGY	6	101.84	86	47.36	93	149.20
41 Electricity supply	4	80.74	18	15.87	22	96.61
42 Electricity distribution	1	14.48	43	13.82	45	28.30
44 Gas distribution networks	1	6.61	25	17.68	26	24.29
5. WATER ENGINEERING	17	361.65	1 263	323.85	1 280	685.50
50 Miscellaneous	-	-	7	10.30	7	10.30
51 Dams	9	162.30	5	12.70	14	175.01
52 Water collection/distribution	4	94.92	719	171.73	724	266.65
53 Irrigation systems	-	-	7	4.68	7	4.68
54 Sewers, sewage treatment plants	4	104.43	522	124.44	528	228.87
6. ENVIRONMENT	-	-	64	25.13	64	25.13
61 Coastal protection	-	-	8	6.66	8	6.66
62 Clearance works, hydrogeological protection	-	-	15	6.67	15	6.67
63 Protection and clearance of sites	-	-	14	4.44	14	4.44
64 Incinerators/recycling plants for garbage	-	-	24	6.07	24	6.07
65 Anti-pollution systems	-	-	3	1.29	3	1.29
7. EDUCATION, SOCIOCULTURAL, SPORT/LEISURE	6	61.74	84	42.71	90	104.45
70 Miscellaneous	-	-	2	0.64	2	0.64
71 Education	4	28.04	35	22.32	39	50.36
72/73 Social, medical/paramedical infrastructure	1	15.92	9	3.06	10	18.98
74 Cultural infrastructure	1	17.78	22	5.12	23	22.90
75 Sport and leisure centres	-	-	16	11.57	16	11.57
Total	85	1 501.23	2 943	1 205.58	3 028	2 706.81
Total investment		3 879.81		2 694.25		6 574.07
National aid		3 430.13		2 443.40		5 873.53

(*)These amounts have been calculated using the exchange rates which were in force when the commitment decisions were taken and which differ slightly from the rates applying at the time of the commitment in accounting terms.

TABLE 32.

Breakdown of commitments for projects by industry, craft industry and service sector in 1987

Sector NACE Code	Large projects			Small projects			Total		
	Projects	Assist.	Jobs	Projects	Assist.	Jobs	Projects	Assist.	Jobs
1. ENERGY	-	-	-	4	1.59	85	4	1.59	85
11 Extraction briquettsolid.fuels	-	-	-	1	0.27	21	1	0.27	21
13 Extraction of petroleum and natural gas	-	-	-	1	0.86	23	1	0.86	23
15 Nuclear fuel industry	-	-	-	1	0.33	20	1	0.33	20
17 Water collection processing and distribution	-	-	-	1	0.13	21	1	0.13	21
2. EXTRACT.PROCESS. MINERALS,CHEMIC.	10	14.77	2 467	66	26.56	3 333	76	41.32	5 800
22 Product./prelim.processing metals	2	1.83	159	10	2.31	402	12	4.14	561
23 Extract. non metallifer. minerals	-	-	-	4	0.17	106	4	0.17	106
24 Manuf.non-metallic.miner. prod.	3	5.74	1 366	26	13.01	1 135	29	18.75	2 501
25 Chemical industry	5	7.19	942	25	10.42	1 675	30	17.61	2 617
26 Man-made fibres industry	-	-	-	1	0.65	15	1	0.65	15
3. METAL MANUFACTURE,INSTR.ENGINEER.	15	22.56	2 699	266	99.03	43 801	281	121.59	46 500
31 Manufacture of metal articles	1	1.36	25	85	22.45	3 727	86	23.81	3 752
32 Mechanical engineering	2	2.56	264	73	18.04	3 922	75	20.60	4 186
33 Manuf.office/data process.machin.	1	3.69	300	6	2.34	526	7	6.03	826
34 Electrical engineering	7	12.13	1 689	55	35.90	32 513	62	48.03	34 202
35 Manuf.motor vehicul.,parts/acces.	1	0.56	15	16	7.15	1 135	17	7.72	1 150
36 Manuf. other means of transport	3	2.26	406	17	7.64	841	20	9.90	1 247
37 Instrument engineering	-	-	-	14	5.51	1 137	14	5.51	1 137
4. OTHER MANUFACTURING INDUSTRIES	13	16.89	1 111	273	79.88	11 970	286	96.77	13 081
41/42 Food, drink, tobacco industry	3	5.89	505	57	15.12	2 283	60	21.02	2 788
43 Textile industry	2	1.93	101	25	4.80	1 116	27	6.72	1 217
44 Leather/leather goods industry	-	-	-	4	1.01	128	4	1.01	128
45 Footwear/clothing industry	-	-	-	22	2.86	1 390	22	2.86	1 390
46 Timber/wooden furniture industry	2	4.02	90	55	7.43	1 506	57	11.45	1 596
47 Manuf.paper/prod.,print.,publish.	3	3.23	149	40	20.57	2 360	43	23.80	2 590
48 Processing of rubber and plastics	3	1.81	266	64	27.48	2 917	67	29.29	3 183
49 Other manufacturing industries	-	-	-	6	0.61	270	6	0.61	270
5. BUILDING AND CIVIL ENGINEERING	-	-	-	2	0.24	71	2	0.24	71
6. TO 9. SERVICES	-	-	-	30	1.88	740	30	1.88	740
61 Wholesale distribution	-	-	-	2	0.05	33	2	0.05	33
64/65 Retail distribution	-	-	-	1	0.03	3	1	0.03	3
66 Restauration, hébergement	-	-	-	15	0.20	308	15	0.20	308
67 Repair of cons.goods and vehs.	-	-	-	1	0.04	8	1	0.04	8
72 Other land trpt. (urban, road)	-	-	-	1	0.04	14	1	0.04	14
77 Travel agents, freight brokers	-	-	-	2	0.06	12	2	0.06	12
83 Activites auxiliary to banking/insurance	-	-	-	6	1.40	319	6	1.40	319
92 Sanitary, admnis. cemeteries	-	-	-	1	0.05	40	1	0.05	40
97 Recreational, other cultural services	-	-	-	1	0.01	3	1	0.01	3
Total	38	54.22	6 277	684	223.61	60 000	722	277.83	66 277
Investment	1 274.42			1 568.81			2 843.23		
National aid	108.29			454.01			562.29		

TABLE 33.
Budgetary situation 1987

1. Use of commitment appropriations

(Mio ECU)

Commitment appropriations available for 1987					Use in 1986	Appropriations
Appropriations entered in 1987 budget	Appropriations outstanding from 1986	Appropriations made available by:		Total	Commitments made	available at 31.12.87
		release of previous commitments	exch. rate fluctuations affecting amounts previously released			
3 217.42	15.20	162.06	141.68	3 536.36	3 533.18	3.18

2. Use of payment appropriations

(Mio ECU)

Payment appropriations available in 1987			Payments made in 1987			Payment appropriations not used at 31.12.1987	
Carry-over 1986	Appropriations for 1987	Total	Out of carry-over from 1986	Out of approp. for 1987	Total	Out of carry-over from 1986	Out of appropriations for 1987
2.87	2 491.68	2 494.55	2.87	2 441.72	2 444.59	-	49.96

3. Commitments made.

(Mio ECU)

Commitments 1975-1986 unpaid at 1.1.1987	Amounts released and adjustments from 1986	Commitments made in 1987			Unpaid commitments 1975-1986 + 1987 commitments	Commitments paid in 1987	Commitments still to be paid at 31.12.87
		Out of approp. outstanding from 1986	Out of approp. for 1987	Total			
5 724.47	303.74	15.20	3 517.98	3 533.18	8 953.91	2 444.59	6 509.39

TABLE 34.
Amounts committed 1975-1987 (by Member State)

(Mio ECU)

Member State	Programmes			Projects				Studies	Total commitments
	Community	N.P.C.I.	Total	Industry, services and craft	Infrastructure	Internally generated development	Total		
B	-	17.16	17.16	40.67	117.17	1.35	159.19	2.00	178.35
DK	-	5.37	5.37	21.85	136.10	0.20	158.15	6.08	169.60
D	-	-	-	467.04	346.92	-	813.96	0.19	814.15
GR	12.98	112.36	125.34	34.16	1 947.54	-	1 981.70	0.12	2 107.16
E	23.02	4.32	27.34	11.20	1 263.02	-	1 274.22	-	1 301.56
F	4.22	180.48	184.70	370.21	1 929.46	8.84	2 308.51	11.77	2 504.98
IRL	14.23	52.63	66.86	288.79	796.06	1.50	1 086.35	0.74	1 153.95
I	29.27	1.72	30.99	932.27	5 963.20	-	6 895.47	21.49	6 947.95
L	-	1.94	1.94	-	13.95	-	13.95	-	15.89
NL	-	10.32	10.32	32.42	178.57	0.01	211.00	0.19	221.51
P	29.01	-	29.01	-	740.58	-	740.58	0.24	769.83
UK	3.84	287.04	290.88	927.85	3 308.62	3.02	4 239.49	9.58	4 539.95
Commun	-	-	-	-	-	-	-	1.31	1.31
EUR 12	116.57	673.34	789.91	3 126.46	16 741.19	14.92	19 882.57	53.71	20 726.19

TABLE 35.
Payments in 1987 made from 1975-1987 commitments

Member State	Payments made in 1987 against commitments								Total payments 1987
	1975-80	1981	1982	1983	1984	1985	1986	1987	
B	- 0.09	0.14	0.27	0.36	5.58	1.85	6.34	8.55	23.00
DK	-	-	0.38	-	2.94	2.97	5.91	3.38	15.58
D	- 3.83	- 0.04	1.56	1.89	7.77	6.12	36.29	11.18	60.94
GR	-	2.17	4.18	12.23	8.76	13.32	72.21	174.53	287.40
E	-	-	-	-	-	-	77.97	267.37	345.34
F	1.11	1.93	0.76	5.82	40.84	65.09	100.31	47.86	263.72
IRL	- 0.28	2.88	0.36	- 0.12	2.06	17.08	60.73	51.21	133.92
I	10.20	6.45	9.76	56.16	49.75	80.33	276.73	60.94	550.32
L	-	-	-	-	0.74	-	0.78	0.77	2.29
NL	-	-	1.13	2.29	9.55	0.07	4.30	2.11	19.45
P	-	-	-	-	-	-	81.82	140.94	222.76
UK	0.55	1.20	- 5.38	10.44	38.10	72.56	248.30	142.74	519.29
	-	-	-	-	-	0.01	0.57	-	0.58
EUR 12	7.66	14.73	23.79	89.07	166.09	259.40	972.26	911.58	2 444.59

TABLE 36.
Payments 1975-1987

Year	Payments (Mio ECU)												EUR 12	
	B	DK	D	E	GR	F	IRL	I	L	NL	P	UK		COM.
1975		1.64				15.63	5.21	34.20	0.25	3.29		13.85		74.06
1976	7.08	4.42	17.35			29.99	12.08	75.85	0.47	6.67		59.14		213.05
1977	3.46	6.14	34.40			45.40	14.09	92.82	0.13	3.64		75.62		275.70
1978	5.97	1.38	42.18			40.65	20.46	78.53	0.21	6.48		59.03		254.89
1979	3.10	9.13	46.03			103.61	32.89	143.73	0.30	8.65		165.73		513.10
1980	6.59	9.44	50.45			99.66	69.55	249.08	0.99	7.70		233.24		726.70
1981	9.17	10.69	36.19		122.00	62.16	79.32	210.16	0.96	5.66		255.10		791.41
1982	10.56	14.57	61.65		152.35	126.18	91.18	276.97	0.06	3.24		213.56		950.67
1983	7.03	16.70	45.05		214.59	214.56	91.57	344.50	0.02	18.12		294.46		1 246.60
1984	5.63	28.10	43.92		212.63	190.23	101.52	435.11	2.49	14.74		291.61		1 325.98
1985	12.00	7.69	59.19		309.04	233.23	114.66	381.13	0.65	15.31		457.75		1 590.65
1986	21.61	18.94	88.23	314.30	302.87	200.36	77.04	701.45	0.13	11.82	188.78	468.26	0.37	2 394.16
1987	23.00	15.58	60.94	345.34	287.40	263.72	133.92	550.32	2.29	19.45	222.76	519.29	0.58	2 444.59

TABLE 37.

Breakdown by country of commitments for infrastructure projects in 1987

(Mio ECU)

Member State	Linked to productive activities	Transport	Telecommunications	Energy	Water engineering	Environment	Education, socio-cultural	Total
B	0.93	0.22	-	-	5.30	-	0.82	7.26
DK	0.45	1.83	-	-	0.33	0.41	1.17	4.18
D	10.57	24.12	-	0.39	6.35	0.26	9.62	51.30
GR	1.93	20.15	151.40	5.22	13.73	-	-	192.43
E	1.28	487.53	-	10.14	131.50	3.48	-	633.94
F	3.31	104.02	0.01	8.47	8.50	1.72	7.23	133.24
IRL	-	16.58	34.68	-	16.99	-	1.16	69.41
I	175.05	234.75	8.72	14.76	329.70	7.32	17.82	788.12
L	-	1.90	-	0.42	-	-	-	2.32
NL	-	15.15	-	-	-	-	-	15.15
P	5.22	167.73	-	46.85	95.03	4.16	40.27	359.26
UK	39.11	236.69	-	63.03	77.26	7.75	26.35	450.19
EUR 12	237.84	1 310.65	194.80	149.27	684.71	25.10	104.44	2 706.81

TABLE 38.

Breakdown by country of commitments for infrastructure projects 1975-1987

(Mio ECU)

Member State	Linked to productive activities	Transport	Telecommunications	Energy	Water engineering	Environment	Education, socio-cultural	Total
B	28.16	17.86	-	2.16	35.98	10.02	26.39	120.57
DK	11.10	64.71	15.27	30.77	7.96	0.79	10.66	141.15
D	143.20	51.76	-	21.70	60.97	7.45	53.39	344.06
GR	33.00	520.26	428.27	550.98	291.26	1.20	112.61	1 937.58
E	1.28	853.55	-	140.56	258.37	3.48	-	1 257.24
F	38.57	1 110.07	274.92	387.70	64.54	9.81	58.25	1 942.87
IRL	15.29	269.69	239.70	8.54	216.50	11.42	34.92	796.07
I	853.98	1 817.07	45.55	843.35	2 223.68	133.64	105.07	6 022.33
L	4.02	6.77	-	0.50	1.41	-	1.60	14.29
NL	10.46	160.25	1.28	-	2.76	-	3.98	178.73
P	13.09	356.42	-	139.30	160.21	4.41	57.01	730.43
UK	340.69	1 589.78	230.93	266.37	617.36	71.60	190.14	3 306.86
EUR 12	1 493.45	6 818.08	1 235.92	2 390.92	3 260.50	253.81	654.00	16 792.13

TABLE 39.

Breakdown by country of commitments for projects by industry, craft industry and service sector in 1987

Member State							(Mio ECU)
	Energy	Mineral products and by-products, chemicals	Metal processing instrument engineering	Other manufacturing industries	Building and civil engineering	Services	Total
B	-	0.21	0.46	0.69	-	-	2.42
DK	-	0.17	2.77	1.94	0.19	0.10	5.17
D	1.18	14.31	18.99	27.44	-	1.09	63.01
GR	-	0.41	0.13	0.96	-	-	1.49
E	-	-	-	-	-	-	-
F	-	0.13	1.63	1.64	-	-	12.24
IRL	0.13	3.34	19.07	2.22	-	-	25.65
I	-	19.65	56.02	46.49	-	0.20	122.36
L	-	-	-	-	-	-	-
NL	-	-	-	-	-	-	0.01
P	-	-	-	-	-	-	-
UK	0.27	3.62	23.18	16.03	0.05	0.49	45.48
EUR 12	1.59	41.84	122.24	97.42	0.24	1.88	277.83

TABLE 40.

Breakdown by country of commitments for projects by industry, craft industry and service sector 1975-1987

Member State							(Mio ECU)
	Energy	Mineral products and by-products, chemicals	Metal processing instrument engineering	Other manufacturing industries	Building and civil engineering	Services	Total
B	0.94	16.02	19.62	8.24	0.06	2.28	43.22
DK	-	2.14	11.09	7.92	0.21	0.52	21.89
D	2.99	79.62	214.81	164.90	0.25	8.51	471.08
GR	-	14.91	8.12	14.51	-	4.86	42.39
E	-	3.86	2.61	4.67	-	0.02	11.16
F	2.41	39.99	232.29	106.53	0.52	5.91	396.49
IRL	0.13	41.12	199.01	44.47	-	0.27	290.87
I	8.18	232.20	380.79	309.18	0.81	8.48	939.63
L	-	-	-	-	-	-	-
NL	-	8.63	5.48	12.21	3.70	2.79	32.83
P	-	-	-	-	-	-	-
UK	89.26	560.37	459.25	234.84	1.31	12.10	905.84
EUR 12	87.68	519.04	1 528.06	912.47	6.86	45.74	3 155.40

TABLE 41.

Volume of investment involved in projects assisted in 1987

(Mio ECU)

Member State	Industry, services and crafts		Infrastructure		Indigenous potential		Total	
	Number	Invest.	Number	Invest.	Number	Invest.	Number	Invest.
B	7	15.17	30	15.78	30	15.78	41	31.11
DK	122	94.13	20	8.99	20	8.99	142	103.12
D	136	1 457.10	51	104.75	51	104.21	187	1 561.85
GR	23	9.55	27	427.21	27	421.21	50	430.76
E	-	-	309	1 499.54	309	1 499.54	309	1 499.54
F	37	40.57	65	296.45	65	296.45	137	377.14
IRL	50	206.88	127	145.07	127	145.07	179	353.57
I	122	437.64	1 089	1 640.66	1 089	1 640.66	1 211	2 078.30
L	-	-	2	7.63	2	7.63	2	7.63
NL	-	-	5	63.66	5	63.66	6	63.74
P	-	-	795	1 109.12	795	1 109.12	795	1 109.12
UK	182	536.87	508	1 261.21	508	1 261.21	691	1 801.40
EUR 12	679	2 797.91	3 028	6 574.07	43	45.32	3 750	9 417.30

TABLE 42.
Studies commissioned in 1987

Member State	Grant ECU	Title of the study
Danmark		
Vest for Storebælt	38 170	Mulighederne for at fremme ny teknologi i fremstillingsvirksomhederne, Århus
Vest for Storebælt	38 170	Tilvejebringelse af oplysninger med henblik på etablering af et miljøteknisk institut i Grenå
Vest for Storebælt	32 084	Tekniske forundersøgelser forinden anlæg af kontrolleret losseplads i Aalborg Kommune
France		
Guadeloupe	142 482	Etude de réalisation d'un port en eau profonde à Marigot St Martin
Réunion	4 958 374	Etudes de recherches en eau. Forages de reconnaissance
Languedoc-Roussillon	78 365	Aménagement touristique en Cerdagne, Capcir, Carol
Ireland		
Multiregional	118 927	Development Strategy for Royal and Grand Canals
Italia		
Toscana	126 419	Progettazione esecutiva del centro integrato dei servizi portuali necessari al traffico turistico e commerciale
Portugal		
Açores	180 668	Aménagement dans la rivière Socorridos
Madeira	62 736	Aménagement de la sortie de l'ouest de Funchal

**Studies commissioned in 1987
(continued)**

Member State	Grant ECU	Title of the study
United Kingdom		
North	42 046	Potential for investment projects in the east Durham coalfield area
North	26 007	Special interest study on tourism in the Durham dales
North	141 944	Former North Sands shipyard redevelopment as vehicle ro-ro terminal
North West	77 914	New road link St.Helens town centre and M62 motorway a) technical appraisal b) economic impact assessment
North West	63 060	Manufacture of paper pulp from refuse
North West	21 266	Westwood power station redevelopment feasibility study
Northern Ireland	873 734	Belfast transportation strategy review
South West	92 992	Falmouth relief road and maritime project
Scotland	177 430	Dredging study in the upper reaches of the river Clyde
Scotland	36 121	South East Northumberland local action programme
Wales	98 950	Construction of Cardiff harbour mouth barrage and investment appraisal
West Midlands	33 619	Capital development at the Ironbridge Gorge museum
West Midlands	71 311	Preparation of a national programme of community interest for the Black country
Yorkshire & Humberside	12 168	Brigg economic feasibility
Community study	20 600	European Development Pole
Community study	17 500	Basic model of national programme of Community interest
Community study	16 088	The application of the indigenous development concept to the energy sector

TABLE 43.
NPCI approved in 1985, 1986 and 1987

Country Region	Year of decision	Type of programme	Period covered	Total allocation (Mio ECU)	Assistance committed (Mio ECU)
Belgique/België					
Limburg	22/10/87	NPCI/IDO	87-91	32.38	3.50
Westhoek	22/10/87	NPCI	87-91	11.60	1.41
Trois frontières	19/12/86	NPCI	86-90	39.93	12.25
Danemark					
Nordtek	19/12/86	NPCI	86-90	12.10	4.81
Lolland	17/12/87	NPCI	87-91	5.03	0.56
Ellas					
Iles Egée	23/12/87	IMP	86-93	114.44	9.52
Grèce du Centre	23/12/87	IMP	86-93	159.83	9.35
Grèce de l'Ouest	23/12/87	IMP	86-93	153.04	25.91
Informatique	23/12/87	IMP	86-93	26.58	1.44
Grèce du Nord	23/12/87	IMP	86-93	150.24	28.71
Crete	02/09/86	IMP	85-92	85.73	37.43
España					
Asturias	22/10/87	NPCI	87-91	146,58	4.32
France					
Bretagne Centrale	17/12/87	NPCI/IDO	87-91	37.83	4.06
Charente Maritime	22/10/87	NPCI	87-91	14.25	2.80
Lozère	22/10/87	NPCI	87-89	8.55	2.40
Réunion	22/10/87	NPCI/IDO	87-91	75.71	13.01
Ardèche	28/07/87	IMP	86-88	3.32	1.35
Languedoc-Roussillon	28/07/87	IMP	86-88	32.34	14.17
Aquitaine	28/07/87	IMP	86-88	25.70	8.65
Midi-Pyrénées	28/07/87	IMP	86-88	20.16	9.50
Corse	28/07/87	IMP	86-88	18.96	13.80
Limousin II	11/06/87	NPCI/IDO	86-90	39.18	15.74
Auvergne II	11/06/87	NPCI/IDO	86-90	39.64	16.22
Nord-Pas-de-Calais II	11/06/87	NPCI	86-90	49.80	15.01
Lorraine II	19/12/86	NPCI	86-90	37.85	6.01
Tarn-Aveyron II	19/12/86	NPCI/IDO	86-90	25.72	5.00
Ariège II	19/12/86	NPCI	86-90	22.19	4.15
Trois frontières	19/12/86	NPCI	86-90	50.79	10.07
Decazeville	19/12/86	NPCI	86-88	14.11	4.70
Tarn-Aveyron I *	20/12/85	NPCI	84-85	1.71	1.71
Ariège I *	20/12/85	NPCI	84-85	4.84	4.84
Lorraine I *	20/12/85	NPCI	84-85	6.64	6.64
Auvergne I *	20/12/85	NPCI	84-85	3.18	3.18
Nord-Pas-de-Calais I *	20/12/85	NPCI	84-85	6.16	6.16
Limousin I *	20/12/85	NPCI	84-85	6.30	6.30

* These programmes were adopted in 2 tranches

NPCI approved in 1985, 1986 and 1987
(continued)

Country Region	Year of decision	Type of programme	Period covered	Total allocation (Mio ECU)	Assistance committed (Mio ECU)
Ireland Road Development	17/12/87	NPCI	86-90	250.33	52.63
Italia Molise	23/12/87	IMP	87-92	17.03	1.72
Luxembourg Trois frontières	19/12/86	NPCI	86-90	4.86	1.94
Nederland Groningen*	19/12/86	NPCI	86-88	23.32	10.32
United Kingdom West Lothian	17/12/87	NPCI	86-90	38.75	1.66
Birmingham	17/12/87	NPCI	87-91	164.27	21.50
Northern Ireland(art.15)	19/12/88	NPCI	86-88	6.2	1.2
Tees Corridor	19/12/86	NPCI	84-87	25.53	11.81
Mid Glamorgan	19/12/86	NPCI	86-89	44.55	13.30
Tayside	23/09/86	NPCI	85-88	28.08	20.48
Bishop Auckland	12/12/85	NPCI	84-89	24.46	19.10
Glasgow	12/12/85	NPCI	84-87	92.31	92.31
Mersey Basin	12/12/85	NPCI	84-87	90.33	96.64

TABLE 44.
Regional breakdown of commitments 1975-1987 for programmes, projects and studies

(Mio ECU)

Member State Region	Programmes			Projects				Studies	Total commit- ments
	Community	N.P.I.C.	Total	Industry, services and craft	Infrastruc- ture	Internally generated development*	Total		
BELGIQUE/BELGIË	-	17.16	17.16	40.67	117.17	1.35	159.19	2.00	178.35
Vlaanderen	-	4.91	4.91	27.57	55.36	1.34	84.27	0.13	89.31
Wallonie	-	12.25	12.25	13.10	61.81	0.01	74.92	1.87	89.04
DANMARK	-	5.37	5.37	21.85	136.10	0.20	158.15	6.08	169.60
DEUTSCHLAND	-	-	-	467.04	346.92	-	813.96	0.19	814.15
Schleswig-Holstein	-	-	-	53.00	38.26	-	91.26	-	91.26
Bremen	-	-	-	0.74	7.47	-	8.21	-	8.21
Nordrhein-Westfalen	-	-	-	62.94	18.18	-	81.12	-	81.12
Hessen	-	-	-	38.34	14.51	-	52.85	-	52.85
Rheinland-Pfalz	-	-	-	55.28	6.71	-	61.99	-	61.99
Baden-Württemberg	-	-	-	13.02	7.84	-	20.86	-	20.86
Bayern	-	-	-	75.55	96.08	-	171.63	-	171.63
Saarland	-	-	-	75.31	14.75	-	90.06	0.04	90.10
Berlin (West)	-	-	-	5.19	61.79	-	66.98	0.11	67.09
Niedersachsen	-	-	-	87.59	81.33	-	168.92	0.04	168.96
Multi-regional	-	-	-	0.08	-	-	0.08	-	0.08
ELLAS	12.98	112.36	125.34	34.16	1 947.54	-	1 981.70	0.12	2 107.16
Ana.Ster.Kai Nisoi	-	-	-	1.76	158.81	-	160.57	-	160.57
Kentr.Dyt.Makedonia	-	-	-	3.46	708.51	-	711.97	-	711.97
Pelop.Dyt.Ste.Ellas	-	-	-	2.89	269.26	-	272.15	-	272.15
Thessalia	-	-	-	2.79	133.35	-	136.14	-	136.14
Anatoliiki Makedonia	-	-	-	1.83	72.27	-	74.10	-	74.10
Kriti	-	37.43	37.43	0.99	107.87	-	108.86	-	146.29
Ipiros	-	-	-	4.56	173.51	-	178.07	-	178.07
Thraki	-	-	-	7.40	69.04	-	76.44	-	76.44
Nisoi Anat.Agaiou	-	-	-	4.59	89.84	-	94.43	-	94.43
Multi-regional	12.98	74.93	87.91	3.89	165.08	-	168.97	0.12	257.00

* Measures to exploit the potential for internally generated development are also included in programmes.

Regional breakdown of commitments 1975-1987 for programmes, projects and studies
(continued)

(Mio ECU)

Member State Region	Programmes			Projects				Studies	Total commit- ments
	Community	N.P.I.C.	Total	Industry, services and craft	Infrastruc- ture	Internally generated development*	Total		
ESPAÑA	23.02	4.32	27.34	11.20	1 263.02	-	1 274.22	-	1 301.56
Galicia	-	-	-	3.43	79.02	-	82.45	-	82.45
Princ. de Asturias	-	4.32	4.32	-	86.40	-	86.40	-	90.72
Aragon	-	-	-	-	5.55	-	5.55	-	5.55
Castilla y León	-	-	-	1.12	230.70	-	231.82	-	231.82
Castilla-La-Mancha	-	-	-	1.38	164.13	-	165.51	-	165.51
Extremadura	-	-	-	0.62	96.50	-	97.12	-	97.12
Andalucía	-	-	-	4.65	514.26	-	518.91	-	518.91
Murcia	-	-	-	-	61.37	-	61.37	-	61.37
Canarias	-	-	-	-	25.09	-	25.09	-	25.09
Multi-regional	23.02	-	23.02	-	-	-	-	-	23.02
FRANCE	4.22	180.48	184.70	370.21	1 929.46	8.84	2 308.51	11.77	2 504.98
Haute-Normandie	-	-	-	2.97	2.12	-	5.09	-	5.09
Basse-Normandie	-	-	-	9.36	31.87	0.90	42.13	0.07	42.20
Picardie	-	-	-	3.32	2.44	-	5.76	-	5.76
Champagne-Ardennes	-	-	-	7.56	16.89	-	24.45	-	24.45
Bourgogne	-	-	-	0.65	-	0.21	0.86	-	0.86
Centre	-	-	-	2.25	2.15	0.31	4.71	-	4.71
Nord-Pas-de-Calais	-	21.17	21.17	75.64	75.14	-	150.78	-	171.95
Bretagne	-	4.06	4.06	25.38	276.15	2.52	304.05	-	308.11
Pays de la Loire	-	-	-	41.57	81.76	2.26	125.59	-	125.59
Poitou-Charentes	-	2.80	2.80	17.94	63.38	0.46	81.78	-	84.58
Lorraine	-	12.65	12.65	54.62	124.27	0.09	178.98	0.07	191.70
Alsace	-	-	-	7.82	2.35	0.16	10.33	-	10.33
Franche-Comté	-	-	-	0.50	1.50	0.51	2.51	-	2.51
Limousin	-	22.04	22.04	6.20	101.56	-	107.76	-	129.80
Aquitaine	-	8.65	8.65	26.42	112.82	-	139.24	-	147.89
Midi-Pyrénées	-	29.90	29.90	23.40	229.60	-	253.00	-	282.90
Auvergne	-	19.40	19.40	14.64	118.27	1.42	134.33	-	153.73
Rhône-Alpes	-	6.36	6.36	20.72	36.64	-	57.36	-	63.72
Languedoc-Roussillon	-	16.57	16.57	13.36	136.55	-	149.91	0.08	166.56
Provence-Alp.-C.d'Az.	-	-	-	1.97	29.58	-	31.55	-	31.55
Corse	-	13.80	13.80	0.65	57.00	-	57.65	-	71.45
Martinique	-	-	-	3.20	106.94	-	110.14	-	110.14
Guadeloupe	-	-	-	3.67	89.59	-	93.26	0.14	93.40
Guyane	-	-	-	3.63	73.90	-	77.53	-	77.53
Réunion	-	13.01	13.01	2.77	123.12	-	125.89	11.41	150.31
Multi-regional	4.22	10.07	14.29	-	33.87	-	33.87	-	48.16

* Measures to exploit the potential for internally generated development are also included in programmes.

Regional breakdown of commitments 1975-1987 for programmes, projects and studies
(continued)

Member State Region	Programmes			Projects				Studies	Total commit- ments
	Community	N.P.I.C.	Total	Industry, services and craft	Infrastruc- ture	Internally generated development*	Total		
IRELAND	14.23	52.63	66.86	288.79	796.06	1.50	1 086.35	0.74	1 153.95
Donegal	-	-	-	5.52	15.39	0.10	21.01	0.03	21.04
North East	-	-	-	7.60	12.00	-	19.60	-	19.60
North West	-	-	-	12.49	20.38	-	32.87	0.01	32.88
West	-	-	-	16.09	40.25	0.78	57.12	-	57.12
Midlands	-	-	-	13.30	24.15	-	37.45	-	37.45
East	-	-	-	79.65	163.34	-	242.99	-	242.99
Mid West	-	-	-	53.86	63.15	-	117.01	-	117.01
South East	-	-	-	27.05	37.10	-	64.15	-	64.15
South West	-	-	-	48.67	102.70	0.62	151.99	-	151.99
Multi-regional	14.23	52.63	66.86	24.56	317.60	-	342.16	0.70	409.72
ITALIA	29.27	1.72	30.99	932.27	5 963.20	-	6 895.47	21.49	6 947.95
Friuli-Venezia Giulia	-	-	-	-	71.28	-	71.28	-	71.28
Toscana	-	-	-	1.28	24.30	-	25.58	0.23	25.81
Marche	-	-	-	28.38	59.89	-	88.27	0.86	89.13
Lazio	-	-	-	112.23	165.37	-	277.60	0.05	277.65
Abruzzi	-	-	-	114.73	190.57	-	305.30	6.59	311.89
Molise	-	1.72	1.72	10.15	102.24	-	112.39	3.57	117.68
Campania	-	-	-	319.47	2 350.28	-	2 669.75	6.15	2 675.90
Puglia	-	-	-	94.25	331.78	-	426.03	0.30	426.33
Basilicata	-	-	-	148.16	427.34	-	575.50	-	575.50
Calabria	-	-	-	30.97	578.03	-	609.00	-	609.00
Sicilia	-	-	-	47.79	948.16	-	995.95	0.54	996.49
Sardegna	-	-	-	24.86	362.74	-	387.60	3.06	390.66
Multi-regional	29.27	-	29.27	-	351.22	-	351.22	0.14	380.63
LUXEMBOURG	-	1.94	1.94	-	13.95	-	13.95	-	15.89
NEDERLAND	-	10.32	10.32	32.42	178.57	0.01	211.00	0.19	221.51
Noord-Nederland	-	10.32	10.32	16.85	109.68	-	126.53	0.16	137.01
Oost-Nederland	-	-	-	-	4.87	-	4.87	-	4.87
Zuid-Nederland	-	-	-	15.57	61.19	0.01	76.77	-	76.77
Multi-regional	-	-	-	-	2.83	-	2.83	0.03	2.86

* Measures to exploit the potential for internally generated development are also included in programmes.

Regional breakdown of commitments 1975-1987 for programmes, projects and studies
(continued)

(Mio ECU)

Member State Region	Programmes			Projects				Studies	Total commit- ments
	Community	N.P.I.C.	Total	Industry, services and craft	Infrastruc- ture	Internally generated development*	Total		
PORTUGAL	29.01	-	29.01	-	740.58	-	740.58	0.24	769.83
Norte	-	-	-	-	232.92	-	232.92	-	232.92
Centro	-	-	-	-	163.50	-	163.50	-	163.50
Lisboa e Vale do Tejo	-	-	-	-	68.03	-	68.03	-	68.03
Alentejo	-	-	-	-	122.07	-	122.07	-	122.07
Algarve	-	-	-	-	43.10	-	43.10	-	43.10
Açores	-	-	-	-	58.39	-	58.39	-	58.39
Madeira	-	-	-	-	44.74	-	44.74	0.24	44.98
Multi-regional	29.01	-	29.01	-	7.83	-	7.83	-	36.84
UNITED KINGDOM	3.84	287.04	290.88	927.85	3 308.62	3.02	4 239.49	9.58	4 539.95
North	-	30.90	30.90	141.48	498.35	-	639.83	0.87	671.60
Yorkshire Humberside	-	-	-	36.25	326.84	-	363.09	0.71	363.80
East Midlands	-	-	-	12.05	53.66	-	65.71	0.93	66.64
South West	-	-	-	13.48	189.95	-	203.43	0.39	203.82
West Midlands	-	21.50	21.50	9.17	238.65	-	247.82	0.16	269.48
North West	-	96.64	96.64	87.73	407.90	-	495.63	0.72	592.99
Wales	-	13.30	13.30	126.47	535.68	-	662.15	1.43	676.88
Scotland	-	124.70	124.70	247.79	733.62	1.84	983.25	1.49	1 109.44
Northern Ireland	-	-	-	152.31	304.68	1.18	458.17	1.09	459.26
Multi-regional	3.84	-	3.84	101.12	19.29	-	120.41	1.79	126.04
Commun.	-	-	-	-	-	-	-	1.31	1.31
EUR 12	116.57	673.34	789.91	3 126.46	16 741.19	14.92	19 882.57	53.71	20 726.19

* Measures to exploit the potential for internally generated development are also included in programmes.

ILLUSTRATION 1.

Conversion of a redundant building into an information centre for new business (B)

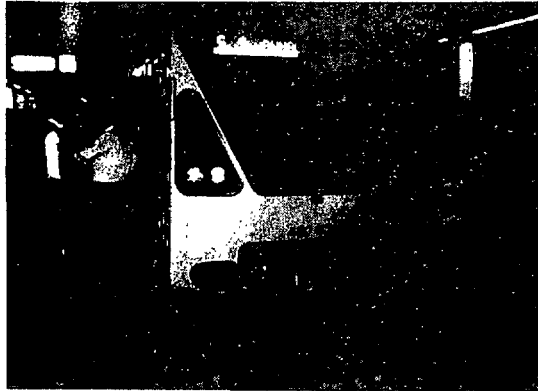


In Flanders, the business and innovation centre in Ypres (B) was one of two such centres receiving grants in 1987



ILLUSTRATION 2.

The new underground trains in Berlin, whose purchase was financed by the ERDF (D)



Nordtek programme: mobile unit giving out information about new technologies (DK)

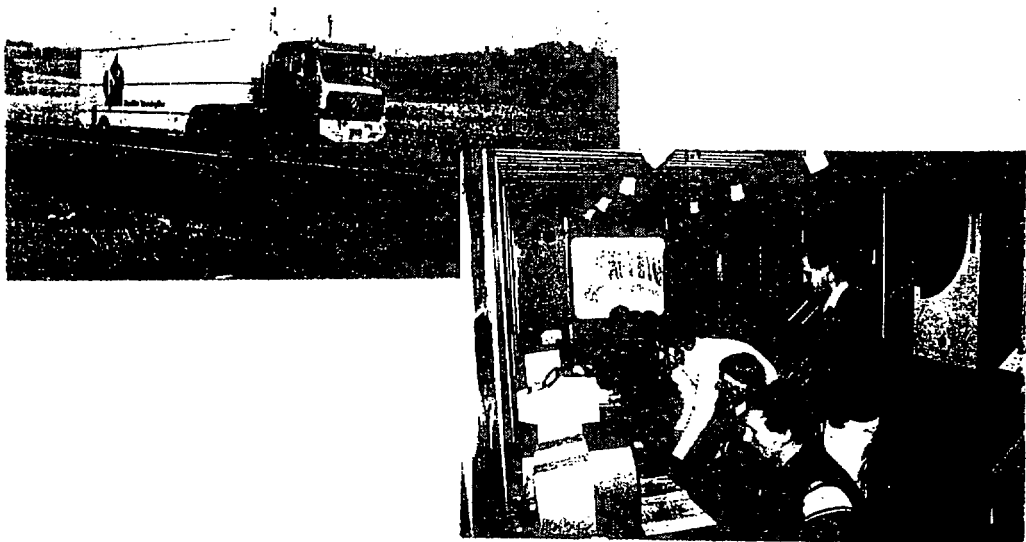
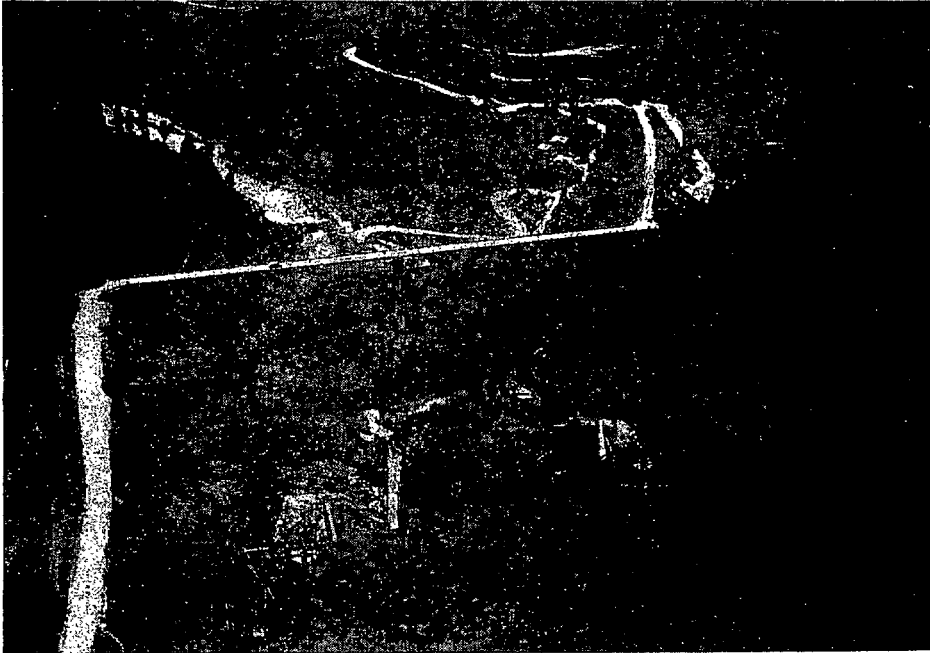


ILLUSTRATION 3.

Dam Villar del Rey, Badajoz (SP)



Futuroscope theme park in Poitiers: new type of technological high school (FR)

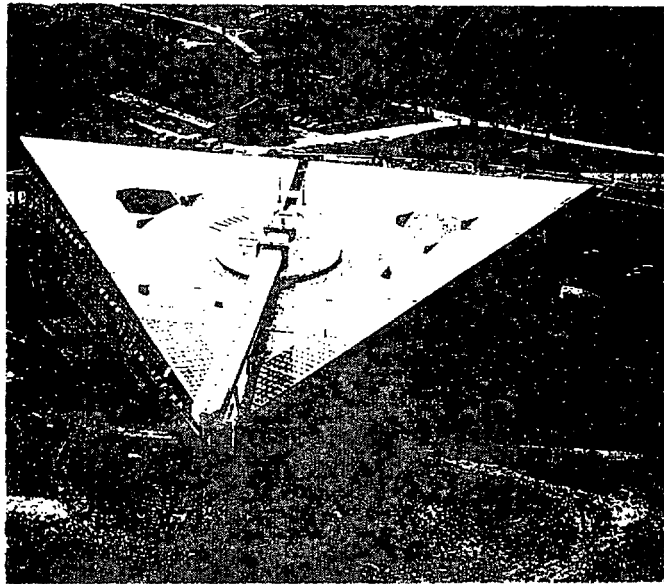
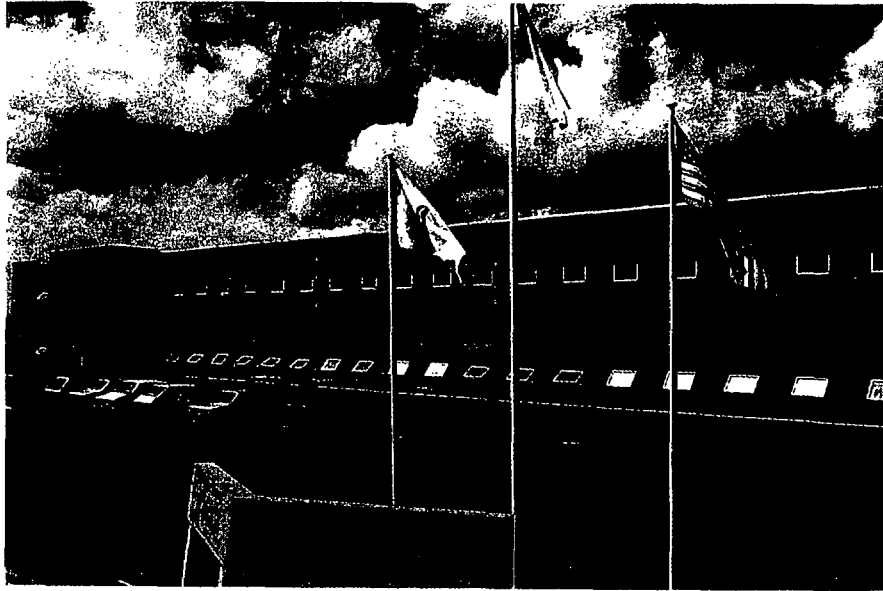


ILLUSTRATION 4.

"Scherwood Medical Industries", Tullamore, Offaly (IRL)
Expansion of production of medical products



Various industrial plans in San Mango sul Calore (IT)

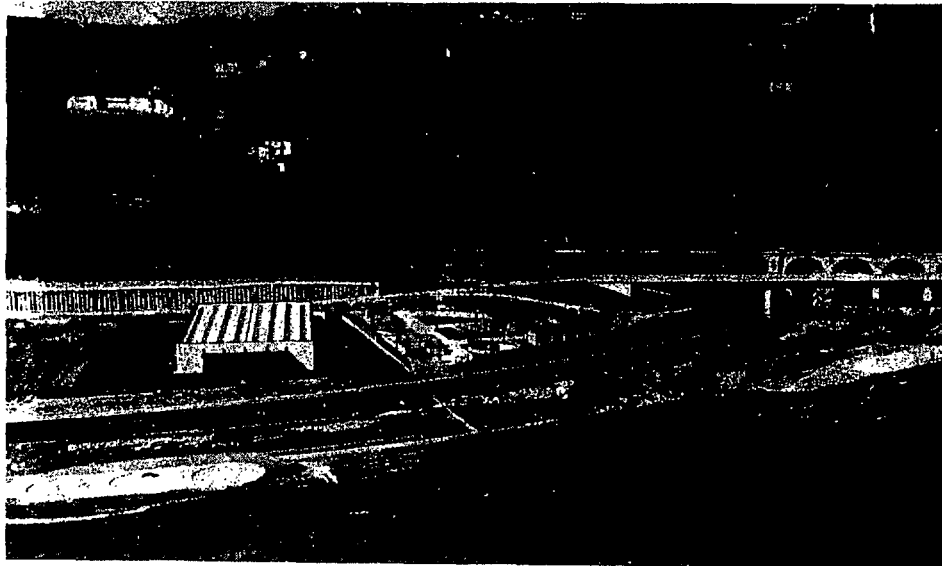


ILLUSTRATION 5.

4th 300 MW generator group for the thermoelectric power station at Sines (P)



Tunnelling under the Prinses Margriet canal, for the Leeuwarden-Heerenveen motorway (provinc. Friesland) (NL.)

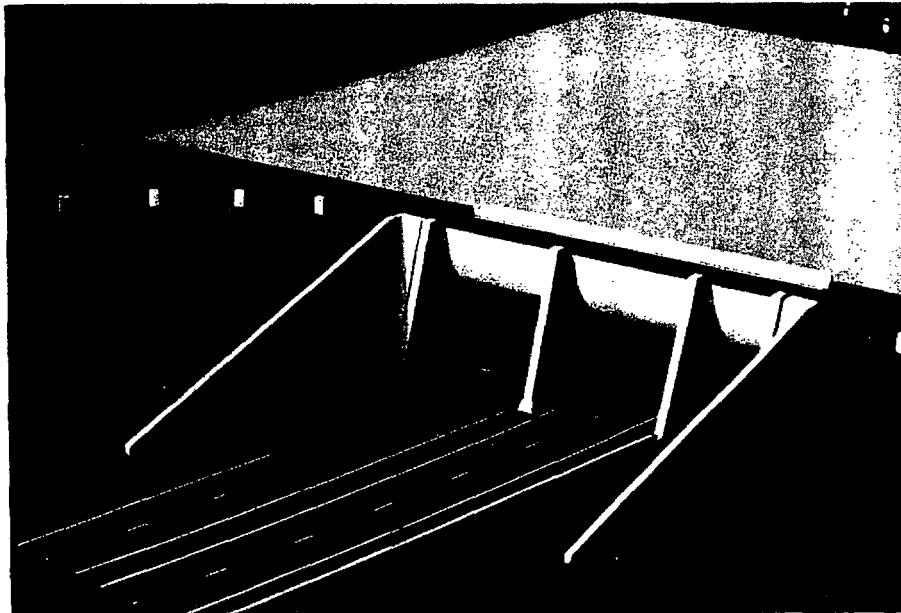
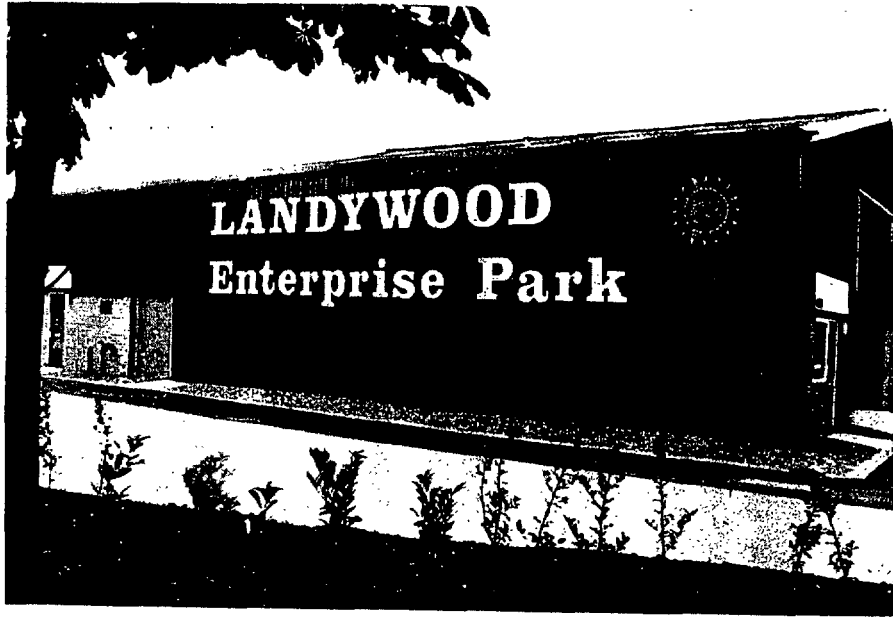


ILLUSTRATION 6.

"Landywood Enterprise Park", Walsall, W. Midlands (UK)
Conversion of a redundant factory building into modern workshop unit



Appendix B. Bibliography (1987 publications)

B.1 European regional development fund and regional policy

- Communication from the Commission: Exchange of views between the Commission, the Council and the European Parliament on the appraisal and implementation of the principles contained in the new ERDF Regulation
(COM(87) 236 final, 27 May 1987)
- Opinion of the Economic and Social Committee on the eleventh annual report (1985) to the Council by the Commission - European Regional Development Fund
(OJ No C 180, 8.7.1987, p. 42)
- Resolution of the European Parliament on the eleventh annual report from the Commission to the Council on the activities of the European Regional Development Fund (ERDF) in 1985
(OJ No C 190, 20.7.1987, p. 121)
- Grants from the European Regional Development Fund for 1985 (first and second allocation)
(OJ No C 206, 3.8.1987, p. 1)
- Grants from the European Regional Development Fund for 1985 (third and fourth allocation)
(OJ No C 273, 12.10.1987, p. 1)
- Resolution of the European Parliament on the revision of the present regulation governing the European Regional Development Fund (ERDF)
(OJ No C 281, 19.10.1987, p. 38)
- European Regional Development Fund: Twelfth Annual Report (1986) from the Commission
(COM(87) 521 final, 1 December 1987)
- European Regional Development Fund (ERDF) in: Court of Auditors: Annual report concerning the financial year 1986 accompanied by the replies of the institutions
(OJ No C 336, 15.12.1987, pp. 78-86 and pp. 225-229)
- ERDF in figures 1986, 1975-1986
Luxembourg, Office for Official Publications of the European Communities, 1987
(CB-48-87-654-EN-C)
- Regional development programmes for Denmark 1986-1990 - Third generation
Luxembourg, Office for Official Publications of the European Communities, 1987
(CB-48-87-517-EN-C)
- UK Regional Development Programme 1986-1990
Luxembourg, Office for Official Publications of the European Communities, 1987
(CB-98-87-002-EN-C)
- Research and technological development in the less favoured regions of the Community (Stride): Final report, John Goddard
Luxembourg, Office for Official Publications of the European Communities, 1987
(CB-50-87-671-EN-C)
- Impacts régionaux (EUR 10) des deux chocs pétroliers: les liaisons entre politiques énergétiques et politiques de développement régional, Bernard Bourgeois en collaboration avec Nicola Merzagora
Luxembourg, Office for Official Publications of the European Communities, 1987
(CB-50-87-655-FR-C)
- Agriculture and the regions: Situation and developments in the enlarged Community. The regional impact of the common agricultural policy in Spain and Portugal
Luxembourg, Office for Official Publications of the European Communities, 1987
(CB-49-87-066-EN-C)

- The regions of the enlarged Community - Third Periodic Report on the social and economic situation and development of the regions of the Community
Luxembourg, Office for Official Publications of the European Communities, 1987
(CB-49-87-381-EN-C)
- European regional policy, European File 14/87
(CB-AD-87-014-EN-C)

B.2 Specific community regional development measures

- Commission Decision of 19 February 1986 on the compatibility with the common market of aid under the German Federal/Land Government Joint Regional Aid Programme (Joint Programme for the improvement of regional economic structures) in six labour market regions
(OJ No L 12, 14.1.1987, p. 17)
- Proposal for a Council Decision concerning a Community programme to create and develop business and innovation centres and their network
(COM(86) 785 final); (OJ No C 33, 11.2.1987, p. 5)
- Procedures and conditions for the granting of conversion loans under Article 56 of the ECSC Treaty for investments which create alternative employment opportunities for redundant workers in the coal and steel industries
(OJ No C 173, 1.7.1987, p.2)
- Commission communication to the Council - Steel policy
(COM(87) 388 final/2); (OJ No C 272, 10.10.1987, p. 3)
- Programme for the conversion of shipbuilding areas - Proposal for a Council Regulation instituting a Community programme to assist the conversion of shipbuilding areas (Renaval programme)
(COM(87) 275 final); (OJ No C 291, 31.10.1987, p. 8)
- Opinion of the Economic and Social Committee on the proposal for a Council Decision concerning a Community programme to create and develop business and innovation centres and their network
(OJ No C 319, 30.11.1987, p. 52)
- Resolution of the European Parliament on expediting the implementation of a transfrontier action programme for the coal- and steel-production frontier region of Saarland-Lorraine-Luxembourg
(OJ No C 318, 30.11.1987, p. 157)
- Legislative resolution embodying the opinion of the European Parliament on the proposal from the Commission of the European Communities to the Council for a regulation on the tasks of the structural Funds and their effectiveness and on coordination of their activities between themselves and with the operations of the European Investment Bank and the other financial instruments
(OJ No C 345, 21.12.1987, p. 157)
- European Investment Bank and the other financial instruments
(OJ No C 345, 21.12.1987, p. 157)
- Opinion of the Economic and Social Committee on Shipbuilding - industrial, social and regional aspects (second communication from the Commission)
(OJ No C 356, 31.12.1987, p. 49)
- Opinion of the Economic and Social Committee on the proposal for a Council Regulation (EEC) instituting a Community programme to assist the conversion of steel areas (RESIDER programme)
(OJ No C 356, 31.12.1987, p. 56)

B.3 Regional Aid

- Commission Decision of 15 July 1987 on the redesignation of assisted areas in Denmark on 1 January 1987
(OJ No L 347, 11.12.1987, p. 64)

B.4 Integrated approach

- Commission Decision of 16 March 1987 approving an integrated approach for the area of Oost-Groningen/Oost-Drenthe, Netherlands (87/227/EEC)
(OJ No L 94, 8.4.1987, p. 27)

- Programme contract - Joint implementation of the integrated Mediterranean programme for the island of Crete ("IMP for Crete") (OJ No C 35, 13.2.1987, p. 2)
- Resolution of the European Parliament on the integrated Mediterranean programmes (OJ No C 99, 13.4.1987, p. 222)

B.5 Reform of the structural Funds

- Opinion of the Economic and Social Committee on the reform of the structural Funds (OJ No C 356, 31.12.1987, p. 13)
- Proposal for a Council Regulation (EEC) on the tasks of the structural Funds and their effectiveness and on coordination of their activities between themselves and with the operations of the European Investment Bank and the other financial instruments (COM(87) 376 final/2); (OJ No C 245, 12.9.1987, p. 3)
- Resolution of the European Parliament on budgetary control of the efficiency of the structural Funds (OJ No C 318, 30.11.1987, p. 126)
- Resolution of the European Parliament on coordination between the activities of the European Community's structural Funds and its lending instruments (OJ No C 281, 19.10.1987, p. 47)

B.6 Miscellaneous

- Resolution of the European Parliament on regional problems and migratory movements (OJ No C 345, 21.12.1987, p. 217)
- Resolution of the European Parliament on the mountain regions (OJ No C 305, 16.11.1987, p. 34)
- Resolution of the European Parliament on the peripheral maritime regions and islands of the Community (OJ No C 281, 19.10.1987, p. 41)
- Resolution of the European Parliament on regional development, education and training (OJ No C 99, 13.4.1987, p. 15)
- Resolution of the European Parliament on regional development of the French overseas departments (FOD) (OJ No C 156, 15.6.1987, p. 20)
- Resolution of the European Parliament on regional development of Ireland (OJ No C 305, 16.11.1987, p. 39)
- Resolution of the European Parliament on the contribution of cooperatives to regional development (OJ No C 246, 14.9.1987, p. 94)
- Opinion of the Economic and Social Committee on disadvantaged island regions (OJ No C 232, 31.8.1987, p. 91)
- Resolution of the European Parliament on the effects of Articles 92 and 93 of the Treaty establishing the EEC on regional policy (OJ No C 305, 16.11.1987, p. 128)

Appendix C. Symbols and abbreviations used

BIC	Business and Innovation Centre
CAP	Common Agricultural Policy
COM	Commission of the European Communities
DOM	French overseas departments
EAGGF	European Agricultural Guidance and Guarantee Fund
ECSC	European Coal and Steel Community
EDP	European Development Pole (three-frontier)
EEC	European Economic Community
EIB	European Investment Bank
EMS	European Monetary System
ERDF	European Regional Development Fund
ESF	European Social Fund
GDP	Gross domestic product (at market prices)
GFCF	Gross fixed capital formation
IDP	Integrated development programme
IMP	Integrated Mediterranean programme
NACE	General industrial classification of economic activities within the European Communities
NCI	New Community Instrument
NPCI	National programmes of Community interest
PEDIP	Specific Development Programme for Portuguese Industry
RIA	Regional impact analysis
RPC	Regional Policy Committee
RDP	Regional development programme
SMEs	Small and medium-sized enterprises
B	Belgium
DK	Denmark
D	Germany
E	Spain
GR	Greece
F	France
IRL	Ireland
I	Italy
L	Luxembourg
NL	Netherlands
P	Portugal
UK	United Kingdom
EUR 12	All member countries of the European Communities

BFR	Belgian franc
DKR	Danish krone
DM	German mark
DR	Greek drachma
ESC	Portuguese escudo
FF	French franc
HFL	Dutch guilder
IRL	Irish pound
LIT	Italian lira
LFR	Luxembourg franc
PTA	Spanish peseta
UKL	Pound sterling
ECU	European Currency Unit
MUA	Million units of account

<	less than
>	more than
%	percentage
Mio	million

List of tables, maps and graphics

Table 1.	Impact of ERDF assistance on six national economies	4
Table 2.	Amounts committed 1987 (by Member State)	5
Table 3.	Community programmes: allocations and commitments	10
Table 4.	Number and breakdown by Member State of grant applications for NPCIs in 1987	13
Table 5.	Commitments for national programmes of Community interest approved in 1987	18
Table 6.	Commitments in 1987 for national programmes of Community interest approved before 1987	19
Table 7.	Planned Community contribution to specific Community measures (1981-1991)	21
Table 8.	Breakdown by Member State of grant application for projects in 1987	31
Table 9.	Projects assisted in 1987	32
Table 10.	Size breakdown of industrial, craft industry and service projects - comparison 1986-1987	35
Table 11.	Estimate of jobs created or maintained in 1987	36
Table 12.	Breakdown, by Member State, of jobs actually created or maintained, compared with forecast	36
Table 13.	Population of ERDF-assisted areas	40
Table 14.	The ten regions receiving the most ERDF assistance in 1987	41
Table 15.	Regional breakdown of commitments 1987 for programmes, projects and studies	53
Table 16.	Regional breakdown of population and per capita assistance in ERDF-assisted areas	57
Table 17.	Funds available for commitment in 1987	61
Table 18.	Commitment appropriations available in 1987, from decommitments and changes in value of ECU by Member State	61
Table 19.	Payments made in 1987 and commitments still to be paid at the end of 1987	62
Table 20.	ERDF allocations 1975-1987	65
Table 21.	Balances of commitment appropriations outstanding each year-end from 1975 to 1987	66
Table 22.	Payment appropriations since 1975	67
Table 23.	Available funds and commitments 1987	67
Table 24.	Commitments and payments 1981-1987	68
Table 25.	Amounts committed 1985-1987 (by Member State)	69
Table 26.	Studies financed in 1985, 1986, 1987	72
Table 27.	Ranges for ERDF assistance	73
Table 28.	Distribution of the ERDF margin for the period 1985-1987	74
Table 29.	Number of projects assisted in 1987 (detail)	82
Table 30.	Amounts committed for projects in 1987 (detail)	82
Table 31.	Breakdown of amounts committed by type of infrastructure in 1987	83
Table 32.	Breakdown of commitments for projects by industry, craft industry and service sector in 1987	84
Table 33.	Budgetary situation 1987	85
Table 34.	Amounts committed 1975-1987 (by Member State)	86
Table 35.	Payments in 1987 made from 1975-1987 commitments	87
Table 36.	Payments 1975-1987	87
Table 37.	Breakdown by country of commitments for infrastructure projects in 1987	88
Table 38.	Breakdown by country of commitments for infrastructure projects 1975-1987	88
Table 39.	Breakdown by country of commitments for projects by industry, craft industry and service sector in 1987	89
Table 40.	Breakdown by country of commitments for projects by industry, craft industry and service sector 1975-1987	89
Table 41.	Volume of investment involved in projects assisted in 1987	90
Table 42.	Studies commissioned in 1987	91
Table 43.	NPCI approved in 1985, 1986 and 1987	93
Table 44.	Regional breakdown of commitments 1975-1987 for programmes, projects and studies	95

List of maps

Map	1. Regional distribution of ERDF assistance per inhabitant in 1987	3
Map	2. Regional distribution of ERDF assistance in 1987	43
Map	3. Regional distribution of ERDF assistance 1975-87	64
Map	4. Regional distribution of ERDF assistance 1985-87	70

List of graphics

Graphic	1. Breakdown of grants by country 1987 - Percentage of total	6
Graphic	2. Assistance granted in 1987 by country and by type of operation	29
Graphic	3. Assistance granted in 1987 to the leading ten types of infrastructure and to the leading ten industrial sectors	33