

II

(Preparatory Acts)

COMMISSION

Proposals for Council Regulations

- I. instituting a specific Community regional development measure contributing to the development of certain French and Italian regions in the context of Community enlargement
- II. instituting a specific Community regional development measure contributing to overcoming constraints on the development of new economic activities in certain zones adversely affected by restructuring of the steel industry
- III. instituting a specific Community regional development measure contributing to the improvement of the economic and social situation of the border areas of Ireland and Northern Ireland
- IV. instituting a specific Community regional development measure contributing to overcoming constraints on the development of new economic activities in certain zones adversely affected by restructuring of the shipbuilding industry
- V. instituting a specific Community regional development measure contributing to improving security of energy supply in certain Community regions by way of improved use of new techniques for hydro-electric power and alternative energy sources

(Submitted by the Commission to the Council on 16 October 1979)

I

Proposal for a Council Regulation instituting a specific Community regional development measure contributing to the development of certain French and Italian regions in the context of Community enlargement

THE COUNCIL OF THE EUROPEAN
COMMUNITIES,

Having regard to the Treaty establishing the
European Economic Community,

Having regard to Council Regulation (EEC) No
724/75 of 18 March 1975 establishing a European
Regional Development Fund⁽¹⁾, as amended by

Regulation (EEC) No 214/79 of 6 February 1979⁽²⁾,
and in particular Article 13 (3) thereof,

Having regard to the proposal from the Commission,

Having regard to the opinion of the European
Parliament,

Whereas Article 13 of Regulation (EEC) No 724/75
(hereinafter referred to as 'the Fund Regulation')

⁽¹⁾ OJ No L 73, 21. 3. 1975, p. 1.

⁽²⁾ OJ No L 35, 9. 2. 1979, p. 1.

provided, independently of the national allocations of resources fixed by Article 2 (3) (a) of the Fund Regulation, for participation of the Fund in financing specific Community regional development measures, which are particularly linked with Community policies and with measures adopted by the Community in order to take better account of their regional dimension or to reduce their regional consequences;

Whereas the Member States concerned have provided the Commission with information on regional problems likely to be the subject of a specific Community measure;

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

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

Whereas the southern regions of the Community could be affected by its enlargement, particularly because of increased competition in markets for certain agricultural products and because of problems involved in adapting their economic fabric;

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

Whereas it is in the Community's interest that the enlargement process should take place harmoniously; and it is therefore necessary, even before the accessions become effective, to undertake vigorous structural measures in order that these regions may be able to adapt to enlargement; and it is appropriate that the Community should make a special contribution to measures to be undertaken to this end by the Member States concerned by instituting a specific Community regional development measure on behalf of these regions;

Whereas measures have already been taken in the field of common agricultural policy, and other assistance from Community Funds, capable of being

usefully combined, must be carried out in these regions;

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

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

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

Whereas the Community measure must be implemented in the form of special programmes, and that it is for the Commission to ensure by examination of these programmes that the action plans covered by these are in conformity with the requirements of this Regulation;

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

HAS ADOPTED THIS REGULATION:

Article 1

A specific Community regional development measure (hereinafter referred to as 'the specific measure') in the sense of Article 13 of the Fund Regulation, is hereby established contributing to the development of certain French and Italian regions within the context of Community enlargement.

Article 2

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

Article 3

1. The specific measure shall be implemented in the form of a special programme (hereinafter referred to as 'the special programme') to be presented to the Commission by each of the Member States concerned. The special programme shall have as its objective the development of SME, particularly by facilitating their marketing, based on market analyses, by adapting and developing both their production facilities and their surrounding infrastructures, and by improving their management. It will also have the aim of promoting innovation. In addition, it will cover development of artisan activities and the potential for tourism.

2. The special programme must fall within the framework of the regional development programmes which France and Italy forward to the Commission for examination in accordance with Article 6 (3) and (4) of the Fund Regulation.

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

4. The duration of the special programme shall be five years starting from the thirtieth day after the date on which the present Regulation enters into force.

5. The provisional total amount of the Fund's participation in the specific measure shall be 120 million EUA.

6. The special programme shall be approved by the Commission after consulting the Regional Policy Committee.

Article 4

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

1. Making available to SME means and services allowing them to enlarge their potential activities:

- (a) Preparation of sectoral analyses intended to provide SME with information on potential national, Community and external markets and on the effects to be anticipated therefrom on the production and organization of SME.

- (b) Supplementary aids to investments by SME designed to assist the adaptation of their production to market potential when justified by the abovementioned analyses or other market studies. These investments may also concern services provided in common for several such enterprises.

- (c) Establishment or development of consulting firms for management and organization matters. Activities of such firms may include temporary assistance to enterprises for implementing their recommendations. Establishment or development of joint services in common for several enterprises.

- (d) Provision or improvement of communications infrastructure between SME and their economic environment, in particular road access and the improvement of telecommunication and computer networks.

- (e) Organization of information meetings designed to allow SME management to adapt better to changes in production methods.

2. Promotion of industrial innovation:

- (a) Collection of information relating to technological or product innovation and its dissemination among enterprises operating in the regions covered by the specific measure, including experimental work.

- (b) Encouragement of the implementation of product and process innovation in SME.

3. Promotion of artisan enterprises:

- (a) Improvement of technical and economic information for artisan workers, in particular by introducing technically-trained helpers.

- (b) Exploiting traditional handicrafts: researching old techniques, disseminating and adapting them and improving sales conditions.

4. Promotion of rural tourism:

- (a) Construction or conversion of small hotels, preparation of farm holiday accommodation, camping and caravanning sites.

- (b) Establishment and development of joint services or bodies with the task of ensuring the

promotion, publicity and management of tourism accommodation and facilities, including the organization of information meetings for relevant staff.

In cases of regions on whose territory the level of tourist activity is unbalanced in favour of coastal zones, these bodies can also have the task of redressing this balance, and can include study of appropriate tourist circuits. They can also have the task of organizing children's holiday centres and open-air school classes.

- (c) Provision of facilities and infrastructure directly linked to the development of tourism and recreational activities, including cultural activities.
- (d) In the regions covered by paragraph (b) second indent, development of transport enterprises which allow tourists resident on the coast to have easier access to inland tourist zones and able also to ensure travel to children's holiday centres and open-air school classes.

Article 5

1. The special programme shall be the subject of joint financing between the Member State and the Community. The contribution of the Fund shall be provided within the framework of credits inscribed in the general budget of the European Communities. The Community participation shall be:

(a) For SME:

- Operations covering sectoral analyses under Article 4 (1) (a): 70 % of the total expenditure;
- Operations related to investments under Article 4 (1) (b): up to 20 % of the investment cost. This aid shall be supplementary to the existing aid system. It may take the form of a capital grant or an interest rebate;
- Operations for consultancy services under Article 4 (1) (c): the first year, 70 % of expenditure of enterprises related to the costs of services provided by consultancy firms. The aid shall last for three years and be degressive. This aid system may be replaced by a system of equivalent aid to consultancy firms;
- Operations for common services under Article 4 (1) (c): the first year, 70 % of the expenditure of enterprises related to the operating costs of these services. The aid shall last for three years and be degressive;

- Operations for infrastructure under Article 4 (1) (d): 50 % of public expenditure;
- Operations for information meetings under Article 4 (1) (e): 70 % of the costs of organization.

(b) For innovation:

- Operations concerning collection and dissemination of information on innovation under Article 4 (2) (a): the first year, 70 % of the operating costs of bodies engaged in such activities, provided that these activities are new and concern specifically the regions covered by Article 2. The aid shall last for three years and be degressive;
- Operations for implementing innovation under Article 4 (2) (b): 70 % of the cost of feasibility studies concerning all aspects, including commercial, of the implementation of innovation, and limited to 50 000 EUA per study. These studies must be undertaken by or on behalf of enterprises situated in the regions covered by Article 2.

(c) For artisan activities:

- Operations under Article 4 (3) (a) and 4 (3) (b): 70 % of public expenditure.

(d) For rural tourism:

- Operations for increasing tourism capacity under Article 4 (4) (a): 50 % of public expenditure on investment aids;
- Operations for promotion of tourism under Article 4 (4) (b): the first year, 70 % of the operating costs of common services or bodies. These operating costs may include the cost of publicity campaigns and studies of tourist circuits. This aid shall last for three years and be degressive;
- Operations for facilities, infrastructure and recreational activities under Article 4 (4) (c): 50 % of public expenditure;
- Operations for development of transport enterprises under Article 4 (4) (d): the first year, 50 % of public expenditure resulting from a contribution to net operating costs of transport services. The public aid shall last for three years and be degressive.

2. The categories of beneficiaries of Fund assistance in respect of operations provided for in the previous paragraph may be: public and local authorities, various bodies, enterprises or individuals. In cases where the aids covered by the previous

subparagraphs (a), third indent and (b), second indent, directly benefit enterprises, they may not have the effect of reducing the share of these enterprises below 20 % of total expenditure.

3. The amount of the Fund's intervention from which the special programme benefits shall not exceed the amount fixed by the Commission at the time that this programme is approved under Article 3 (6).

4. Budgetary commitments related to the implementation of the special programme shall be decided by annual tranche in accordance with progress made. However, the credits available for 1978, 1979 and 1980 may be committed simultaneously after approval of the special programme.

Article 6

1. The amount of the Fund contribution in respect of the measures included in the special programmes shall be paid at the request of the Member State concerned, according to the following rules, to the bodies designated by the State for this purpose:

(a) Payments, other than advance payments provided for in the next following paragraph, shall be made, as far as possible, in parallel with the payment of the part of the eligible expenditure which is the responsibility of the Member State.

Each request for payment shall be accompanied by a statement from the Member State certifying expenditure and the existence of detailed supporting documents containing the following information:

- the nature of the operations covered by the payment claim;
- particulars of the amount and nature of public expenditure paid in respect of the different

operations during the period covered by the claim;

- confirmation that the expenditure to which the payment request relates was properly incurred in relation to the terms of the special programme.

(b) On production by the Member State concerned of evidence of the commencement of the special programme, advance payments of Fund aid may on request be made of 30 % of the credit committed from the Fund. When the amount of this advance has been exhausted and following receipt of the certificates in relation to such expenditure provided for in subparagraph (a) above, further successive advances may be made, each of 30 % of credits committed by annual tranche.

2. At the end of each year, the Member State concerned shall present to the Commission a report on the progress made in carrying out the special programme by reference to the information required under the Annex to this Regulation. These reports should enable the Commission to satisfy itself as to the execution of the programme and to establish that the different operations covered are carried out in a coherent manner.

3. The provisions of Article 9 (1) to (5) of the Fund Regulation shall apply, as far as required, to the Community measures provided for in Article 1 of this Regulation.

Article 7

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

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

ANNEX

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

1. In respect of SME:

- (a) — Analysis of the situation of the SME in the economic fabric of the region for each sector of activity. Analysis of their situation and their needs, in particular details on the market situation, possibilities of market adaptation, advice on management and organization, communications infrastructure and management information;
 - Description of aid systems for the SME and the nature of existing services available showing, by categories of aids and services, the resultant public expenditure involved.
- (b) In relation to the operations envisaged under Article 4 of this Regulation:
 - Particulars of the nature of sectoral analyses bearing on structures of production, market potential and measures to be implemented in order to adapt this production and make it commercial;
 - Description of rules governing additional investment aids set up within the programme framework;
 - Particulars of incentives for access to consultancy in management and organization, and aids for provision of common services to which the SME may have recourse;
 - Details and exact location of investments in communications infrastructure;
 - Particulars of measures planned for management information.

2. In respect of innovation:

- (a) Analysis of the needs of enterprises and of the means currently available to enterprises providing access to information on innovation and to its implementation, and assessment of relevant public expenditure;
- (b) In relation to the operations envisaged under Article 4 of this Regulation: description of measures designed to ensure collection and dissemination of information on innovation and, on the other hand, to facilitate its implementation by SME.

3. In respect of artisan development:

- (a) Description of the situation and needs of handicraft workers, as regards their possible access to information and exploitation of traditional techniques;
- (b) In relation to the operations envisaged under Article 4 of this Regulation: description of measures or aid systems planned.

4. In respect of rural tourism:

- (a) — Analysis of the situation and needs of rural tourism in its different forms, and an estimate of potential tourist demand for the period covered by the programme;
 - Description of existing aid systems for the benefit of rural tourism, and an assessment of relevant public expenditure.
- (b) In relation to the operations envisaged under Article 4 of this Regulation:
 - Detailed rules governing aid to construction or conversion of accommodation;
 - Detail of aids to bodies responsible for providing tourism facilities and promotion;
 - Description of facilities, infrastructures and recreational facilities planned;
 - Name, address and details of transport enterprises which could participate in the implementation of the programme, with indications of public service obligations.

5. In respect of the totality of the special programme:
- (a) The timetable for carrying it out;
 - (b) Estimation of the volume of public expenditure connected with the programme's implementation, including an annual breakdown of such expenditure for each of the operations envisaged;
 - (c) Designation of the bodies responsible for execution of the programme and of different operations;
 - (d) Information campaigns planned to make the beneficiaries and the professional organizations aware of the possibilities offered by the special programme, and of the role played by the Community in this respect;
 - (e) Planned intentions of the national authorities for using resources deriving from Community structural funds.

II

Proposal for a Council Regulation instituting a specific Community regional development measure contributing to overcoming constraints on the development of new economic activities in certain zones adversely affected by restructuring of the steel industry

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

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

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Parliament,

Whereas Article 13 of Regulation (EEC) No 724/75 (hereinafter referred to as 'the Fund Regulation') provides, independently of the national allocations of resources fixed by Article 2 (3) (a) of the Fund Regulation, for participation of the Fund in financing

specific Community regional development measures which are particularly linked with Community policies and with measures adopted by the Community in order to take better account of their regional dimension or to reduce their regional consequences;

Whereas the Member States concerned have provided the Commission with information on regional problems likely to be the subject of a specific Community measure;

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

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

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

⁽¹⁾ OJ No L 73, 21. 3. 1975, p. 1.

⁽²⁾ OJ No L 35, 9. 2. 1979, p. 1.

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

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

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

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

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

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

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

Whereas the Community measure must be implemented in the form of special programmes, and that it is for the Commission to ensure by examination of these programmes that the action plans covered by these are in conformity with the requirements of this Regulation;

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

HAS ADOPTED THIS REGULATION:

Article 1

A specific Community regional development measure (hereinafter referred to as 'the specific measure'), in the sense of Article 13 of the Fund Regulation, is hereby established, contributing to overcoming constraints on the development of new economic activities in certain zones adversely affected by restructuring of the steel industry.

Article 2

The specific measure shall be applicable to the following zones:

Belgium:

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

Italy:

Province of Napoli.

United Kingdom:

Counties of Strathclyde, Cleveland, Clwyd, South Glamorgan, West Glamorgan, Gwent, and the employment office area of Corby.

Article 3

1. The specific measure shall be implemented in the form of a special programme (hereinafter referred to as 'the special programme') to be presented to the Commission by the Member States concerned.

The special programme shall have as its objective the improvement of the physical and social environment necessary to attract employment-providing activities, the development of SME and the encouragement of innovation.

2. The special programme must fall within the framework of the regional development programmes which Belgium, Italy and the United Kingdom forward to the Commission for examination in accordance with Article 6 (3) and (4) of the Fund Regulation.

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

4. The duration of the special programme shall be five years starting from the thirtieth day after the date on which the present Regulation enters into force.

5. The provisional total amount of the Fund's participation in the specific measure shall be 43 million EUA.

6. The special programme shall be approved by the Commission, after consulting the Regional Policy Committee.

Article 4

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

1. Reclamation and development of derelict industrial and urban sites, possibly including conversion of disused industrial premises, and, exceptionally, minor road links to sites of new activities.

2. Construction and modernization of housing to accommodate workers, essential for the attraction of employment-providing activities.

3. Establishment or development of consulting firms for management or organization matters. Activities of such firms may include temporary assistance to SME for implementing their recommendations.

Establishment or development of joint services in common for several enterprises.

4. (a) Collection of information relating to technological or product innovation and its dissemination among enterprises operating in the zones covered by the specific measure, including experimental work.

(b) Encouragement of the implementation of product and process innovation in SME.

5. Improvement of access to risk capital for SME.

Article 5

1. The special programme shall be the subject of joint financing between the Member State and the Community. The contribution of the Fund shall be provided within the framework of credits inscribed in

the general budget of the European Communities. The Community's participation shall be:

— Operations for reclamation and conversion under Article 4 (1): 50 % of public expenditure.

— Operations for construction and modernization of housing under Article 4 (2): 50 % of public expenditure subject to a limit of 10 000 EUA per unit of accommodation.

— Operations for consultancy services provided for under Article 4 (3): the first year, 70 % of expenditure of enterprises related to the costs of services provided by consultancy firms. The aid shall last for three years and be degressive. This aid system may be replaced by a system of equivalent aid to consultancy firms.

— Operations for common services provided for under Article 4 (3): the first year, 70 % of the expenditure of enterprises related to the operating costs of these services. The aid shall last for three years and be degressive.

— Operations for collection and dissemination of information on innovation provided for under Article 4 (4) (a): the first year, 70 % of the operating costs of bodies engaged in such activities, provided that these activities are new and concern specifically the zones covered by Article 2. The aid shall last for three years and be degressive.

— Operations for implementing innovation provided for under Article 4 (4) (b): 70 % of the costs of feasibility studies concerning all aspects, including commercial, of the implementation of innovation, and limited to 50 000 EUA per study. These studies must be undertaken by or on behalf of enterprises situated in the zones covered by Article 2.

— Operations related to risk capital provided for under Article 4 (5): contribution towards the operating costs of financial institutions providing risk capital for SME. This contribution would consist of 70 % of the costs of risk evaluation studies carried out by or on behalf of the financial institutions.

2. The categories of beneficiaries of Fund assistance in respect of operations provided for in the previous paragraph may be: public and local authorities, various bodies, enterprises or individuals. In cases where the aids covered by the previous paragraph, third and fifth indents, directly benefit enterprises, they may not have the effect of reducing the share of these enterprises below 20 % of total expenditure.

3. The amount of the Fund's intervention from which the special programme benefits shall not exceed the amount fixed by the Commission at the time that this programme is approved under Article 3 (6).

4. Budgetary commitments related to the implementation of the special programme shall be decided by annual tranche in accordance with progress made. However, the credits available for 1978, 1979 and 1980 may be committed simultaneously after approval of the special programme.

Article 6

1. The amount of the Fund contribution in respect of the measures included in the special programme shall be paid at the request of the Member States concerned according to the following rules, to the bodies designated by the State for this purpose:

(a) Payments, other than advance payments provided for in the next following paragraph, shall be made, as far as possible, in parallel with the payment of the part of the eligible expenditure which is the responsibility of the Member State. Each request for payment shall be accompanied by a statement from the Member State certifying expenditure and the existence of detailed supporting documents and containing the following information:

- the nature of the operations covered by the payment claim;
- particulars of the amount and nature of public expenditure paid in respect of the different operations during the period covered by the claim;

— confirmation that the expenditure to which the payment request relates was properly incurred in relation to the terms of the special programme.

(b) On production by the Member State concerned of evidence of the commencement of the special programme, advance payments of Fund aid may on request be made of 30 % of the credit committed from the Fund. When the amount of this advance has been exhausted, and following receipt of the certificates in relation to such expenditure provided for in subparagraph (a) above, further successive advances may be made, each of 30 % of credits committed by annual tranche.

2. At the end of each year, the Member State concerned shall present to the Commission a report on the progress made in carrying out the special programme by reference to the information required under the Annex to this Regulation. These reports should enable the Commission to satisfy itself as to the execution of the special programme and to establish that the different operations covered are carried out in a coherent manner.

3. The provisions of Article 9 (1) to (5) of the Fund Regulation shall apply, as far as required, to the Community measures provided for in Article 1 of this Regulation.

Article 7

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

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

ANNEX

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

1. In respect of industrial and urban sites and industrial buildings:
 - (a) — An analysis of the state of dereliction of sites and the priorities for reclamation, and an analysis of the state of disused industrial premises.
 - Particulars of existing actions for resolving the problem of dereliction and of public expenditure involved.
 - (b) In relation to the operations envisaged under Article 4 of this Regulation: a description and exact location of programmes for reclamation of derelict sites and conversion of industrial premises; and, where relevant, details of essential minor road links.

2. In respect of housing for workers:
 - (a) — An analysis of the existing housing supply, covering age and standards of houses, and of the present and prospective demand for houses for workers in the light of the likely development of new activities.
 - A statement of existing public measures in this field, with an indication of the resultant public expenditure involved.
 - (b) In relation to the operations envisaged under Article 4 of this Regulation: a description and location of housing development programmes, with an indication of the types of housing to be provided and of the number of people to be housed each year.

3. In respect of SME:
 - (a) — A description of the present situation of SMEs in the different sectors and an evaluation of their possibilities for future development. Analysis of their situation and needs, particularly as concerns management and organization.
 - Details of existing aid systems for SME, and the type of services existing, with a statement of present public expenditure involved by category of aids and services.
 - (b) In relation to the operations envisaged under Article 4 of this Regulation: a description of the different types of management and organization services to be provided to SME. Particulars of the bodies responsible for the provision of such services and for activating the development of SMEs.

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

5. In respect of risk capital:
 - (a) — Details of organizations providing risk capital for SME and the conditions applicable to the provision of such capital.
 - Particulars of existing schemes for the encouragement of financial institutions to provide risk capital for SMEs, and a statement of present public expenditure under each such scheme.
 - (b) In relation to the operations envisaged under Article 4 of this Regulation: details of measures planned to facilitate the access of SME to risk capital.

6. In respect of the totality of the special programme:
 - (a) The timetable for carrying it out.

- (b) Estimation of the volume of public expenditure connected with the programme's implementation, including an annual breakdown of such expenditure for each of the operations envisaged.
- (c) Designation of the bodies responsible for execution of the programme, and of different operations.
- (d) Information campaigns planned to make beneficiaries aware of the possibilities offered by the programme, and of the role played by the Community.
- (e) A description of existing and prospective public measures proposed to be carried out side by side with the special programme in order to improve the employment situation in the zones covered by Article 2 of this Regulation and, in particular, measures related to:
 - aids for productive investment;
 - investment in infrastructures;
 - measures related to worker and professional training and retraining and, as appropriate, those which are particularly aimed at the employment of young people, and for the benefit of former workers in the steel industries.
 This description must be accompanied by a statement giving particulars of the national authorities' intentions as regards the use of resources emanating from Community structural funds.
- (f) An indication of the amounts of public expenditure in connection with the measures envisaged in subparagraph (e) above.

III

Proposal for a Council Regulation instituting a specific Community regional development measure contributing to the improvement of the economic and social situation of the border areas of Ireland and Northern Ireland

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

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

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Parliament,

Whereas Article 13 of Regulation (EEC) No 724/75 (hereinafter referred to as 'the Fund Regulation') provides, independently of the national allocations of resources fixed by Article 2 (3) (a) of the Fund Regulation, for participation of the Fund in financing specific Community regional development measures;

Whereas the Member States concerned have provided the Commission with information on problems in border areas likely to be the subject of a specific Community measure;

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

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

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

⁽¹⁾ OJ No L 73, 21. 3. 1975, p. 1.

⁽²⁾ OJ No L 35, 9. 2. 1979, p. 1.

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

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

Whereas the Economic and Social Committee, in its opinion of 12 July 1978 ⁽¹⁾ on the cross-border communications study for the Londonderry/Donegal area carried out at the request of the Governments of the United Kingdom and of Ireland, also of the Commission, recommended that the cross-border area be made the subject of a specific Community regional development measure;

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

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

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

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

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

Whereas the Community measure must be implemented in the form of special programmes, and that it is for the Commission to ensure by examination of these programmes that the action plans covered by these are in conformity with the requirements of this Regulation;

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

HAS ADOPTED THIS REGULATION:

Article 1

A specific Community regional development measure in the sense of Article 13 of the Fund Regulation (hereinafter referred to as 'the specific measure') is hereby established contributing to the improvement of the economic and social situation of the border areas of Ireland and Northern Ireland.

Article 2

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

Ireland:

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

Northern Ireland:

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

Article 3

1. The specific measure shall be implemented in the form of a special programme (hereinafter referred to as 'the special programme') to be presented to the Commission by each of the Member States concerned. The special programme shall have as its objective the development of economic activities in the fields of tourism, communications and of artisan enterprises.

2. The special programme must fall within the framework of the regional development programmes which Ireland and the United Kingdom forward to the Commission for examination in accordance with Article 6 (3) and (4) of the Fund Regulation.

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

4. The duration of the special programme shall be five years starting from the thirtieth day after the date on which the present Regulation enters into force.

⁽¹⁾ OJ No C 114, 7. 5. 1979.

5. The provisional total amount of the Fund's participation in the specific measure shall be 24 million EUA.

6. The special programme shall be approved by the Commission after consulting the Regional Policy Committee.

Article 4

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

1. Construction and conversion of tourist accommodation including self-catering and farm holiday accommodation and provision of caravan and camping sites;
2. Establishment or development of bodies with the task of promotion of tourism, publicity and good management of tourist accommodation, including the organization of information meetings for operators of rural accommodation;
3. Provision of amenities and tourist-related infrastructure, also of cultural and recreational facilities including angling and riding; works aimed at improving water sports, particularly by development of inland waterways, for example in the River Erne catchment area;
4. Improvement of communications giving access to tourist areas, including construction or modernization of minor roads and telephone exchanges;
5. Development of transport activities aimed at providing easier access for tourists to the areas covered by the specific measure;
6. Establishment and development of artisan enterprises by means of special financial aids and provision of information and advice.

Article 5

1. The special programme shall be the subject of joint financing between the Member State and the Community. The contribution of the Fund shall be provided within the framework of credits inscribed in the general budget of the European Communities. The Community participation shall be:

- operations for tourist accommodation under Article 4 (1): 50 % of public expenditure on aids to investments;
- operations for the promotion of tourism, publicity and accommodation management under Article

4 (2): the first year, 70 % of operating costs of the bodies. The aid shall last for three years and be degressive;

- operations for amenities, infrastructure, cultural and recreational facilities under Article 4 (3): 50 % of public expenditure;
- operations for improving communications under Article 4 (4): 50 % of public expenditure;
- operations for developing transport activities under Article 4 (5): 50 % of public expenditure on subventions towards the net costs of providing transport services;
- operations for artisan enterprises under Article 4 (6): 50 % of public expenditure on aids to investments and 70 % of public expenditure on aids for the provision of information and advice.

2. The categories of beneficiaries of Fund assistance in respect of operations provided for in the previous paragraph may be: public and local authorities, various bodies, enterprises or individuals.

3. The amount of the Fund's intervention from which the special programme benefits shall not exceed the amount fixed by the Commission at the time that this programme is approved under Article 3 (6).

4. Budgetary commitments related to the implementation of the special programme shall be decided by annual tranche in accordance with progress made. However, the credits available for 1978, 1979 and 1980 may be committed simultaneously after approval of the special programme.

Article 6

1. The amount of the Fund contribution in respect of the measures included in the special programmes shall be paid at the request of the Member State concerned, according to the following rules, to the bodies designated by the State for this purpose:

- (a) Payments, other than advance payments provided for in the next following paragraph, shall be made, as far as possible, in parallel with the payment of the part of the eligible expenditure which is the responsibility of the Member State.

Each request for payment shall be accompanied by a statement from the Member State certifying expenditure and the existence of detailed

supporting documents containing the following information:

- the nature of the operations covered by the payment claim;
- particulars of the amount and nature of public expenditure paid in respect of the different operations during the period covered by the claim;
- confirmation that the expenditure to which the payment request relates was properly incurred in relation to the terms of the special programme.

- (b) On production by the Member State concerned of evidence of the commencement of the special programme, advance payments of Fund aid may on request be made of 30 % of the credit committed from the Fund. When the amount of this advance has been exhausted and following receipt of the certificates in relation to such expenditure provided for in subparagraph (a) above, further successive advances may be made, each of 30 % of credits committed by annual tranche.

2. At the end of each year, the Member State concerned shall present to the Commission a report on the progress made in carrying out the special programme by reference to the information required under the Annex to this Regulation. These reports should enable the Commission to satisfy itself as to the execution of the programme and to establish that the different operations covered are carried out in a coherent manner.

3. The provisions of Article 9 (1) to (5) of the Fund Regulation shall apply, as far as required, to the Community measures provided for in Article 1 of this Regulation.

Article 7

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

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

ANNEX

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

1. (a) An analysis of the present situation of tourism and artisan activities and an estimate in respect of the period covered by the programmes of potential tourist demand;
- (b) particulars of aid systems and other measures designed to promote tourism and artisan activity with an estimate of public expenditure incurred under such systems.
2. In relation to the operations envisaged in Article 4 of this Regulation:
 - (a) — a global estimate of the capacity and type of additional accommodation proposed to be installed or converted;
 - the nature and activities of the bodies responsible for the activation and promotion of tourism and artisan enterprises;
 - a statement setting out the types of tourist and communication infrastructures to be provided, and their location;
 - name, address and details of transport enterprises which could participate in the implementation of the special programme, with indications of public service obligations.
 - (b) Description of public aids related to the different measures planned.
3. In respect of the totality of the special programme:
 - (a) The timetable for carrying it out;
 - (b) Estimation of the volume of public expenditure connected with the programme's implementation, including an annual breakdown of such expenditure for each of the operations envisaged;

- (c) Designation of the bodies responsible for execution of the programme and of different operations;
- (d) Information campaigns planned to make the beneficiaries and the professional organizations aware of the possibilities offered by the special programme, and of the role played by the Community in this respect;
- (e) Planned intentions of the national authorities for using resources deriving from Community structural funds.

IV

Proposal for a Council Regulation instituting a specific Community regional development measure contributing to overcoming constraints on the development of new economic activities in certain zones adversely affected by restructuring of the shipbuilding industry

THE COUNCIL OF THE EUROPEAN
COMMUNITIES,

Having regard to the Treaty establishing the Euro-
pean Economic Community,

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

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Parlia-
ment,

Whereas Article 13 of Regulation (EEC) No 724/75
(hereinafter referred to as 'the Fund Regulation')
provides, independently of the national allocations of
resources fixed by Article 2 (3) (a) of the amended
Fund Regulation, for participation of the Fund in fi-
nancing specific Community regional development
measures which are particularly linked with Commu-
nity policies and with measures adopted by the Com-
munity in order to take better account of their regio-
nal dimension or to reduce their regional consequen-
ces;

Whereas the Member States concerned have provided
the Commission with information on regional
problems likely to be the subject of a specific Com-
munity measure;

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

Whereas on 4 April 1978 the Council adopted a
Directive⁽³⁾ on aid to shipbuilding, in which it stated
that shipbuilding production structures should be
adjusted to the new market conditions such that
undertakings may in due course be able to follow
general economic developments and to meet competi-
tion on the world market without the support of inter-
vention by public authorities;

Whereas on 19 September 1978 the Council adopted
a resolution⁽⁴⁾ on the reorganization of the ship-
building industry, in which it requested the public
authorities at local, national and Community level to
lay particular stress on the creation of new jobs in
conjunction with those progressively lost in the ship-
building industry, to take account of these objectives
in their regional policies and to make available ade-
quate funds for this purpose;

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

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

Whereas it is necessary for the Community to re-
inforce by means of a specific Community regional

⁽¹⁾ OJ No L 73, 21. 3. 1975, p. 1.

⁽²⁾ OJ No L 35, 9. 2. 1979, p. 1.

⁽³⁾ OJ No L 98, 11. 4. 1978, p. 19.

⁽⁴⁾ OJ No C 229, 27. 9. 1978, p. 1.

development measure existing local, national and Community financial measures aimed at stimulating the creation of new employment in such zones in order to replace job losses and also to contribute to reducing regional imbalances;

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

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

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

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

Whereas the Community measure must be implemented in the form of a special programme, and that it is for the Commission to ensure by examination of this programme that the action plans covered by this is in conformity with the requirements of this Regulation;

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

HAS ADOPTED THIS REGULATION:

Article 1

A specific Community regional development measure (hereinafter referred to as 'the specific measure'), in the sense of Article 13 of the Fund Regulation, is hereby established, contributing to overcoming constraints on the development of new economic acti-

vities in certain zones adversely affected by restructuring of the shipbuilding industry.

Article 2

The specific measure shall be applicable to the following zones:

In the United Kingdom: the counties of Strathclyde, Tyne and Wear, Cleveland, Merseyside, and the City Council Area of Belfast.

Article 3

1. The specific measure shall be implemented in the form of a special programme (hereinafter referred to as 'the special programme') to be presented to the Commission by the United Kingdom.

The special programme shall have as its objective the improvement of the physical and social environment necessary to attract employment-providing activities, the development of SME, and the encouragement of innovation.

2. This special programme must fall within the framework of the regional development programme which the United Kingdom forwards to the Commission for examination in accordance with Article 6 (3) and (4) of the Fund Regulation.

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

4. The duration of the special programme shall be five years starting from the thirtieth day after the date on which the present Regulation enters into force.

5. The provisional total amount of the Fund's participation in the specific measure shall be 17 million EUA.

6. The special programme shall be approved by the Commission, after consulting the Regional Policy Committee.

Article 4

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

1. Reclamation and development of derelict industrial and urban sites, possibly including conversion of disused industrial premises, and, exceptionally, minor road links to sites of new activities.
2. Construction and modernization of housing to accommodate workers, essential for the attraction of employment-providing activities.
3. Establishment or development of consulting firms for management or organization matters. Activities of such firms may include temporary assistance to SME for implementing their recommendations.

Establishment or development of joint services in common for several enterprises.

4. (a) Collection of information relating to technological or product innovation and its dissemination among enterprises operating in the zones covered by the specific measure, including experimental work.
 - (b) Encouragement of the implementation of product and process innovation in SME.
5. Improvement of access to risk capital for SME.

Article 5

1. The special programme shall be the subject of joint financing between the Member State and the Community. The contribution of the Fund shall be provided within the framework of credits inscribed in the general budget of the European Communities. The Community's contribution shall be:

- Operations for reclamation and conversion under Article 4 (1): 50 % of public expenditure.
- Operations for construction and modernization of housing under Article 4 (2): 50 % of public expenditure subject to a limit of 10 000 EUA per unit of accommodation.
- Operations for consultancy services provided for under Article 4 (3): the first year, 70 % of expenditure of enterprises related to the costs of services provided by consultancy firms. The aid shall last for three years and be degressive. This aid system may be replaced by a system of equivalent aid to consultancy firms.
- Operations for common services provided for under Article 4 (3): the first year, 70 % of the expenditure of enterprises related to the operating costs of these services. The aid shall last for three years and be degressive.

- Operations for collection and dissemination of information on innovation provided for under Article 4 (4) (a): the first year, 70 % of the operating costs of bodies engaged in such activities, provided that these activities are new and concern specifically the zones covered by Article 2. The aid shall last for three years and be degressive.

- Operations for implementing innovation provided for under Article 4 (4) (b): 70 % of the costs of feasibility studies concerning all aspects, including commercial, of the implementation of innovation, and limited to 50 000 EUA per study. These studies must be undertaken by or on behalf of enterprises situated in the zones covered by Article 2.

- Operations related to risk capital provided for under Article 4 (5): contribution towards the operating costs of financial institutions providing risk capital for SME. This contribution would consist of 70 % of the costs of risk evaluation studies carried out by or on behalf of the financial institutions.

2. The categories of beneficiaries of Fund assistance in respect of operations provided for in the previous paragraph may be: public and local authorities, various bodies, enterprises or individuals. In cases where the aids covered by the previous paragraph, third and fifth indents, directly benefit enterprises, they may not have the effect of reducing the share of these enterprises below 20 % of total expenditure.

3. The amount of the Fund's intervention from which the special programme benefits shall not exceed the amount fixed by the Commission at the time that this programme is approved under Article 3 (6).

4. Budgetary commitments related to the implementation of the special programme shall be decided by annual tranche in accordance with progress made. However, the credits available for 1978, 1979 and 1980 may be committed simultaneously after approval of the special programme.

Article 6

1. The amount of the Fund contribution in respect of the measures included in the special programme shall be paid at the request of the Member State concerned according to the following rules, to the bodies designated by the State for this purpose:

(a) Payments, other than advance payments provided for in the following paragraph, shall be made, as far as possible, in parallel with the payment of the part of the eligible expenditure which is the responsibility of the Member State. Each request for payment shall be accompanied by a statement from the Member State certifying expenditure and the existence of detailed supporting documents and containing the following information:

- the nature of the operations covered by the payment claim;
- particulars of the amount and nature of public expenditure paid in respect of the different operations during the period covered by the claim;
- confirmation that the expenditure to which the payment request relates was properly incurred in relation to the terms of the special programme.

(b) On production by the Member State concerned of evidence of the commencement of the special programme, advance payments of Fund aid may on request be made of 30 % of the credit committed from the Fund. When the amount of this advance has been exhausted, and following receipt of the certificates in relation to such expenditure

provided for in subparagraph (a) above, further successive advances may be made, each of 30 % of credits committed by annual tranche.

2. At the end of each year, the Member State concerned shall present to the Commission a report on the progress made in carrying out the special programme by reference to the information required under the Annex to this Regulation. These reports should enable the Commission to satisfy itself as to the exception of the special programme and to establish that the different operations are carried out in a coherent manner.

3. The provisions of Article 9 (1) to (5) of the Fund Regulation shall apply, as far as required, to the Community measures provided for in Article 1 of this Regulation.

Article 7

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

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

ANNEX

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

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

- (a) — An analysis of the state of dereliction of sites and the priorities for reclamation, and an analysis of the state of disused industrial premises.
 - Particulars of existing actions for resolving the problem of dereliction and of public expenditure involved.
- (b) In relation to the operations envisaged under Article 4 of this Regulation: a description and exact location of programmes for reclamation of derelict sites and conversion of industrial premises; and, where relevant, details of essential minor road links.

2. In respect of housing for workers:

- (a) — An analysis of the existing housing supply, covering age and standards of houses, and of the present and prospective demand for houses for workers in the light of the likely development of new activities.
 - A statement of existing public measures in this field, with an indication of the resultant public expenditure involved.
- (b) In relation to the operations envisaged under Article 4 of this Regulation: a description and location of housing development programmes, with an indication of the types of housing to be provided and of the number of people to be housed each year.

3. In respect of SME:
 - (a) — A description of the present situation of SMEs in the different sectors and an evaluation of their possibilities for future development. Analysis of their situation and needs, particularly as concerns management and organization.
 - Details of existing aid systems for SME, and the type of services existing, with a statement of present public expenditure involved by category of aids and services.
 - (b) In relation to the operations envisaged under Article 4 of this Regulation: a description of the different types of management and organization services to be provided to SME. Particulars of the bodies responsible for the provision of such services and for activating the development of SMEs.
4. In respect of innovation:
 - (a) An analysis of the needs of enterprises and the existing means at their disposal to gain access to information on innovation and its implementation, together with a statement of relevant public expenditure.
 - (b) In relation to the operations envisaged under Article 4 of this Regulation: a description of the measures planned for the collection and dissemination of innovation information, and also for the development of innovation in SME.
5. In respect of risk capital:
 - (a) — Details of organizations providing risk capital for SME and the conditions applicable to the provision of such capital.
 - Particulars of existing schemes for the encouragement of financial institutions to provide risk capital for SMEs, and a statement of present public expenditure under each such scheme.
 - (b) In relation to the operations envisaged under Article 4 of this Regulation: details of measures planned to facilitate the access of SME to risk capital.
6. In respect of the totality of the special programme:
 - (a) The timetable for carrying it out.
 - (b) Estimation of the volume of public expenditure connected with the programme's implementation, including an annual breakdown of such expenditure for each of the operations envisaged.
 - (c) Designation of the bodies responsible for execution of the programme, and of different operations.
 - (d) Information campaigns planned to make beneficiaries aware of the possibilities offered by the programme, and of the role played by the Community.
 - (e) A description of existing and prospective public measures proposed to be carried out side by side with the special programme in order to improve the employment situation in the zones covered by Article 2 of this Regulation and, in particular, measures related to:
 - aids for productive investment,
 - investment in infrastructures,
 - measures related to worker and professional training and retraining and, as appropriate, those which are particularly aimed at the employment of young people, and for the benefit of former workers in the shipbuilding industries.This description must be accompanied by a statement giving particulars of the national authorities' intentions as regards the use of resources emanating from Community structural funds.
 - (f) An indication of the amounts of public expenditure in connection with the measures envisaged in subparagraph (e) above.

V

Proposal for a Council Regulation instituting a specific Community regional development measure contributing to improving security of energy supply in certain Community regions by way of improved use of new techniques for hydro-electrical power and alternative energy sources

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

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

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Parliament,

Whereas Article 13 of Regulation (EEC) No 724/75 (hereinafter referred to as 'the Fund Regulation') provided, independently of the national allocations of resources fixed by Article 2 (3) (a) of the Fund Regulation, for participation of the Fund in financing specific Community regional development measures which are particularly linked with Community policies and with measures adopted by the Community in order to take better account of their regional dimension or to reduce their regional consequences;

Whereas the Member State concerned has provided the Commission with information on regional problems likely to be the subject of a specific measure;

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

Whereas the Council in its resolution of 17 September 1974 on a new Community energy policy ⁽³⁾ expressed its resolve to improve security of energy supply;

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

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

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

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

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

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

Whereas adoption by public authorities of improved technology (mini-turbines) allowing exploitation of the hitherto under-utilized natural hydraulic resources of these zones, and the utilization of alternative energy sources is likely to contribute to

⁽¹⁾ OJ No L 73, 21. 3. 1975, p. 1.

⁽²⁾ OJ No L 35, 9. 2. 1979, p. 1.

⁽³⁾ OJ No C 153, 9. 7. 1975.

realizing these aims, whilst improving the relatively weak electricity distribution network;

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

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

Whereas the Community measure must be implemented in the form of a special programme, and that it is for the Commission to ensure by examination of this programme that the action plans covered by this are in conformity with the requirements of this Regulation;

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

HAS ADOPTED THIS REGULATION:

Article 1

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

Article 2

The specific measure shall be applicable to the mountain areas ('zone interne') of the regions of the Mezzogiorno.

Article 3

1. The specific measure shall be implemented in the form of a special programme (hereinafter referred to as 'the special programme') to be presented to the Commission by Italy.

The special programme shall have as its objective a better use of hydro-electrical resources making possible, by adopting new techniques, the re-utilization of abandoned or obsolete works located on water courses of low return, and a better use also of alternative energy sources. It is also aimed to encourage private users themselves to exploit hydro-electric and alternative energy sources, by launching an information campaign and by aiding feasibility studies. It is also intended to provide additional jobs linked to the upkeep of these installations.

2. This special programme must fall within the framework of the regional development programmes which Italy forwards to the Commission for examination in accordance with Article 6 (3) and (4) of the Fund Regulation.

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

4. The duration of the special programme shall be five years starting from the thirtieth day after the date on which the present Regulation enters into force.

5. The provisional total amount of the Fund's participation in the specific measure shall be 16 million EUA.

6. The special programme shall be approved by the Commission, after consulting the Regional Policy Committee.

Article 4

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

1. Installing mini-turbines (standardized electrical generators using small water falls) including preparation of existing sites and linked hydro-electrical installations, and also wind-powered generators and equipment utilizing solar energy or enabling recovery of energy contained in the biomass, particularly refuse.

2. Dissemination of information, including demonstrations, on the prospects offered by mini-turbines and alternative sources of energy. Feasibility studies for potential private users wishing themselves to proceed with installations related to such energy sources.
3. Organization of basic technical instruction to ensure additional local jobs linked to the maintenance of mini-turbines.

Article 5

1. The special programme shall be the subject of joint financing between the Member State and the Community. The contribution of the Fund shall be provided within the framework of credits inscribed in the general budget of the European Communities. The Community participation shall be:

- Operations for installations of mini-turbines, or other equipment, including studies for adapting materials to local conditions, under Article 4 (1): 50 % of expenditure, in cases where investments are made by public authorities. In other cases, 30 % of the investment cost, this aid being supplementary to the existing aid system.
- Operations for dissemination of information and demonstrations under Article 4 (2): 70 % of the operating costs of bodies charged with this task.
- Operations for feasibility studies under Article 4 (2): 70 % of the costs of these studies.
- Operations for technical instruction under Article 4 (3): 70 % of public expenditure.

2. The categories of beneficiaries of Fund assistance in respect of operations provided for in the previous paragraph may be: public and local authorities, various bodies, enterprises or individuals.

3. The amount of the Fund's intervention from which the special programme benefits shall not exceed the amount fixed by the Commission at the time that this programme is approved under Article 3 (6).

4. Budgetary commitments related to the implementation of the special programme shall be decided by annual tranche in accordance with progress made. However, the credits available for

1978, 1979 and 1980 may be committed simultaneously after approval of the special programme.

Article 6

1. The amount of the Fund contribution in respect of the measures included in the special programme shall be paid at the request of the Member States concerned according to the following rules, to the bodies designated by the State for this purpose:

(a) Payments, other than advance payments provided for in the next following paragraph, shall be made, as far as possible, in parallel with the payment of the part of the eligible expenditure which is the responsibility of the Member State. Each request for payment shall be accompanied by a statement from the Member State certifying expenditure and the existence of detailed supporting documents and containing the following information:

- the nature of the operations covered by the payment claim;
- particulars of the amount and nature of public expenditure paid in respect of the different operations during the period covered by the claim;
- confirmation that the expenditure to which the payment request relates was properly incurred in relation to the terms of the special programme.

(b) On production by the Member State concerned of evidence of the commencement of the special programme, advance payments of Fund aid may on request be made of 30 % of the credit committed from the Fund. When the amount of this advance has been exhausted, and following receipt of the certificates in relation to such expenditure provided for in subparagraph (a) above, further successive advances may be made, each of 30 % of credits committed by annual tranche.

2. At the end of each year, the Member State concerned shall present to the Commission a report on the progress made in carrying out the special programme by reference to the information required under the Annex to this Regulation. These reports should enable the Commission to satisfy itself as to

the execution of the programme and to establish that the different operations covered are carried out in a coherent manner.

3. The provisions of Article 9 (1) to (5) of the Fund Regulation shall apply, as far as required, to the Community measures provided for in Article 1 of this Regulation.

Article 7

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

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

ANNEX

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

1. (a) Analysis of the situation and needs with regard to electricity supply and utilization of alternative energy sources, indicating priorities for extending and improving the existing system;
 - (b) Description of public measures adopted to meet these needs, with an estimate of public expenditure involved.
 2. In relation to the operations envisaged under Article 4 of this Regulation:
 - (a) Programme of installing mini-turbines on existing sites, their location, description of types of site preparation works, including linked hydraulic work, and estimate of resulting improvements in electricity supply.
 - (b) Programme of installation of wind-powered generators or other equipment.
 - (c) Detailed rules governing the information campaign, the number of demonstration centres planned, the number and type of publications and feasibility studies envisaged;
 - (d) Type of technical instruction planned, and the prospects for additional jobs.
 3. In respect of the totality of the special programme:
 - (a) The timetable for carrying it out.
 - (b) Estimation of the volume of public expenditure connected with the programme's implementation, including an annual breakdown of such expenditure for each of the operations envisaged.
 - (c) The designation of bodies responsible for execution of the programme and of different operations.
 - (d) Information campaigns planned to make the beneficiaries and the professional organizations aware of the possibilities offered by the programme, and of the role played by the Community in this respect.
 - (e) Planned intentions of the national authorities for using resources deriving from Community structural funds.
 - (f) Description of other existing or intended public measures concerning encouragement of users themselves to exploit local energy sources, including relevant legislation.
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