

II

(Preparatory Acts)

COMMISSION

Amended proposal for a Council Regulation (EC) on the European Regional Development Fund ⁽¹⁾

(1999/C 52/10)

COM(1999) 18 final — 98/0114(SYN)

(Submitted by the Commission pursuant to Article 189a(2) of the EC Treaty on 20 January 1999)

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 130e thereof,

Having regard to the proposal from the Commission,

Having regard to the opinion of the Economic and Social Committee,

Having regard to the opinion of the Committee of the Regions,

Acting in accordance with the procedure laid down in Article 189c in cooperation with the European Parliament,

- (1) Whereas, under Article 130c of the Treaty, the European Regional Development Fund (ERDF) is intended to help redress the main regional imbalances in the Community; whereas the ERDF therefore contributes to reducing the gap between the levels of development of the various regions and the extent to which the least-favoured regions and islands, including rural areas, are lagging behind;
- (2) Whereas Article 2(2) of Council Regulation (EC) No .../. . laying down general provisions on the Structural Funds states, that the main task of the ERDF is to contribute to the attainment of objectives 1 and 2, as referred to in Article 1 of that Regulation; whereas Articles 19 and 20 of that

Regulation provide that the ERDF is to contribute to financing transnational, cross-border and inter-regional cooperation under the Community initiatives; whereas Articles 21 and 22 state that it is to support innovative measures at Community level and technical assistance measures;

- (3) Whereas the provisions common to the Structural Funds are set out in Regulation (EC) No .../. .; whereas the type of measures, which may be financed by the ERDF under objectives 1 and 2, the Community initiatives and innovative measures should be defined;
- (4) Whereas the contribution of the ERDF, in pursuit of its task of promoting regional development, to the harmonious, balanced and sustainable development of economic activity, to a high degree of competitiveness, to a high level of employment, to equality between men and women, and to a high level of protection and improvement of the environment should be defined;
- (4a) Whereas the ERDF should provide assistance within the framework of a comprehensive and integrated strategy for sustainable development and ensure synergy with assistance from the other Structural Funds;
- (5) Whereas, as part of its tasks, the ERDF should support the productive environment and the competitiveness of enterprises, especially in small and medium-sized enterprises, local economic development and employment, including in the fields of culture and tourism where these contribute to employment creation, research and technological development, the development of and the provision of suitable access to both regional and trans-European networks in the transport infrastructure,

⁽¹⁾ OJ C 176, 9.6.1998, p. 35.

telecommunications and energy sectors, the protection and improvement of the environment on the principle, that preventive action should be taken, that environmental damage should as a priority be rectified at source and that the polluter should pay, and by fostering the clean, efficient utilisation of energy and the development of renewable energy sources, and equality between men and women in the field of employment;

- (6) Whereas the ERDF should play a particular role in favour of local economic development, in the context of raising the quality of life and developing the territory, especially by promoting territorial employment pacts and new sources of employment;
- (7) Whereas measures of Community interest undertaken at the initiative of the Commission have an important role to play in achieving the general objectives of Community structural action referred to in Article 1 of Regulation (EC) No .../98; whereas, to that end, in view of the value it adds at Community level, the ERDF should continue to promote cross-border, transnational and inter-regional cooperation, including in the regions located on the external frontiers of the Union, the least-favoured islands and the most remote regions, in view of their special features and difficulties; whereas, in the context of that cooperation, the harmonious, balanced and sustainable development of the whole of the Community territory adds value to work to promote economic and social cohesion; whereas the contribution of the ERDF to that development should be continued and increased;
- (8) Whereas the ERDF also contributes to support for innovative measures and technical assistance in accordance with Articles 21 and 22 of Regulation (CE) No .../98;
- (9) Whereas it is appropriate to lay down the powers for the adoption of the implementing provisions and to set out transitional provisions;
- (10) Whereas it is necessary to repeal Council Regulation (EEC) No 4254/88 of 19 December 1988 laying down provisions for implementing Regulation (EEC) No 2052/88 as regards the European Regional Development Fund ⁽¹⁾, as last amended by Regulation (EEC) No 2083/93 ⁽²⁾,

HAS ADOPTED THIS REGULATION:

Article 1

Tasks

Under Article 130c of the Treaty and Regulation (EC) No .../., the European Regional Development Fund (ERDF) shall contribute towards the financing of assistance as defined in Article 9(1) of that Regulation to promote economic and social cohesion by correcting the main regional imbalances and participating in the development and conversion of regions.

To that end, the ERDF shall also contribute to promoting sustainable development and the creation of permanent jobs.

Article 2

Scope

1. As part of its tasks, as defined in Article 1, the ERDF shall contribute towards the financing of:

- (a) productive investment to create and safeguard permanent jobs;
- (b) investment in infrastructure:
- (i) which, in regions designated under objective 1, helps to increase the economic potential, development, structural adjustment and creation or maintenance of permanent jobs in those regions, including investment contributing to the establishment and development of trans-European networks in the areas of transport, telecommunications and energy infrastructures;
- (ii) which, in regions and areas designated under objectives 1 and 2 the Community initiative for cooperation as referred to in Article 19(1)(a) of the Regulation laying down general provisions on the Structural Funds, concerns the diversification of economic sites and areas suffering from industrial decline, the renewal of depressed urban areas, and to the revitalisation of and improved access to rural areas and areas dependent on fisheries; areas whose modernisation or regeneration is a prerequisite for the creation or development of job-creating economic activities, including communications infrastructure and other links on which the development of these activities is dependent;

⁽¹⁾ OJ L 374, 31.12.1988, p. 15.

⁽²⁾ OJ L 193, 31.7.1993, p. 34.

- (c) the development of endogenous potential by measures which encourage and support local development and employment initiatives and the activities of small and medium-sized enterprises, involving in particular:
- (i) assistance towards services for enterprises, in particular in the fields of management, market studies and research, and services common to several enterprises,
 - (ii) financing the transfer of technology, including in particular the collection and dissemination of information and financing innovation in enterprises,
 - (iii) improvement of access for enterprises to financial means and loans, by creating and developing appropriate financing instruments, as referred to in Article 27 of the General Regulation,
 - (iv) direct aid to investment as defined in Article 27(3) of the (general) Regulation where no aid scheme exists,
 - (v) the provision of small-scale infrastructure,
 - (vi) aid for structures providing neighbourhood services to create new jobs but excluding measures financed by the ESF;

- (d) technical assistance measures as referred to in the second subparagraph of Article 2(4) of Regulation (EC) No .../...

In the regions designated under objective 1, the ERDF may contribute towards the financing of investment in education and health that is beneficial to the regions' structural adjustment.

2. In accordance with paragraph 1, the financial contribution of the ERDF shall support areas such as for example:

- (a) the productive environment, in particular to increase competitiveness and sustainable investment by firms, especially the small and medium-sized enterprises, and to make regions more attractive, particularly by improving the standard of their infrastructure;
- (b) research and technological development with a view to promoting the introduction of new technologies and innovation, and strengthening research and technological development capacities contributing to regional development;

- (c) the development of the information society;
- (d) the protection and improvement of the environment, in particular taking account of the principles of precaution and of preventive action in the support to economic development, and the fostering of clean, efficient utilisation of energy and the development of renewable energy sources;
- (e) equality between men and women, in the field of employment principally through the establishment of firms, and through infrastructure and services enabling the reconciliation of family and working life;
- (f) transnational, cross-border and inter-regional cooperation on regional development.

Article 3

Community Initiative

1. Pursuant to Article 19 of Regulation ((EC) No .../98), the ERDF shall, in accordance with Article 20(2) of that Regulation, contribute to the implementation of the Community initiative for cross-border, transnational and inter-regional cooperation intended to encourage the harmonious, balanced and sustainable development of the whole of the Community's territory ('Interreg').

2. In accordance with Article 20(2) of Regulation ((EC) No .../98), the scope laid down in paragraph 1 of this Article may be extended by the decision on the Funds' contribution to the financing of measures eligible under the (ESF, EAGGF, FIFG) Regulations with a view to implementing all the measures in the Community initiative programme concerned.

Article 4

Innovative measures

1. In accordance with Article 21(1) of Regulation ((EC) No .../98), the ERDF may also contribute to financing:

- (a) studies on the Commission's initiative to identify and analyse regional development problems and solutions, particularly with a view to the harmonious, balanced and sustainable development of the whole of the Community's territory, including the European Spatial Development Perspective;

- (b) pilot projects to identify or test new regional and local development solutions with a view to their inclusion in assistance after demonstration of their feasibility;
- (c) exchanges of experience relating to innovation with the aim of turning to account and transferring experience gained in the regional or local development field.

2. In accordance with Article 21(2) of Regulation ((EC) No .../98), the scope laid down in paragraph 1 of this Article may be extended by the decision on the Funds' contribution to the financing of measures eligible under the (ESF, EAGGF, FIFG) Regulations with a view to implementing all the measures in the pilot project concerned.

Article 5

Implementing rules

The detailed implementing rules for this Regulation shall be adopted by the Commission in accordance with the procedure laid down in Article 47 of Regulation (EC) No .../..

Article 6

Repeal

Regulation (EEC) No 4254/88 is repealed with effect from 1 January 2000.

References to the repealed Regulation shall be construed as references to this Regulation.

Article 7

Review clause

On a proposal from the Commission, the Council shall review this Regulation by 31 December 2006.

It shall act on this proposal in accordance with the procedure laid down in Article 130e of the Treaty.

Article 8

Transitional provisions

The transitional provisions referred to in Article 52 of Regulation (EC) No .../.. shall apply *mutatis mutandis*.

Article 9

Entry into force

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

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