

COMMISSION OF THE EUROPEAN COMMUNITIES

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A WEIGHTED REDUCTION METHOD TO BE APPLIED
TO REQUESTS FOR ESF FUNDING WITH EFFECT
FROM 1978

(Communication of the Commission)

COM(78) 693 final

Weighted Reduction Method to be applied to
requests for ESF for 1978

In drawing up guidelines for the management of the European Social Fund for 1979 to 1981, and transitional guidelines for 1978, the Commission has already decided to implement a system of weighted reduction (part I. D of the guidelines, OJ N° C 116 of 19 May 1978, page 2).

The weighted reduction method now adopted by the Commission is calculated on the basis of latest available statistics on unemployment and Gross National Product per capita as factors of equal importance, giving rise to the establishment of a Weighted Reduction Indicator to be applied to ESF aid requests.

By introducing the new method the Commission completes the guidelines for the management of the Fund, and reinforces the redistributive character of the Fund.

The decision of the Commission as detailed below is applicable for 1978 and is communicated to the Council, the Parliament and the Economic and Social Committee.

Weighted reduction method to be applied to ESF requests for 1978.

For 1978 the weighted reduction envisaged in point I D of the "guidelines for the management of the European social Fund during 1979 to 1981" and additional guidelines for 1978" (1) is carried out in the manner outlined below :

- 1) for each Member State is calculated an unemployment index and a gross national product index, the Community average being equal to one hundred.
For this purpose one takes a basis :
 - the average unemployment rate for the 12 months ending 3 months before the Commission decision on aid applications,
 - the gross national product per capita figures at current exchange rates of the most recent year for which community statistics are available at the time of the Commission decision on aid applications.
- 2) for each Member State one divides the unemployment index by the gross national product index which gives rise to a weighted reduction indicator.
- 3) for each Member State the weighted reduction indicator is applied to the volume of its applications placed in the priority level subject to the reduction. This gives rise to a weighted volume.

For each Member State the latter volume is reduced by the application of a percentage so as to equate with the amount of funds remaining available for the priority level subject to the reduction. It is understood nevertheless that no Member State may receive aid from the Fund greater than the amount placed at the outset in the priority level subject to reduction.

(1) OJ N° C 116 of 19.5.1978, p. 2.