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I

(Acts whose publication is obligatory)

COUNCIL REGULATION (EEC) No 214/84**of 18 January 1984****amending Regulation (EEC) No 2615/80 instituting a specific Community 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 last amended by Regulation (EEC) No 3325/80 ⁽²⁾, and in particular Article 13 (3) thereof,

Having regard to the proposal from the Commission ⁽³⁾,

Having regard to the opinion of the European Parliament ⁽⁴⁾,

Having regard to the opinion of the Economic and Social Committee ⁽⁵⁾,

Whereas Article 13 of Regulation (EEC) No 724/75 (hereinafter referred to as 'the Fund Regulation') provides, independently of the national allocation of resources fixed by Article 2 (3) (a) of that Regulation, for participation by the Fund in financing specific Community regional development measures which are in particular 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, pursuant to that Article, the Council adopted on 7 October 1980 an initial series of Regulations instituting specific Community regional

development measures and in particular Regulation (EEC) No 2615/80 ⁽⁶⁾ instituting a specific Community regional development measure contributing to the development of certain French and Italian regions in the context of Community enlargement, this measure being hereinafter referred to as 'the specific measure';

Whereas, pursuant to that Regulation and in particular Article 3 thereof, the Commission has approved special programmes relating to the regions of Aquitaine, Languedoc-Roussillon and Midi-Pyrénées and of the Mezzogiorno, respectively, and has at the same time decided to allocate appropriations to those programmes;

Whereas the Member States concerned have provided the Commission with information on regional problems which might be the subject of a specific Community measure; whereas, as a result of the need to improve economic structures in these regions, the measures laid down in the specific measure in force should be strengthened and supplemented;

Whereas investment in small and medium-sized undertakings (hereinafter referred to as 'SMUs') should be encouraged by providing that investment aid already in existence may be reinforced by additional aid chargeable to the Community for a transitional period;

Whereas it is advisable to step up promotion and investment measures in favour of rural tourism, above all in disadvantaged agricultural areas, to the extent that the Member States concerned draw up appropriate intervention programmes;

Whereas economic promotion in the zones concerned should be further stimulated by especially active management of the public aids and services available, particularly those provided for under the

⁽¹⁾ OJ No L 73, 21. 3. 1975, p. 1.

⁽²⁾ OJ No L 349, 23. 12. 1980, p. 10.

⁽³⁾ OJ No C 15, 19. 1. 1983, p. 10.

⁽⁴⁾ OJ No C 184, 10. 6. 1983, p. 163.

⁽⁵⁾ OJ No C 124, 9. 5. 1983, p. 2.

⁽⁶⁾ OJ No L 271, 15. 10. 1980, p. 1.

special programme; whereas, to this end, there is a need to establish or extend services responsible for informing existing or potential undertakings of the availability of such aids and services and to help those undertakings to take advantage of them;

Whereas, in order to accelerate the implementation of the special programmes, the rules laid down by Regulation (EEC) No 2615/80 concerning budgetary commitments, payment of aid from the Fund and advances made from the Fund should be amended;

Whereas, additional financial resources are required to implement the specific measure so strengthened;

Whereas each of the Member States concerned should submit to the Commission an amended special programme,

HAS ADOPTED THIS REGULATION:

SECTION I

Article 1

Regulation (EEC) No 2615/80 is hereby amended in accordance with the following Articles.

Article 2

The following paragraph 2a is inserted in Article 3:

'2a. The preparation and implementation of the special programme shall be closely coordinated with national and Community policies and financial instruments, in particular the EAGGF Guidance Section, the Social Fund, the European Investment Bank and the new Community instrument.'

Article 3

The following paragraph 6a is inserted in Article 3:

'6a. When approving the special programme, the Commission shall satisfy itself that the programme is compatible with Article 20 of the Fund Regulation.'

Article 4

Article 3 (8) is replaced by the following:

'8. Once it has been approved, the special programme shall be published for information by the Commission.'

Article 5

Points (b) and (c) of Article 4 (1) are replaced by the following:

'(b) aids to investment in SMUs designed to create new undertakings or to assist in the adaptation of production to market potential by existing undertakings when justified by the analysis mentioned under point (a) or other satisfactory evidence. Such investments may also concern common services provided for a number of undertakings;

(c) creation or development of consultancy firms or other bodies for management or organization matters; setting up or development of economic promotion agencies.

The activities of such firms or bodies may include temporary assistance to undertakings for the implementation of their recommendations.

Economic promotion agencies shall be responsible for:

- opening up possibilities, through direct contacts at local level, for economic ventures by giving advice about access to available public aids and services, particularly those provided for under the special programme, and
- contributing to the success of these ventures by helping existing or potential undertakings to take advantage of such aids and services.'

Article 6

Article 5 (1) (a) (ii) is replaced by the following:

- (ii) operations relating to investment under Article 4 (1) (b): 50 % of the public expenditure resulting from the granting of aid to the investment. This aid may contain a supplementary element in relation to the most favourable existing regional arrangements. The supplementary aid, for which the Community shall be responsible for a period of four years, may be up to 10 % of the cost of the investment. The public aid may take the form of a capital grant or interest rebate.'

Article 7

Points (iii) and (iv) of Article 5 (1) (a) are replaced by the following:

- (iii) for the operations concerning the consultancy activities referred to in Article 4 (1) (c): aid covering a part of the expenditure of undertakings relating to services supplied by consultancy firms or bodies. Such aid shall be on a decreasing scale and be of three years' duration. It shall cover, in the first year, 70 % of the expenditure and shall not exceed 55 % of the total expenditure for the three-year period (indirect aid); the Member State may replace this system by an equivalent system of aid to consultancy firms or bodies (direct aid);
- (iv) for the operations concerning economic promotion referred to in Article 4 (1) (c): aid covering a part of the operating costs incurred by the activities of promotion services. Such aid shall be on a decreasing scale and shall be of five years' duration. It shall cover for the first year, 60 % of the operating costs and shall not exceed 50 % of the total costs per promoter for the five-year period. These activities, which must be new and concern specifically the zones referred to in Article 2, may be entrusted by the Member State concerned to special bodies.'

Article 8

In Article 5 (1) (b) (ii), 'and limited to 50 000 EUA per study', is replaced by 'and limited to 120 000 ECU per study'.

Article 9

The following is added to Article 5 (1) (d) (i): 'nevertheless, until the necessary measures have been taken by the Member States concerned, during a transitional period ending not later than 16 October 1985, the investment aid shall be provided entirely by the Community; this aid shall be 50 % of the cost of the investment;'

Article 10

Article 5 (5) is replaced by the following:

'5. Budgetary commitments relating to the financing of the special programme shall be implemented by annual tranches. The first tranche shall be committed at the time of the Commission's acceptance of the programme. The commitment of subsequent annual tranches shall be made according to budgetary availability and progress made on the programmes.'

Article 11

The introductory sentence to Article 6 (1) is replaced by the following:

'1. The amount of the Fund contribution in respect of the measures included in the special programme shall be paid to the Member States concerned or directly, and in accordance with the latter's instructions, to the bodies responsible for their implementation, according to the following rules:'.

Article 12

Article 6 (1) (c) is replaced by the following:

- (c) at the request of a Member State, advances of the amount of each annual tranche may be made according to progress made in operations and budgetary availability.

From the beginning of operations, an advance of 60 % of the Fund contribution concerning the first annual tranche may be paid by the Commission. When the Member State has certified that half of the first advance has been spent, a second advance, of 25 %, may be paid by the Commission.

From the beginning of the subsequent annual tranche, advances may be paid under the terms provided for in the foregoing subparagraphs.

The balance of each annual advance shall be paid at the request of the Member State when it has certified that the operations corresponding to the tranche in question may be considered as finished, and on presentation of the amount of public expenditure which had been committed.'

Article 13

Article 6 (5) is replaced by the following:

'5. When each special programme has been implemented, a report including information on the number and nature of the jobs created and maintained shall be presented by the Commission to the Regional Policy Committee and the European Parliament.'

Article 14

The following point 6 is added to the Annex:

'6. Description of measures planned under the programme for economic promotion.'

SECTION 2

Article 15

1. France and Italy shall amend the special programmes referred to in Article 3 of Regulation

(EEC) No 2615/80 and approved by the Commission, in accordance with the amendments introduced by section 1 hereof.

2. The amended special programmes shall be approved by the Commission in accordance with Article 3 (6) of Regulation (EEC) No 2615/80.

3. Without prejudice to Article 5 (4) of Regulation (EEC) No 2615/80, the amount of the Fund's assistance to the amended special programmes may not exceed the amount fixed by the Commission at the time of approval of the programmes.

4. The duration of the amended special programmes shall be extended until the end of the fifth year starting from the 60th day after the date on which this Regulation enters into force.

5. Expenditure arising from the special programmes thus amended which is incurred from the date of entry into force of this Regulation shall be eligible.

Article 16

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.

Done at Brussels, 18 January 1984.

For the Council
The President
M. ROCARD

COUNCIL REGULATION (EEC) No 215/84**of 18 January 1984****instituting a specific Community measure contributing to the development of certain regions of Greece 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 last amended by Regulation (EEC) No 3325/80 ⁽²⁾, and in particular Article 13 (3) thereof,

Having regard to the proposal from the Commission ⁽³⁾,

Having regard to the opinion of the European Parliament ⁽⁴⁾,

Having regard to the opinion of the Economic and Social Committee ⁽⁵⁾,

Whereas Article 13 of Regulation (EEC) No 724/75 (hereinafter referred to as 'the Fund Regulation') provides, independently of the national allocation of resources laid down by Article 2 (3) (a) of that Regulation, for participation by the Fund in financing specific Community regional development measures which are 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 which might be the subject of a specific Community measure;

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

Whereas the negotiations on the accession of Portugal and Spain to the Community were opened on 17 October 1978 and 15 February 1979, respectively;

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 regions of France adjacent to Spain are already benefiting, in this context, from a specific Community regional development measure instituted by Council Regulation (EEC) No 2615/80 of 7 October 1980 instituting a specific Community regional development measure contributing to the development of certain French and Italian regions in the context of Community enlargement ⁽⁶⁾, as amended by Regulation (EEC) No 214/84 ⁽⁷⁾;

Whereas, in addition, Greece has been a member of the Community since 1 January 1981; whereas the development of some of that country's regions could also be adversely affected by the future enlargement of the Community to include Portugal and Spain;

Whereas this is particularly the case with the Greek islands, which are characterized by a very high dependence for employment on agriculture, which is itself heavily dependent on Mediterranean products, by a very weak economic structure and, furthermore, by their remoteness from the centres of economic activity owing to their particular geographical position;

Whereas it is in the Community's interest that the enlargement process should take place harmoniously; whereas 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; whereas it is appropriate that the Community should make a special contribution to measures to be undertaken to this end by the Member State concerned by institut-

⁽¹⁾ OJ No L 73, 21. 3. 1975, p. 1.

⁽²⁾ OJ No L 349, 23. 12. 1980, p. 10.

⁽³⁾ OJ No C 15, 19. 1. 1983, p. 10.

⁽⁴⁾ OJ No C 184, 10. 6. 1983, p. 163.

⁽⁵⁾ OJ No C 124, 9. 5. 1983, p. 2.

⁽⁶⁾ OJ No L 271, 15. 12. 1980, p. 1.

⁽⁷⁾ See page 1 of this Official Journal.

ing a specific Community regional development measure on behalf of these regions;

Whereas other assistance from Community Funds, capable of being usefully combined, should be given in these regions;

Whereas the measures provided for in Regulation (EEC) No 2615/80 can be applied effectively in these regions; whereas, furthermore, if the economic base of these regions is to be strengthened, and in particular if outlets are to be found for their agricultural products, it is vital to set up or improve air or sea transport links between these regions and mainland Greece and between the regions themselves, particularly in the case of small or remote islands, through the provision of transport infrastructures and the development of transport services;

Whereas the conservation of the environment, particularly through the improvement of water quality monitoring installations and waste treatment plant, is necessary if tourist activities are to be developed in those regions;

Whereas the Community measure must be implemented in the form of a special multiannual programme; whereas the Commission, in approving this programme, must satisfy itself that the operations planned thereunder comply with this Regulation;

Whereas, in order that Greece may benefit fully from the specific measure, it is appropriate to provide that the expenditure connected with the measures envisaged and carried out by that country pending the adoption of this Regulation, during the year preceding its adoption, be, by way of an exception, deemed eligible;

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

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

Whereas the Council, the European Parliament and the Economic and Social Committee must be informed regularly on the implementation of this Regulation,

HAS ADOPTED THIS REGULATION:

Article 1

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

Article 2

The specific measure shall concern the Greek islands, with the exception of those which are not covered by a national regional aid scheme, viz. Salamina, and, as far as aid for industrial investment is concerned, Aiyina, Idhra and Spetses.

Article 3

1. The specific measure shall be implemented in the form of a special programme (hereinafter referred to as 'the special programme') submitted to the Commission by the Member State concerned.
2. The purpose of the special programme shall be to reinforce the economic structures and create employment in the regions referred to in Article 2. To this end, it shall aim at developing small and medium-sized undertakings and craft industries, particularly by facilitating their access to markets, on the basis of market analyses, by adapting and developing both their production facilities and the surrounding infrastructures and by improving their management. It shall also aim to promote innovation, to boost the potential for tourism and to improve communications between the islands and mainland Greece and between the islands themselves.
3. The special programme shall be drawn up and implemented in close coordination with national and Community policies and financial instruments, in particular with EAGGF Guidance Section, the Social Fund, the European Investment Bank and the new Community instrument.
4. The special programme shall fall within the framework of the regional development programmes referred to in Article 6 of the Fund Regulation.
5. The special programme shall contain the necessary information as specified in Article 7 relating to

analysis of the situation and needs relative to the objectives stated in paragraph 2, the operations proposed, the timetable for carrying them out and, more generally, all aspects which will enable its consistency with regional development objectives to be assessed.

6. The duration of the special programme shall be five years starting from the 60th day following the date on which this Regulation enters into force.

7. The special programme shall be approved by the Commission after involvement of the Fund Committee in accordance with the procedure laid down in Article 16 of the Fund Regulation.

8. When approving the special programme, the Commission shall satisfy itself that the programme is compatible with Article 20 of the Fund Regulation.

9. The Commission shall inform the European Parliament of the amounts decided upon for the regions when the special programme is approved.

10. When it has been approved, the special programme shall be published for information by the Commission.

Article 4

1. Article 4 of Regulation (EEC) No 2615/80 shall apply.

2. In addition, the Fund may contribute, within the framework of the special programme, to the following operations:

(a) in the case of small or remote islands:

- improvement of communications between the islands and mainland Greece and between the islands themselves, in conjunction with the operations referred to in Article 4 of Regulation (EEC) No 2615/80,
- measures to make the islands more easily accessible by establishing or improving sea or air transport infrastructure,
- opening or development of shipping lines or airlines;

(b) conservation of the environment and of the potential for developing tourism by providing water quality analysis and monitoring installations and constructing or improving waste treatment and disposal plant;

(c) sea-water desalination plant installation;

(d) in addition, the activities of the agencies provided for under Article 4 (1) (c) of Regulation (EEC) No 2615/80 may also apply to appropriate information activities aimed at Greek nationals established in other Member States who are unemployed or whose employment is at risk. These measures shall be implemented, as far as is possible, in close collaboration with the Member States concerned.

Article 5

1. Article 5 of Regulation (EEC) No 2615/80 shall apply.

2. In addition, in respect of the operations referred to in Article 4 (2), the Community contribution shall be as follows:

- (a) for operations relating to transport infrastructure under the first indent of point (a): 50 % of the public expenditure;
- (b) for operations relating to transport services under the second indent of point (a): in the first year, 50 % of the public expenditure resulting from a contribution to the net operating costs of the services. The aid shall last for three years and be degressive;
- (c) for operations relating to water analysis equipment and waste treatment and disposal plant under point (b): 50 % of the public expenditure;
- (d) for operations relating to sea-water desalination plant under point (c): 50 % of the public expenditure.

3. In the case of the aid referred to in paragraph 2 (a), (c) and (d) aggregation of aid from the quota and non-quota sections of the Fund shall not be allowed.

Article 6

Article 6 of Regulation (EEC) No 2615/80 shall apply, with the exception of paragraph 1 (a).

Expenditure incurred as from the 12th month preceding the date of entry into force of this Regulation shall be eligible.

Article 7

The special programme shall include the information provided for in the Annex to Regulation (EEC) No 2615/80.

It shall also include:

- (a) an analysis of requirements with regard to communications between the islands and mainland Greece and between the islands themselves, both as regards transport infrastructures and transport services, a description of existing aid schemes for such transport services, with details of average annual public expenditure thereunder;
- (b) a description of requirements with regard to water quality analysis and waste treatment;
- (c) in connection with the operations referred to in Article 4 (2):

- (i) a description of measures planned to aid transport services;
- (ii) the nature and location of the transport infrastructure; an installation programme covering waste treatment plant, water analysis equipment and sea-water desalination plant.

Article 8

This Regulation shall not prejudice the current re-examination of the Fund Regulation provided for in Article 22 of that Regulation.

Article 9

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.

Done at Brussels, 18 January 1984.

For the Council

The President

M. ROCARD

COUNCIL REGULATION (EEC) No 216/84**of 18 January 1984****amending Regulation (EEC) No 2616/80 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
COMMUNITES,

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 Euro-
pean Regional Development Fund⁽¹⁾, as last
amended by Regulation (EEC) No 3325/80⁽²⁾, and
in particular Article 13 (3) thereof,

Having regard to the proposal from the Commis-
sion⁽³⁾,

Having regard to the opinion of the European
Parliament⁽⁴⁾,

Having regard to the opinion of the Economic and
Social Committee⁽⁵⁾,

Whereas Article 13 of Regulation (EEC) No 724/75
(hereinafter referred to as 'the Fund Regulation')
provides, independently of the national allocation
of resources fixed by Article 2 (3) (a) of that Regu-
lation, for participation by the Fund in financing spe-
cific Community regional development measures
which are in particular linked with Community poli-
cies and with measures adopted by the Community,
in order to take better account of their regional
dimension or to reduce their regional consequences;

Whereas, pursuant to that Article, the Council
adopted on 7 October 1980 an initial series of Regu-
lations instituting specific Community regional
development measures and, in particular, Regulation
(EEC) No 2616/80⁽⁶⁾ instituting a specific Com-
munity 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, this
measure being hereinafter referred to as 'the specific
measure';

Whereas, pursuant to that Regulation and in partic-
ular Article 3 thereof, the Commission has approved
special programmes relating to certain zones in Bel-
gium and the United Kingdom and has at the same
time decided to allocate appropriations to those
programmes;

Whereas the worsening problems in the steel indus-
try require that the specific measure be extended to
new zones in the United Kingdom, in France, in the
Federal Republic of Germany and in the Grand
Duchy of Luxembourg; whereas the Member States
concerned have provided the Commission with
information relating to regional problems which
would be a suitable subject for a specific Com-
munity measure;

Whereas, in addition, the presence of excess capa-
city in the steel industry is one of the basic causes of
difficulties in this sector and the effort to reduce
capacity which must be undertaken in accordance
with the 'General objectives for steel' defined by the
Commission is likely to affect regional employ-
ment;

Whereas, by Commission Decision No 2320/81/
ECSC of 7 August 1981 establishing Community
rules for aids to the steel sector⁽⁷⁾, it was laid down
that aids to the steel industry can be considered as
compatible with the orderly functioning of the com-
mon market provided that 'the recipient undertaking
or group of undertakings is engaged in the imple-
mentation of a systematic and specific restructuring
programme' and 'the said restructuring programme
results in an overall reduction in the production
capacity of the recipient undertaking or group of
undertakings';

Whereas the Commission must rule on the requests
concerning aid which are submitted in the framework

⁽¹⁾ OJ No L 73, 21. 3. 1975, p. 1.

⁽²⁾ OJ No L 349, 23. 12. 1980, p. 10.

⁽³⁾ OJ No C 15, 19. 1. 1983, p. 10.

⁽⁴⁾ OJ No C 184, 10. 6. 1983, p. 163.

⁽⁵⁾ OJ No C 124, 9. 5. 1983, p. 2.

⁽⁶⁾ OJ No L 271, 15. 10. 1980, p. 9.

⁽⁷⁾ OJ No L 228, 13. 8. 1981, p. 14.

of restructuring programmes and which were to be notified to it by 30 September 1982 at the latest;

Whereas the specific measure should be applicable forthwith in areas marked by an important and recent decline in the steel industry in such a way as to have contributed already to the aggravation of existing regional disparities;

Whereas the specific measure should also be applicable to those areas marked by a reduction in production capacities, envisaged in connection with the implementation of restructuring programmes likely to involve a worsening of the regional employment situation, such application taking place as and when the Commission's adoption of a position on these programmes enables the areas which meet the criteria adopted to be identified;

Whereas the specific measure must be supplemented by the introduction of certain new types of assistance with the object of strengthening the economic fabric of the said areas in such a way as to contribute to the creation of alternative employment;

Whereas the development of small and medium-sized undertakings (hereinafter referred to as 'SMUs') may be accelerated by allowing them better to adapt their production potential, in particular through investment aids;

Whereas these investments may be encouraged by the provision of capital grants on the basis of existing national schemes; whereas provision should be made for such aid to be reinforced by additional aid chargeable to the Community during a transitional period; whereas these investments may also be encouraged by the grant, by the Commission, of interest rebates on Community global loans;

Whereas economic promotion in the zones concerned should be further stimulated by especially active management of the public aids and services available, particularly those provided for under the special programme; whereas, to this end, there is a need to establish or extend services responsible for informing existing or potential undertakings of the availability of such aids and services and to help those undertakings to take advantage of them;

Whereas, in order to accelerate the implementation of the special programmes, the rules laid down by Regulation (EEC) No 2616/80 concerning budgetary commitments, payment of aid from the Fund and advances made from the Fund should be amended;

Whereas **additional** financial resources are required to implement the specific measure so strengthened and extended to cover new areas;

Whereas, on the one hand, those Member States in respect of which a special programme has already been approved should amend those programmes and France, the Federal Republic of Germany and the Grand Duchy of Luxembourg should submit to the Commission a special programme in accordance with Regulation (EEC) No 2616/80 and, on the other hand, the other Member States concerned should present a special programme at a later date,

HAS ADOPTED THIS REGULATION:

SECTION I

Article 1

Regulation (EEC) No 2616/80 is hereby amended in accordance with the following Articles.

Article 2

Article 2 is replaced by the following:

'Article 2

1. The specific measure shall apply to zones which fulfil, in principle, the following criteria:

- (a) a **minimum** number of jobs in the steel industry;
- (b) industrial employment dependent in large measure on the steel industry;
- (c) major job losses in the steel industry in recent years;
- (d) eligibility of the zone concerned for a national regional aid scheme;
- (e) the social and economic situation in the region in which the zone concerned is situated; this situation shall be assessed on the basis of the per capita gross domestic product and structural unemployment;

- (f) an expected reduction in production capacity linked to implementation of restructuring programmes likely to bring about a worsening of the regional employment situation.

2. The specific measure shall apply on the entry into force of this Regulation to the following zones to the extent to which they conform, in principle, to the criteria laid down in paragraph 1 (a), (b), (c), (d) and (e):

In Belgium:

The provinces of Hainaut, Liège and Luxembourg (Commission Decision of 22 July 1982).

In the Federal Republic of Germany:

The Saarland, including the adjacent zones of the "Land" of Rheinland-Pfalz which receive aid.

The Grand Duchy of Luxembourg.

In Italy:

The province of Naples.

In the United Kingdom:

The Strathclyde region, the counties of Cleveland, Clwyd, South Glamorgan, West Glamorgan (including those parts of the travel-to-work area of Port Talbot which are situated in the county of Mid Glamorgan) and Gwent, the employment office area of Corby, the travel-to-work area of Llanelli in the county of Dyfed; the county of Durham (including those parts of the travel-to-work area of Consett which are situated in the counties of Northumberland and Tyne and Wear); the county of Humberside (including those parts in the travel-to-work area of Scunthorpe which are situated in the county of Lincolnshire); the county of South Yorkshire, including the travel-to-work area of Sheffield; the travel-to-work area of Workington in the county of Cumbria.

In France

The "departments" of Moselle, Nord, Pas-de-Calais and Meurthe-et-Moselle, including in this last-mentioned, the urban area of Nancy.

3. The specific measure shall also apply to those zones which, in principle, meet the criteria referred to in paragraph 1 (a), (b) and (f) as soon as the Commission has adopted a position on the restructuring programmes for the steel

industry, transmitted by the Member States in accordance with Commission Decision No 2320/81/ECSC ⁽¹⁾.

In accordance with this provision, the specific measure shall apply, at the request of the Member States concerned, as the Commission adopts its position on the programmes mentioned above, to zones situated in the Member States referred to in paragraph 2 which may also be situated in other Member States.

The Commission shall take its decision within a maximum of two months of the date on which the Member State concerned submits the above-mentioned programmes and its corresponding request relating to the zones likely to benefit from the specific measure.

⁽¹⁾ OJ No L 228, 13. 8. 1981, p. 14.

Article 3

The following paragraph 2a is added to Article 3:

'2a. The preparation and implementation of the special programme shall be closely coordinated with national and Community policies and financial instruments, in particular with the aid granted in connection with the ECSC, the Social Fund, the European Investment Bank and the new Community instrument.'

Article 4

Article 4 (3) is replaced by the following:

'3. Creation or development of consultancy firms or other bodies for management or organization matters; setting up or development of economic promotion agencies.

The activities of such firms or bodies may include temporary assistance to undertakings for the implementation of their recommendations.

Economic promotion agencies shall be responsible for:

- opening up possibilities, through direct contacts at local level, for economic ventures by giving advice about access to available public aids and services, particularly those provided for under the special programme, and

- contributing to the success of these ventures by helping existing or potential undertakings to take advantage of such aids and services.'

Article 5

The following points 7 to 9 are added to Article 4:

- '7. Preparation of sectoral analyses intended to provide SMUs in the regions concerned with information on the potential of national, Community and external markets and on the effects to be anticipated therefrom on the production and organization of SMUs;
- 8. Aids to investment in SMUs designed to create new undertakings or to assist the adaptation of production to market potential by existing undertakings when justified by the analyses mentioned under point 7 or other satisfactory forms of proof. Such investment may also concern common services provided for a number of undertakings;
- 9. Investment aids in the form of interest rebates on global loans in favour of small industrial projects, with the aim of encouraging the creation and development of SMUs, such loans being granted under Article 56 of the ECSC Treaty.'

Article 6

Points (c) and (d) of Article 5 (1) are replaced by the following:

- '(c) for the operations concerning the consultancy activities referred to in Article 4 (3): aid covering a part of the expenditure of undertakings relating to services supplied by consultancy firms or bodies. Such aid shall be on a decreasing scale and be of three years' duration. It shall cover, in the first year, 70 % of the expenditure and shall not exceed 55 % of the total expenditure for the three-year period (indirect aid); the Member State may replace this system by an equivalent system of aid to consultancy firms or bodies (direct aid);
- (d) for the operations concerning economic promotion referred to in Article 4 (3): aid

covering a part of the operating costs incurred by the activities of promotion services. Such aid shall be on a decreasing scale and shall be of five years' duration. It shall cover, for the first year, 60 % of the operating costs and shall not exceed 50 % of the total costs per promoter for the five-year period. These activities, which must be new and concern specifically the zones covered by Article 2 may be entrusted by the Member State concerned to special bodies.'

Article 7

In Article 5 (1) (g), 'and limited to 50 000 EUA per study' is replaced by 'and limited to 120 000 ECU per study'.

Article 8

The following points (i) to (k) are added to Article 5 (1):

- '(i) operations relating to sectoral analyses under Article 4 (7): 70 % of their cost;
- (j) operations relating to investment under Article 4 (8): 50 % of the public expenditure resulting from the granting of aid to the investment. This aid may contain a supplementary element in relation to the most favourable existing regional arrangements. The supplementary aid, for which the Community shall be responsible for a period of four years, may be up to 10 % of the cost of the investment. The public aid may take the form of a capital grant or interest rebate;
- (k) operations relating to interest rebates under Article 4 (9): the interest rebate shall be 3 % over five years. It shall be financed by the Community.'

Article 9

Article 5 (2) is replaced by the following:

- '2. For the aid referred to in paragraph 1 (a), (j) and (k), aggregation of aid from the quota and non-quota sections of the Fund is excluded.'

Article 10

Article 5 (5) is replaced by the following:

'5. Budgetary commitments relating to the financing of the special programme, except with regard to the interest rebates on Community global loans, shall be implemented by annual tranche. The first tranche shall be committed at the time of the Commission's acceptance of the programme. The commitment of subsequent annual tranches shall be made according to budgetary availability and the progress made on the programme. Concerning the interest rebates under Article 4 (9), decisions shall be taken by the Commission for each global loan, subject to the grant thereof, at the time of its decision on a global loan under the ECSC budget.'

Article 11

The introductory words to Article 6 (1) are replaced by the following:

'1. The amount of the Fund contribution in respect of the measures included in the special programme shall be paid to the Member State concerned or directly, and in accordance with the latter's instructions, to the bodies responsible for their implementation, according to the following rules:'.

Article 12

Article 6 (1) (c) is replaced by the following:

'(c) at the request of a Member State, advances of the amount of each annual tranche may be made according to progress made on operations and budgetary availability.

From the beginning of operations, an advance of 60 % of the Fund contribution concerning the first annual tranche may be paid by the Commission. When the Member State has certified that half of the first advance has been spent, a second advance, or 25 %, may be paid by the Commission.

From the beginning of the subsequent annual tranche, advances may be paid under the terms provided for in the foregoing subparagraphs.

The balance of each annual advance shall be paid at the request of the Member State

when it has certified that the operations corresponding to the tranche in question may be considered as finished, and on presentation of the amount of public expenditure which had been committed.'

Article 13

The following paragraph 1a is inserted in Article 6:

'1a. Interest rebates allowed on global Community loans shall be so allowed with a view to their utilization for the secondary loans made to firms.

Appropriate procedures will be established between the Commission and the financial institutions to which global loans are granted, in order to permit the management of these aids and the necessary controls.'

Article 14

The following sentence is added to Article 6 (2):

'These reports shall be supplemented by information supplied by the Commission on the implementation of Community aids made in the form of interest rebates on Community global loans.'

Article 15

Article 6 (5) is replaced by the following:

'5. When each special programme has been implemented, a report including information on the number and nature of the jobs created and maintained shall be presented by the Commission to the Regional Policy Committee and the European Parliament.'

Article 16

The following subparagraphs are added to point 3 (b) of the Annex:

'Particulars of the nature of sectoral analyses bearing on production structures, market potential and measures to be implemented in order to adapt and develop production and marketing.

Description of rules governing investment aids provided within the programme framework.'

Description of measures planned under the programme for economic promotion.'

SECTION 2

Article 17

1. Belgium, Italy and the United Kingdom shall amend the special programmes referred to in Article 3 of Regulation (EEC) No 2616/80 and approved by the Commission, in accordance with the amendments set out in section 1 hereof.

2. The amended special programmes shall be approved by the Commission in accordance with Article 3 (6) of Regulation (EEC) No 2616/80.

3. Without prejudice to Article 5 (4) of Regulation (EEC) No 2616/80, the amount of the Fund's assistance to the amended special programmes may not exceed the amount fixed by the Commission at the time of approval of the programmes.

Article 18

The duration of the special programmes to be submitted by the Federal Republic of Germany, the Grand Duchy of Luxembourg and France shall be five years starting from the 60th day after the date on which this Regulation enters into force. The duration of the amended special programmes referred to in Article 17 shall be extended for the same period.

Article 19

Expenditure resulting from the special programmes thus amended and from the special programmes to be submitted by the Federal Republic of Germany, the Grand Duchy of Luxembourg and France, and which is incurred from the date of entry into force of this Regulation, shall be eligible.

Article 20

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.

Done at Brussels, 18 January 1984.

For the Council

The President

M. ROCARD

COUNCIL REGULATION (EEC) No 217/84**of 18 January 1984****amending Regulation (EEC) No 2617/80 instituting a specific Community regional development measure contributing to overcoming constraints on the development of new economic activities in certain zones adversely affected by restructuring of the shipbuilding industry**

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Regulation (EEC) No 724/75 of 18 March 1975 establishing a European Regional Development Fund ⁽¹⁾, as last amended by Regulation (EEC) No 3325/80 ⁽²⁾, and in particular Article 13 (3) thereof,

Having regard to the proposal from the Commission ⁽³⁾,

Having regard to the opinion of the European Parliament ⁽⁴⁾,

Having regard to the opinion of the Economic and Social Committee ⁽⁵⁾,

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 that Regulation, for participation by the Fund in financing specific Community regional development measures which are in particular 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, pursuant to that Article, the Council adopted on 7 October 1980 an initial series of Regulations instituting specific Community regional development measures and in particular Regulation (EEC) No 2617/80 ⁽⁶⁾ 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, this measure being hereinafter referred to as 'the specific measure';

Whereas, pursuant to that Regulation and in particular Article 3 thereof, the Commission has approved a special programme relating to certain zones in the United Kingdom and has at the same time decided to allocate appropriations to that programme;

Whereas the Member States concerned have provided the Commission with information on regional problems which would be a suitable subject for a specific Community measure, and as a result of the worsening problems in the shipbuilding industry the current specific measure must be extended to certain zones in the Federal Republic of Germany and be supplemented by the introduction of certain new types of assistance with the object of strengthening the economic fabric of these zones in such a way as to contribute to the creation of alternative employment;

Whereas the development of small and medium-sized undertakings (hereinafter referred to as 'SMUs') may be accelerated by allowing them better to adapt their production potential in particular through investment aids in the form of capital grants on the basis of existing national schemes; whereas provision should be made for such aid to be reinforced by additional aid chargeable to the Community during a transitional period;

Whereas economic activity in the zones concerned should be further stimulated by especially active management of the public aids and services available, particularly those provided for under the special programme; whereas, to this end, there is a need to establish or extend advisory services responsible for informing existing or potential undertakings about the availability of such aids and services and to help those undertakings to take advantage of them;

Whereas, in order to accelerate the implementation of the special programme, the rules laid down by

⁽¹⁾ OJ No L 73, 21. 3. 1975, p. 1.

⁽²⁾ OJ No L 349, 23. 12. 1980, p. 10.

⁽³⁾ OJ No C 15, 19. 1. 1983, p. 10.

⁽⁴⁾ OJ No C 184, 10. 6. 1983, p. 163.

⁽⁵⁾ OJ No C 124, 9. 5. 1983, p. 2.

⁽⁶⁾ OJ No L 271, 15. 10. 1980, p. 16.

Regulation (EEC) No 2617/80 concerning budgetary commitments, payment of aid from the Fund and advances made from the Fund should be amended;

Whereas additional financial resources are required to implement the specific measure as so extended and strengthened;

Whereas it is necessary for the United Kingdom to submit to the Commission an amended special programme, and for the Federal Republic of Germany to present to the Commission a special programme in accordance with Regulation (EEC) No 2617/80,

HAS ADOPTED THIS REGULATION:

SECTION 1

Article 1

Regulation (EEC) No 2617/80 is hereby amended in accordance with the following Articles.

Article 2

The following subparagraph is added to Article 2:

'It concerns also the "Arbeitsmarktreion" of Lübeck-Ostholstein in the Federal Republic of Germany.'

Article 3

In Article 3 (1), 'by the United Kingdom' is replaced by 'by the Member States concerned'.

Article 4

The following paragraph 2a is inserted in Article 3:

'2a. The preparation and implementation of the special programme shall be closely coordinated with national and Community policies and financial instruments, in particular the Social Fund, the European Investment Bank and the new Community instrument.'

Article 5

The following paragraph 6a is inserted in Article 3:

'6a. When approving the special programme, the Commission shall satisfy itself that the programme is compatible with Article 20 of the Fund Regulation.'

Article 6

Article 3 (8) is replaced by the following:

'8. Once it has been approved, the special programme shall be published for information by the Commission.'

Article 7

Article 4 (3) is replaced by the following:

'3. Creation or development of consultancy firms or other bodies for management or organization matters; setting up or development of economic promotion agencies.

The activities of such firms or bodies may include temporary assistance to undertakings for the implementation of their recommendations.

Economic promotion agencies shall be responsible for:

- opening up possibilities, through direct contacts at local level, for economic ventures by giving advice about access to available public aids and services, particularly those provided for under the special programme, and
- contributing to the success of these ventures by helping existing or potential undertakings to take advantage of such aids and services.'

Article 8

The following points 7 and 8 are added to Article 4:

'7. Preparation of sectoral analyses intended to provide SMUs with information on the potential of national, Community and external markets and on the effects to be anticipated therefrom on the production and organization of SMUs;

8. Aids to investments in SMUs designed to create new undertakings or to assist the adaptation of production to market potential by existing undertakings when justified by the analyses mentioned under point 7 or other satisfactory evidence. Such invest-

ment may also concern common services provided for a number of undertakings.'

Article 9

Points (c) and (d) of Article 5 (1) are replaced by the following:

'(c) for the operations concerning the consultancy activities referred to in Article 4 (3): aid covering a part of the expenditure of undertakings relating to services supplied by consultancy firms or bodies. Such aid shall be on a decreasing scale and be of three years' duration. It shall cover, in the first year, 70 % of the expenditure and shall not exceed 55 % of the total expenditure for the three-year period (indirect aid); the Member State may replace this system by an equivalent system of aid to consultancy firms or bodies (direct aid);

(d) for the operations concerning economic promotion referred to in Article 4 (3): aid covering a part of the operating costs incurred by the activities of promotion services. Such aid shall be on a decreasing scale and shall be of five years' duration. It shall cover, for the first year, 60 % of the operating costs and shall not exceed 50 % of the total costs per promoter for the five-year period. These activities, which must be new and concern specifically the zones referred to in Article 2 may be entrusted by the Member State concerned to special bodies;'

Article 10

In Article 5 (1) (g), 'and limited to 50 000 EUA per study' is replaced by 'and limited to 120 000 ECU per study'.

Article 11

The following points (i) and (j) are added to Article 5 (1):

'(i) operations relating to sectoral analyses under Article 4 (7): 70 % of their cost;

(j) operations relating to investment under Article 4 (8): 50 % of the public expenditure resulting from the granting of aid to the investment. This aid may contain a supplementary element compared to the most favourable existing regional aid arrangements. The supplementary aid, for which the Community shall be responsible for a period of four years, may be up to 10 % of the cost of the investment. The official aid may take the form of a capital grant or interest rebate.'

Article 12

Article 5 (2) is replaced by the following:

'2. In the case of the aid referred to in paragraph 1 (a) and (j), aggregation of aid from the quota and non-quota sections of the Fund is excluded.'

Article 13

Article 5 (5) is replaced by the following:

'5. Budgetary commitments relating to the financing of the special programme shall be effected by annual tranches. The first tranche shall be committed at the time of the Commission's acceptance of the programme. The commitment of subsequent annual tranches shall be effected on the basis of budgetary availability and the progress made with the programme.'

Article 14

The introductory words to Article 6 (1) are replaced by the following:

'1. The amount of the Fund contribution in respect of the measures included in the special programme shall be paid to the Member States concerned or directly, and in accordance with the latter's instructions, to the bodies responsible for their implementation, according to the following rules:'.

Article 15

Article 6 (1) (c) is replaced by the following:

'(c) at the request of a Member State, advances of the amount of each annual tranche may

be made according to progress made in operations and budgetary availability.

From the beginning of operations, an advance of 60 % of the Fund contribution concerning the first annual tranche may be paid by the Commission. When the Member State has certified that half of the first advance has been spent, a second advance, of 25 %, may be paid by the Commission.

From the beginning of the subsequent annual tranche, advances may be paid under the terms provided for in the foregoing subparagraphs.

The balance of each annual advance shall be paid at the request of the Member State when it has certified that the operations corresponding to the tranche in question may be considered as finished, and on presentation of the amount of public expenditure which had been committed.'

Article 16

Article 6 (5) is replaced by the following:

'5. When the special programme has been implemented, a report including information on the number and nature of the jobs created and maintained shall be presented by the Commission to the Regional Policy Committee and the European Parliament.'

Article 17

The following subparagraphs are added to point 3 (b) of the Annex.

'Particulars of the nature of sectoral analyses relating to production structures, market potential and measures to be taken to adapt and develop production and marketing.

Description of rules governing investment aids provided under the programme.

Description of the economic promotion measures contemplated under the programme.'

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

Done at Brussels, 18 January 1984.

SECTION 2

Article 18

1. The United Kingdom shall adapt the special programme referred to in Article 3 of Regulation (EEC) No 2617/80 and approved by the Commission, in accordance with the amendments introduced by section 1 of this Regulation.

2. The amended special programme shall be approved by the Commission in accordance with Article 3 (6) of Regulation (EEC) No 2617/80.

3. Without prejudice to Article 5 (4) of Regulation (EEC) No 2617/80, the amount of the Fund's assistance to the special programme as adapted may not exceed the amount fixed by the Commission at the time of approval of the programme.

4. The duration of the special programme as adapted shall be extended to the end of the fifth year, counting from the 60th day after the date on which this Regulation enters into force.

5. Expenditure arising from the special programme thus amended which is incurred from the date of entry into force of this Regulation shall be eligible.

Article 19

The duration of the special programme to be presented by the Federal Republic of Germany shall be five years from the 60th day following that of the entry into force of this Regulation.

Expenditure arising from the special programme which is incurred from the date of entry into force of this Regulation shall be eligible.

Article 20

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

For the Council
The President
M. ROCARD

COUNCIL REGULATION (EEC) No 218/84**of 18 January 1984****amending Regulation (EEC) No 2618/80 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 last amended by Regulation (EEC) No 3325/80⁽²⁾, and in particular Article 13 (3) thereof,

Having regard to the proposal from the Commission⁽³⁾,

Having regard to the opinion of the European Parliament⁽⁴⁾,

Having regard to the opinion of the Economic and Social Committee⁽⁵⁾,

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 that Regulation, for participation by the Fund in financing specific Community regional development measures which are in particular 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, pursuant to that Article, the Council adopted on 7 October 1980 an initial series of Regulations instituting specific Community regional development measures and in particular Regulation (EEC) No 2618/80⁽⁶⁾ 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, this measure being hereinafter referred to as 'the specific measure';

Whereas, pursuant to that Regulation and in particular Article 3 thereof, the Commission has approved a special programme relating to certain areas in the Mezzogiorno and has at the same time decided to allocate appropriations to that programme;

Whereas Greece has become a Member of the Community since the adoption of the specific measure; whereas the situation in that country is also characterized by a substantial energy shortfall and heavy dependence on oil imports; whereas, moreover, the cost of energy is particularly high in the Greek islands;

Whereas the development of those islands entails increased consumption of energy, which also stems from the operation of the water supply systems serving agriculture, industry and tourism; whereas there is therefore a need to encourage the installation there of new generating capacity exploiting local alternative energy sources;

Whereas steps should be taken to promote the exploitation of geothermal energy, which is an important alternative source of energy in these areas; whereas similar steps should also be taken in the areas of the Mezzogiorno affected by the specific measure;

Whereas the Member States concerned have provided the Commission with information on regional problems which would be a suitable subject for a specific Community measure;

Whereas, in order to accelerate the implementation of the special programme, the rules laid down by Regulation (EEC) No 2618/80 concerning budgetary commitments, payment of aid from the Fund and advances made from the Fund should be amended;

⁽¹⁾ OJ No L 73, 21. 3. 1975, p. 1.

⁽²⁾ OJ No L 349, 23. 12. 1980, p. 10.

⁽³⁾ OJ No C 15, 19. 1. 1983, p. 10.

⁽⁴⁾ OJ No C 184, 10. 6. 1983, p. 163.

⁽⁵⁾ OJ No C 124, 9. 5. 1983, p. 2.

⁽⁶⁾ OJ No L 271, 15. 10. 1980, p. 23.

Whereas, in order that Greece may benefit fully from the specific measure, it is appropriate to provide that the expenditure connected with the measures envisaged and carried out by that country pending the adoption of this Regulation, during the year preceding its adoption, be, by way of an exception, deemed eligible;

Whereas additional financial resources are required to implement the specific measure thus reinforced and extended to new areas;

Whereas it is necessary that the Member State for which a special programme has already been approved should adapt that programme and that Greece should submit to the Commission a special programme in accordance with Regulation (EEC) No 2618/80,

HAS ADOPTED THIS REGULATION:

SECTION 1

Article 1

Regulation (EEC) No 2618/80 is hereby amended in accordance with the following Articles.

Article 2

The following subparagraph is added to Article 2:

'It shall also apply to the Greek islands, with the exception of Salamina, which is not covered by a national aid scheme.'

Article 3

Article 3 (1) is replaced by the following:

'1. The specific measures 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.'

Article 4

Article 3 (8) is replaced by the following:

'8. Once it has been approved, the special programme shall be published for information by the Commission.'

Article 5

Article 4 (1) is replaced by the following:

- '1. Installing mini-turbines (standardized electrical generators using low-head falls) including preparation of existing sites and the related hydro-electric installations; wind-powered generators; equipment utilizing solar energy; installations to recover energy from biomass, particularly from waste; prospection and development of geothermal fields and particularly installations for exploiting such fields.

The installations referred to above must incorporate fully developed technology and must not be eligible under Council Regulation (EEC) No 1972/83 of 11 July 1983 on the granting of financial support for demonstration projects relating to the exploitation of alternative energy sources and to energy saving and the substitution of hydrocarbons ⁽¹⁾.

⁽¹⁾ OJ No L 195, 19. 7. 1983, p. 6.'

Article 6

In Article 5 (1) (a), 'and for the prospection and development of geothermal fields' is inserted after 'or other equipment'.

Article 7

Article 5 (4) is replaced by the following:

- '4. Budgetary commitments relating to the financing of the special programme shall be implemented by annual tranche. The first tranche shall be committed at the time of the Commission's acceptance of the programme. The commitment of subsequent annual tranches shall be made according to budgetary availability and the progress made on the programme.'

Article 8

The introductory words to Article 6 (1) are replaced by the following:

- '1. Aid from the Fund in favour of the measures provided for in the special programme shall be paid to the Member State concerned or

directly, and in accordance with the latter's instructions, to the bodies responsible for their implementation, in accordance with the following rules:'.
'

Article 9

Article 6 (1) (c) is replaced by the following:

'(c) at the request of a Member State, advances of the amount of each annual tranche may be made according to progress made on operations and budgetary availability.

From the beginning of operations, an advance of 60 % of the Fund contribution concerning the first annual tranche may be paid by the Commission. When the Member State has certified that half of the first advance has been spent, a second advance, of 25 %, may be paid by the Commission.

From the beginning of the subsequent annual tranche, advances may be paid under the terms provided for in the foregoing subparagraphs.

The balance of each annual advance shall be paid at the request of the Member State when it has certified that the operations corresponding to the tranche in question may be considered as finished, and on presentation of the amount of public expenditure which had been committed.'

Article 10

The following paragraph shall be added to point 2 (b) of the Annex:

'A programme for the prospection and development of geothermal fields.'

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

Done at Brussels, 18 January 1984.

SECTION 2

Article 11

1. Italy shall amend the special programme referred to in Article 3 of Regulation (EEC) No 2618/80 and approved by the Commission, in accordance with the amendments introduced by section 1 of this Regulation.

2. The amended special programme shall be approved by the Commission in accordance with Article 3 (6) of Regulation (EEC) No 2618/80.

3. Without prejudice to Article 5 (3) of Regulation (EEC) No 2618/80, the amount of the Fund's assistance to the amended special programme may not exceed the amount fixed by the Commission at the time of approval of the programme.

Article 12

The duration of the special programme to be submitted by Greece shall be five years starting from the 60th day after the date on which this Regulation enters into force. The duration of the amended special programme referred to in Article 11 shall be extended for the same period.

Article 13

Expenditure arising from the Italian special programme thus adapted and from the special programme to be submitted by Greece which is incurred from the date of entry into force of this Regulation shall be eligible.

Article 14

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

For the Council
The President
M. ROCARD

COUNCIL REGULATION (EEC) No 219/84**of 18 January 1984****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 textile and clothing 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 last amended by Regulation (EEC) No 3325/80⁽²⁾, and in particular Article 13 (3) thereof,

Having regard to the proposal from the Commission⁽³⁾,

Having regard to the opinion of the European Parliament⁽⁴⁾,

Having regard to the opinion of the Economic and Social Committee⁽⁵⁾,

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 that Regulation, for participation by the Fund in financing specific Community regional development measures which are in particular 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 which would be suitable for a specific Community measure;

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

Whereas, pursuant to Article 92 *et seq.* of the EEC Treaty, the Commission established on 22 July 1971 an approach to aids to the textile industry, supplemented on 4 February 1977, which was notified to the Member States; whereas, under the approach to aids, aid granted to textile undertakings can only be allowed if they satisfy certain conditions, and in particular they must facilitate improvements in the industrial and commercial structure, in particular the industry's adaptation to new market and technical conditions;

Whereas, with respect to its external policy in the textile and clothing fields, the Community is a party to the Arrangement regarding International Trade in Textiles (hereinafter referred to as 'the Multifibre Agreement') which is designed to overcome the difficulties on the international textile and clothing market; whereas the measures taken under the Multifibre Agreement 'should not interrupt or discourage autonomous industrial adjustment processes' and should 'encourage businesses which are less competitive internationally to move progressively into more viable types of production or into other sectors of the economy';

Whereas between 1974 and 1977, the period of application of the first Multifibre Agreement, imports of textile products into the Community increased at an exceptionally fast rate; whereas since 1978, the year in which the second Multifibre Agreement came into force, such imports have continued to grow, a fact which has contributed to the substantial reduction in employment in this industry;

Whereas the third Multifibre Agreement was concluded on 22 December 1981 and bilateral negotiations between the Community and third countries are in progress; whereas, given the economic crisis and the stagnation of consumption, it is inevitable, even assuming constant import levels, that jobs will continue to be lost in the textile and clothing industry for several years to come;

Whereas a number of zones in the Community which are highly dependent on the textile and clothing industries and which have already suffered considerable job losses as a result of the decline in

⁽¹⁾ OJ No L 73, 21. 3. 1975, p. 1.

⁽²⁾ OJ No L 349, 23. 12. 1980, p. 10.

⁽³⁾ OJ No C 15, 19. 1. 1983, p. 10.

⁽⁴⁾ OJ No C 184, 10. 6. 1983, p. 163.

⁽⁵⁾ OJ No C 124, 9. 5. 1983, p. 2.

those industries are likely to see a worsening of these adverse consequences;

Whereas some of these zones in Belgium, France, Ireland, Italy, the United Kingdom and the Netherlands are situated in regions which already have a high level of unemployment;

Whereas it is necessary for the Community, by means of a specific Community regional development measure, to reinforce existing local, national and Community measures aimed at stimulating the creation of new employment in such zones in order to replace lost jobs and thus help to reduce regional imbalances;

Whereas other assistance from Community Funds, capable of being usefully combined, should be given in these zones;

Whereas the existence of an unfavourable physical environment due to the state of dereliction of certain industrial and urban sites makes it difficult to attract new employment-providing activities to these zones;

Whereas the encouragement of small and medium-sized undertakings (hereinafter referred to as 'SMUs'), which already occupy an important place in the economies of these zones, requires that they be enabled better to adapt their productive potential in particular by way of investment aids and by facilitating access to necessary services in management, organization and finance;

Whereas the introduction of new technological products and processes can contribute to the creation and development of viable economic activities in these zones; whereas SMUs encounter difficulties in undertaking innovation;

Whereas economic activity in the zones concerned should be given greater stimulus through an especially active administration of public aids and services available, in particular those provided for under the special programme; whereas, to this end, it is necessary to establish or extend advisory agencies responsible for informing existing or potential undertakings about access to such aids and services and for helping them to take advantage of them;

Whereas the Community measure must be implemented in the form of special multiannual programmes; whereas it is for the Commission, in approving these programmes, to satisfy itself that

the operations planned thereunder comply with the provisions 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 of the Fund Regulation;

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

Whereas the Council, the European Parliament and the Economic and Social Committee must be informed regularly on the implementation of this Regulation,

HAS ADOPTED THIS REGULATION:

Article 1

A specific Community regional development measure (hereinafter referred to as 'the specific measure') within the meaning 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 textile and clothing industry.

Article 2

1. The specific measure shall apply to zones which in principle meet the following criteria:

- (a) a minimum number of jobs in the textile and clothing industry;
- (b) industrial employment dependent in large measure on the textile and clothing industry;
- (c) major job losses in the textile and clothing industry in recent years;
- (d) the social and economic situation in the region in which the zone concerned is situated. This situation shall be assessed on the basis of the per capita gross domestic product and structural unemployment;
- (e) eligibility of the zone concerned for a national regional-aid scheme.

2. The zones complying with the criteria referred to in paragraph 1 shall be the following:

- (a) *In Belgium:* The Aalst, Monsoon and Oude-naarde 'arrondissements'.

- (b) *In France:* the départements of Ariège, Loire, Pas-de-Calais, Tarn and the Vosges, including the bordering aided zones of the départements of Bas-Rhin and Haut-Rhin; the zones covered by national regional aid schemes in the départements of Ardèche, Gard, Somme and Nord, including in the case of the last-mentioned the textile zones of the Lille 'arrondissement'; the textile 'cantons' of the département of Aisne adjacent to the département of Nord, i.e. the 'cantons' of Catelet and Bohain-en-Vermandois;
 - (c) *In Ireland:* the planning regions of Donegal, north-west and west.
 - (d) *In Italy:* the assisted zones in the Provinces of Arezzo, Como, Perugia, Pesaro-Urbino, Pistoia, Treviso and Vercelli; the Provinces of Enna, Lecce, Bari and Palermo;
 - (e) *In the United Kingdom:* Northern Ireland; the region of Tayside; the travel-to-work areas of Bradford, Dewsbury, Halifax, Huddersfield, Keighley and Todmorden in the county of West Yorkshire; the travel-to-work areas of Accrington, Blackburn, Burnley, Lancaster, Nelson and Rossendale in the county of Lancashire; the travel-to-work areas of Ashton-under-Lyme, Bolton, Bury, Leigh, Oldham, Rochdale and Wigan in the county of Greater Manchester;
 - (f) *In the Netherlands:* the 'COROP-Gebied' of Twente and the textile zone of Helmond.
5. The special programme shall contain appropriate information, as specified in the Annex hereto, analyzing the situation and needs related to the objectives stated in paragraph 2, the operations proposed, the timetable for carrying them out and, in general, all factors necessary to enable its consistency with regional-development objectives to be assessed.
 6. The duration of the special programme shall be five years starting from the 60th day after the date on which this Regulation enters into force.
 7. The special programme shall be approved by the Commission after intervention by the Fund Committee in accordance with the procedure laid down in Article 16 of the Fund Regulation.
 8. When approving the special programme, the Commission shall satisfy itself that the programme is compatible with Article 20 of the Fund Regulation.
 9. The Commission shall inform the European Parliament of the amounts adopted for the zones when the special programme is approved.
 10. Once it has been approved, the special programme shall be published for information by the Commission.

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.
2. The objective of the special programme shall be to contribute to the development of employment-providing activities in the zones referred to in Article 2. It shall to this end be directed towards the improvement of their physical environment, this being necessary in order to encourage the setting up of such activities, towards the development of SMUs and the encouragement of innovation.
3. The preparation and implementation of the special programme shall be closely coordinated with national and Community policies and financial instruments, in particular the Social Fund, the European Investment Bank and the new Community instrument.
4. The special programme shall fall within the framework of the regional development programmes mentioned in Article 6 of the Fund Regulation.

Article 4

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

1. improvement of run-down areas whose character is industrial, or industrial and urban to the extent to which the two aspects cannot be dissociated, including: the cleaning-up and preparation of such areas, demolition and redevelopment of disused industrial buildings and conversion of their sites, including the modernization and conversion of premises for SMUs, the creation of green areas and minor works for improving the appearance of localities and, where justified, minor roads giving access to the locations of new activities;
2. preparation of sectoral analyses intended to provide SMUs with information on the potential of national, Community and external markets and on the effects to be anticipated therefrom on the production and organization of these undertakings;

3. aids to investment in SMUs designed to create new undertakings or to assist the adaptation of production to market potential by existing undertakings when justified by the analyses mentioned under point 2 or other satisfactory evidence. Such investment may also concern common services for a number of undertakings;

4. creation or development of consultancy firms or other bodies for management or organization matters; setting up or development of economic promotion agencies.

The activities of such firms or bodies may include temporary assistance to undertakings for the implementation of their recommendations.

Economic promotion agencies shall be responsible for:

- opening up possibilities, through direct contacts at local level, for economic ventures by giving advice about access to available public aids and services, particularly those provided for under the special programme, and
- contributing to the success of these ventures by helping existing or potential undertakings to take advantage of such aids and services;

5. establishment or development of common services for a number of undertakings;

6. promotion of innovation in industry and services:

- (a) collection of information relating to product and technological innovation and its dissemination among undertakings operating in the zones covered by the specific measure, which may include experimental work on such innovation;
- (b) encouragement of the introduction of product and technological innovation in SMUs;

7. better access for SMUs to risk capital.

Community. The contribution from the Fund shall be provided within the framework of the appropriations entered for this purpose in the general budget of the European Communities. The Community's contribution is laid down as follows:

(a) reclamation and conversion operations under Article 4 (1): 50 % of public expenditure;

(b) operations relating to sectoral analyses under Article 4 (2): 70 % of their cost;

(c) operations relating to investment under Article 4 (3): 50 % of the public expenditure resulting from the granting of aid to the investment. Such aid may contain a supplementary element compared to the most favourable existing regional arrangements. The supplementary aid which is to be borne by the Community for four years may be up to 10 % of the cost of the investment. The public aid may take the form of a capital grant or an interest rebate;

(d) operations relating to consultancy services under Article 4 (4): aid covering part of the expenditure of undertakings relating to services provided by consultancy firms or bodies. The aid shall last for three years and shall be degressive. It shall cover 70 % of expenditure in the first year and shall not exceed 55 % of the total expenditure over the three-year period (indirect aid); the Member State may replace this system by an equivalent system of aid to consultancy firms or bodies (direct aid);

(e) operations relating to economic promotion under Article 4 (4): aid covering a part of the operating costs arising from the activities of promoters. The aid shall last for five years and shall be degressive. It shall cover 60 % of expenditure in the first year and shall not exceed 50 % of the total expenditure per promoter over the five-year period. These activities, which must be new and concern specifically the zones referred to in Article 2, may be entrusted by the Member State concerned to special bodies;

(f) operations relating to common services under Article 4 (5): aid covering part of the expenditure of undertakings relating to the operation of these services. The aid shall last for three years and shall be degressive. It shall cover 70 % of expenditure in the first year and shall not exceed 55 % of the total expenditure over the three-year period;

Article 5

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

(g) operations concerning the collection and dissemination of information on innovation under Article 4 (6) (a): aid covering part of the operating costs of bodies engaged in such activities, provided that these activities are new and concern specifically the zones covered by Article 2. The aid shall last for three years and be degressive. It shall cover 70 % of the operating costs in the first year and shall not exceed 55 % of the total cost over the three-year period;

(h) operations for implementing innovation under Article 4 (6) (b): 70 % of the cost of feasibility studies that may concern all aspects, including commercial, of the implementation of innovation, limited to 120 000 ECU per study. These studies must be undertaken by or on behalf of undertakings situated in the zones covered by Article 2;

(i) operations relating to risk capital under Article 4 (7): contribution towards the operating costs of financial institutions providing risk capital for SMUs. The contribution shall be 70 % of the costs of risk evaluation studies carried out by or on behalf of the financial institutions. These studies may also examine commercial aspects.

2. For the aid referred to in paragraph 1 (a) and (c), aggregation of aid from the quota and non-quota sections of the Fund shall be excluded.

3. The categories of beneficiaries of Fund assistance in respect of operations provided for in paragraph 1 may be: public and local authorities, other bodies, undertakings of individuals. The aids referred to in paragraph 1 (d) and (f) and, where they directly benefit undertakings, those referred to in paragraph 1 (h) may not have the effect of reducing the share paid by undertakings to less than 20 % of total expenditure.

4. The amount of the Fund's assistance in favour of the special programme may not exceed the amount fixed by the Commission at the time when the programme is approved under Article 3 (7).

5. Budgetary commitments relating to the financing of the special programme shall be implemented by annual tranche. The first tranche shall be com-

mitted at the time of the Commission's acceptance of the programme. The commitment of subsequent annual tranches shall be made according to budgetary availability and progress on the programme.

Article 6

1. The amount of the Fund contribution in respect of the measures included in the special programme shall be paid to the Member State concerned or directly, and in accordance with the latter's instructions, to the bodies responsible for their implementation, according to the following rules:

(a) expenditure incurred from the date of entry into force of this Regulation shall be eligible;

(b) where there is a financial contribution by the Member State, payments, other than advance payments referred to in point (c), shall be made as far as possible in parallel with the payment of the Member State's contribution. In any other case, payments shall be made when the Member State certifies that the amount is due and may be paid by the Community.

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

— the nature of the operations covered by the payment claim,

— particulars of the amount and nature of the expenditure paid in respect of the operations during the period covered by the claim,

— confirmation that the operations described in the payment claim have been commenced in accordance with the special programme;

(c) at the request of a Member State, advances may be granted for each annual tranche according to progress made on operations and budgetary availability.

From the beginning of operations, a 60 % advance on the Fund contribution concerning the first annual tranche may be paid by the Commission. Where the Member State certifies that half this first tranche has been spent, a second advance, of 25 %, may be paid by the Commission.

When payment of the following annual tranche has begun, advances may be paid under the terms of the preceding subparagraphs.

The balance of each annual advance shall be paid at the request of the Member State when it has certified that the operations corresponding to the tranche in question may be considered as finished, and on presentation of the amount of public expenditure which has been committed.

2. At the end of each year, the Member State concerned shall present to the Commission a report on the progress made in carrying out the special programme by reference to the information required in the Annex hereto. These reports should enable the Commission to satisfy itself that the special programme is being executed, to observe its effects and to establish that the different operations are being carried out in a coherent manner. They shall be forwarded to the Regional Policy Committee.

3. On the basis of these reports and the relevant decisions, The Commission shall report under the conditions laid down in Article 21 of The Fund Regulation.

4. Where major amendments are made to a special programme during implementation, the procedure provided for in Article 3 (7) shall apply.

5. When each special programme has been implemented, a report including information on the number and nature of the jobs created and maintained shall be presented by the Commission to the Regional Policy Committee and to the European Parliament.

6. Article 9 (1) to (5) of the Fund Regulation shall apply, as required, to the specific measure provided for in this Regulation.

Article 7

This Regulation shall not prejudice the current re-examination of the Fund Regulation provided for in Article 22 of that Regulation.

Article 8

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.

Done at Brussels, 18 January 1984.

For the Council
The President
M. ROCARD

ANNEX

The special programme shall include the following information on the zones covered under Article 2:

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

- (a) (i) an analysis of the state of dereliction of sites and the priorities for reclamation, and an analysis of the state of disuse of industrial premises;
- (ii) particulars of existing actions for resolving the problem of dereliction and of the average annual public expenditure involved;
- (b) in relation to the operations envisaged under Article 4: 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 SMUs:

- (a) (i) a description of the present situation of SMUs in the different sectors and an evaluation of their possibilities for future development. Analysis of their situation and needs, particularly as concerns management and organization;
- (ii) a description of aid systems for the SMU's and of the nature of existing services available showing, by categories of aids and services, the resultant annual average public expenditure involved;
- (b) in relation to the operations envisaged under Article 4: a description of the different types of management and organization services to be provided to SMUs. Particulars of the bodies responsible for the provision of such services and for activating the development of SMUs.

Particulars of the nature of sectoral analyses bearing on production structures, market potential and measures to be implemented in order to adapt and develop production and make it commercial.

Description of rules governing aids set up under the programme.

3. In respect of innovation:

- (a) an analysis of the needs of undertaking and of the means currently at their disposal to gain access to information on innovation and for implementing it, and assessment of related public expenditure;
- (b) in relation to the operations envisaged under Article 4: a description of the measures designed to ensure the collection and dissemination of information on innovation, and also to facilitate its implementation by SMUs.

4. In respect of risk capital:

- (a) (i) details of organizations providing risk capital for SMUs and the conditions applicable to the provision of such capital;
- (ii) particulars of existing schemes for the encouragement of financial institutions to provide risk capital for SMUs, and a statement of present public expenditure under each such scheme;
- (b) in relation to the operations envisaged under Article 4, details of measures planned to facilitate the access of SMUs to risk capital.

5. In respect of economic promotion:

a description of the activities planned under the programme.

6. In respect of the totality of the special programme:

- (a) a description, as far as possible with figures, of the objectives covered by the special programme, particularly regarding employment;

- (b) a description of existing or 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, and in particular measures related to:
- aids for productive investment,
 - investment in infrastructure,
 - aids 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 textile industry.

This description must be accompanied by a statement giving particulars of the national authorities' intentions as regards the use of other resources deriving from Community structural Funds;

- (c) an indication of the amounts of public expenditure in connection with the measures envisaged under point (b) above;
- (d) the timetable for carrying it out;
- (e) estimation of the volumes of public expenditure connected with the programme's implementation, including an annual breakdown of such expenditure for each of the operations envisaged;
- (f) designation of the bodies responsible for execution of the programme and the various operations;
- (g) information measures planned to make potential beneficiaries and professional organizations aware of the possibilities offered by the special programme and of the role played by the Community in this respect.
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