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PREFACE

The Council Regulation establishing a European Regional Development Fund stipulates:

1. "Before 1 October each year the Commission shall present a report to the Council, the European Parliament and the Economic and Social Committee on the implementation of this Regulation during the preceding year.
2. This report shall also cover the financial management of the Fund and the conclusions drawn by the Commission from the checks made on the Fund's operations".

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CHAPTER I : INTRODUCTION

1. The Regulation for the European Regional Development Fund (ERDF) approved by the Council in March 1975⁽¹⁾ was amended in February 1979⁽²⁾ and December 1980⁽³⁾. This Regulation required the Commission to make proposals for a Community regional policy. These were presented to the Council in June 1977. The main guidelines indicated were the subject of a Council Resolution in February 1979; they call for periodic reports on the social and economic situation of Community regions, coordination of national regional policies and assessment of the regional impact of Community policies.
2. This annual report covers the action under these three heads and Fund activities in 1981. The main events of the year were the implementing of specific regional development measures, known as quota-free measures, adopted by the Council in October 1980, the presentation in July 1981 of a communication from the Commission to the Council on the new regional policy guidelines and priorities⁽⁴⁾ based on the first periodic report⁽⁵⁾ and the presentation in October of important proposals by the Commission for the revision of the Fund Regulation⁽⁶⁾.
3. The Fund endowment in 1981 was 1,540 Mio ECU, compared with 1,165 Mio ECU in 1980, an increase of 32% on the previous year. Of the 1,540 Mio ECU, 77 Mio ECU were allocated to the quota-free section of the Fund.

¹ Regulation (EEC) No 724/75 of 18 March 1975 (O.J. No L 73 of 21.3.75).
² Regulation (EEC) No 214/79 of 6 February 1979 (O.J. No L 35 of 9.2.79).
³ Regulation (EEC) No 3325/80 of 16 December 1980, (O.J. No L 349 of 23.12.1980).
⁴ Document No COM(81) 152 final of 24.7.1981.
⁵ Document No COM(80) 816 final of 7.1.1981.
⁶ Document No COM(81) 589 final of 26.10.1981.

4. In 1981 under the quota section of the Fund, the Commission adopted 551 grant decisions assisting 2,763 investment projects, making a total volume of contributions of 1,596.19 Mio ECU. This brings the total number of projects approved since 1975 to 14,524 and the total volume of appropriations committed to 5,293.58 Mio ECU. Of the 1,596.19 Mio ECU committed in 1981, 12% (1975-81, 24%) went to projects in the sectors of industry and services expected to create 59,352 jobs (1975-81, 456,898 jobs) and 88% (1975-81, 76%) to infrastructure projects. Four studies were also funded. Payments made in 1981 amounted to 791.409 Mio ECU or 98.4% of budget appropriations available for the quota section, bringing the total payments made since the inception of the Fund to 54.3% of total appropriations committed.
5. For the quota-free section, payment appropriations available in 1981 stood at 30.6 Mio ECU. Payments made during the year amounted to 7.3 Mio ECU, representing a first series of commitments for the United Kingdom, Ireland, France and Italy.
6. This report also describes the activities of the Regional Policy Committee⁽⁷⁾. This Committee had an important task in 1981 in concerting measures between the Commission and Member States, particularly with regard to the guidelines and priorities for Community regional policy and the consideration of new regional development programmes. A paragraph is also devoted to Fund Committee activities. A bibliographical annex lists the basic legal acts concerning the Regional Fund and Commission publications concerning regional policy.

⁷ Point 46 of this report.

POLITICAL AND ECONOMIC CONTEXT

7. In 1981 the economic situation of the Community remained depressed and GDP declined slightly in volume, falling by 0.5%. The sharp appreciation of the US dollar against the ECU contributed to the marked rise in import prices, thus preventing any great success against inflation and slowing down the rise of incomes in real terms. While the volume of private consumption hardly changed from the previous year, fixed investments, unfavourably affected by high interest rates, poor profits and uncertain prospects for demand, fell back considerably and stockbuilding was low. The recession and the resulting decline in imports brought about a large fall in the balance of payments deficit on current account.
8. The fall in activity and the increase in the labour supply caused a marked rise in unemployment. The number of registered unemployed increased sharply during the year with the arrival of a large number of young persons and women on the labour market. In the Community as a whole, the number of jobless rose from 7.6 Mio in November 1980 to just under 10 Mio, or 8.8% of the labour force, in November 1981. The increase was especially marked in the United Kingdom and in certain predominantly industrial regions of Germany and the Netherlands. Structural unemployment, in particular long-term and youth unemployment, continues to be a serious problem which is getting worse in the weaker regions.
9. The outlook for 1982 suggests a certain revival of activity. Growth in GDP may be of the order of 1.5% in volume and the rate of inflation may be not more than 10.5%. These projections are based on an estimated high level of exports, supported by the improved international competitiveness of Community firms and by an essentially cyclical rebuilding of stocks. They also assume some easing in interest rates. Unemployment is expected to continue to rise, largely because of the increase in the total labour supply, but more slowly.

10. The performances of the national economies in 1981 do not presage any changes in regional imbalances; among the Community countries with the lowest living standards, only Ireland recorded some growth in output. Unemployment increased in all Member States, but unevenly from one country to another, and the differences between national levels of unemployment increased still further. Currently, there is nothing to invalidate the conclusions of the first periodic report on the economic and social situation of Community regions⁽⁸⁾ with regard to the enduring persistence of regional problems within the Community and in particular the growth of regional imbalances noted in the 1970s.

PERIODIC REPORT

11. The first periodic report entitled "The Regions of Europe" was completed in November 1980. The second report must be prepared for June 1983. Besides updating the analyses contained in the first report, it is intended to fill certain gaps in that report, in particular with regard to the situation of regional infrastructure, and to extend the analysis to Level III sub-regions by means of a more detailed regional breakdown. The analysis will also take account of the expected enlargement of the Community to include Spain and Portugal.

REGIONAL IMPACT OF OTHER COMMUNITY POLICIES

12. The Commission, in its new regional policy guidelines, gives priority to improving the mutual consistency of regional and other Community policies by the method of assessing the regional impact of Community policies (regional impact assessment - RIA).
13. In agriculture a study⁽⁹⁾ made for the Commission revealed that the common market organizations tended to benefit the more wealthy producers, who are concentrated mainly in the most prosperous Community regions. The Commission accepted these findings and, in its communication to the Council entitled "Reflections on the Common Agricultural Policy"⁽¹⁰⁾, fixed as one of the adjustments to be made to this common policy, "to ensure better regional distribution of the benefits derived by farmers from the Common Agricultural Policy (markets and structures)".

⁸ "The Regions of Europe" - report presented to the Council on 7.1.1981 pursuant to Council Resolution of 62.1979 (O.J. No C 36 of 9.2.1979).

⁹ Study of the regional effects of the Common Agricultural Policy (regional policy series No 21).

¹⁰ COM(80) 800 final of 5 December 1980.

Following this train of thought, the Council made certain changes to the prices package for 1981/82: whereas the co-responsibility levy for milk was reduced from 3 to 2.5%, mountain and hill areas remained exempt and less favoured areas paid only a 2% levy.

Policy on agricultural structures was further adapted to the situation of the less favoured regions. In April 1981 the Council adopted several measures for the adapting and modernizing of cattle-farming structures and sheepmeat and horsemeat production in Italy, the development of agriculture in the French overseas departments (DOM), the development of agriculture in the less favoured regions of Northern Ireland, the improvement of public services and facilities in certain less favoured regions of the Federal Republic of Germany, integrated development programmes for the Western Isles (Scotland), Lozère (France) and the less favoured areas of Belgium.

More fundamentally, the Commission in its report⁽¹¹⁾ to the Council pursuant to the mandate of 30 May 1980 came to the conclusion that the Common Agricultural Policy for markets and structures should also contribute to improving the situation of the Mediterranean regions, in that the application of this policy should not carry any discrimination against Mediterranean products. The Commission accordingly proposed several improvements in the market organizations for fruit and vegetables and for wine and gave notice that it would propose an improvement in the market organization for olive oil. The Commission also stated that it would propose Mediterranean programmes to continue the effort already started in the agricultural sector⁽¹²⁾ and to enhance the development of other sectors of activity. To carry out these programmes it intends to mobilize all the means and all the Funds available: EAGGF, ERDF, Social Fund, EIB and NCI (New Community Instrument).

14. In the industrial field, the Commission departments initiated a number of studies on the regional consequences of difficulties in certain sectors (textiles, motor vehicles) with a view to the possibility of assisting the regions most seriously affected by means of specific measures under the ERDF quota-free section.
15. On innovation and new technologies, the Commission departments intend to ensure that the weaker regions benefit from the Community policies now being developed and, in the interests of these policies, to ensure that regional policy contributes to the innovation process in the weaker regions. To this end the first series of specific regional development measures include a number of schemes to promote innovation, while the new Commission proposals for revising the ERDF Regulation include the use of the quota-free section to finance measures regarding innovation and new technologies.

In order to promote these policies, the Commission intends to make a study on the special needs of less favoured regions with regard to innovation and new technologies.

¹¹ Bulletin of the European Communities, supplement 1/81.

¹² Document COM(81) 637 final.

16. In the energy field, a contribution to the Community aims of limiting oil consumption is the specific Community regional development measure initiated under the quota-free section to enhance the security of energy supplies in the Mezzogiorno by making better use of new technologies for hydroelectric power and alternative sources of energy (wind power generators and solar energy and biomass energy recovery installations). In order to provide more systematic assistance in the future, a study has been undertaken to investigate the regional impact of the energy crisis and of national and Community energy policies and to discover regional energy requirements and possible local potential for producing energy from alternative sources.

REGIONAL DEVELOPMENT PROGRAMMES

17. In 1981, six Member States sent new regional development programmes to the Commission.

ITALY

The Italian Government sent the Commission a new regional development programme for the Mezzogiorno for the years 1981 to 1985. The programme was examined by the Commission and the Regional Policy Committee. After receiving further information with regard to the financial aspects, the Commission found the Italian programme satisfactory and the Regional Policy Committee took note of the opinion of the Commission.

DENMARK

The new programme covers the years 1981 to 1985. The Commission considered that it showed considerable improvement over the first programme and found it satisfactory. A new programme for Greenland for 1982-84 is to be submitted early in 1982.

UNITED KINGDOM

The new programme covers the years 1981 to 1985. The main differences are the adaptations arising from United Kingdom Government decisions on changes in regional policy announced in July 1979.

The Commission considered that the new programme fell somewhat short of what might be expected from a second-generation programme. The Regional Policy Committee therefore did not discuss the programme in detail but deferred consideration pending the submission of further information in 1982 which would make the programme satisfactory in the eyes of the Commission.

GERMANY

The new programmes cover the years 1981 to 1985 and concern all the assisted regions except West Berlin. The programmes are based on the 10th Outline Plan. The Commission is currently examining them.

BELGIUM

Two programmes for Flanders and Wallonia covering the years 1981 to 1985 have been sent to the Commission and are being examined at the present time.

IRELAND

The Commission received a revised version of the present programme early in 1981 and a new programme for the years 1981-85 was sent at the end of the year.

18. Three Member States have not yet sent their new regional development programmes to the Commission.

New programmes for the Netherlands and Luxembourg covering the period 1981-85 are expected in 1982. For France an up-dated version of the 1976-80 programme was sent to the Commission in 1981: a new programme for 1981-83 will be sent in 1982 and this will be followed by a programme for the five years 1984 to 1988. Finally, the Commission has received further information on Greece's regional development programme for 1981-85, received in 1980, dealing more especially with the new system of regional aids; the programme as a whole is considered satisfactory by the Commission. The Regional Policy Committee has taken note of the Commission's opinion.

ANNUAL STATISTICAL SUMMARIES OF REGIONAL POLICY RESULTS

19. Table 1 was compiled for 1980 from the statistical summaries sent by Member States pursuant to Article 6(6) of the ERDF Regulation. It is limited to certain essential information - industrial and service investments which have been the subject of an aid decision, the corresponding public expenditure and the number of jobs to be created by these investments, and infrastructure projects decided upon in 1980. The table can only give an imperfect and incomplete view at the Community level of national regional aids and those of the ERDF. Some of the figures are estimates and must be treated with due caution.

Table 1
Regional Fund Assistance in 1980

(Mio ECU) (1)

Member State	Investments (2)		Corresponding public expenditure		Jobs created	Investment per job created	Public expend. per job created	Infrastructure public expenditure	
	total	of which ERDF(3)	total	of which ERDF				total	of which ERDF
1	2	3	4	5	6	7	8	9	10
Belgium	695	93	109	7	5,504	0.126	0.020	1,303	5
Denmark	76	27	9	2	2,023	0.037	0.004	628	8
Germany	5,288	769	233 (4)	29	58,685 (5)	0.090	0.004	329	22
France	1,533	894	179	46	50,122	0.031	0.003	145	153
Ireland	952	617	366	10	38,005	0.025	0.010	551 (6)	67
Italy	779	473	538	67	23,405	0.033	0.023	3,472	423
Luxembourg	127	-	17	-	1,265	0.100	0.013	-	-
Netherlands	149	56	32	7	2,912	0.051	0.011	46	16
U.K.	3,250 (7)	1,248	598	130	48,365 (8)	0.067	0.012	(9)	124
Total	12,849	4,177	2,081	298	230,286	0.062	0.011	6,474	818

(1) Average exchange rates 1980.
(2) Industrial and service investments with a national aid decision.
(3) Industrial and service investments with an ERDF aid decision.
(4) Except the Investitionszulage. estimated at 227 Mio ECU.
(5) More than 94,526 jobs maintained.
(6) More than 982 Mio ECU infrastructure not eligible for ERDF aid.
(7) On "offers accepted" basis for the "Regional Selective Financial Assistance".
(8) More than 42,892 jobs maintained.
(9) No information available on infrastructure projects.

Table 1
Regional aids in 1980

REGIONAL FUND

NEW GUIDELINES

20. The Commission adopted and sent to the Council on 24 July 1981 the "New regional policy guidelines and priorities"⁽¹³⁾. This memorandum, also sent to Parliament and the Economic and Social Committee, was prepared on the basis of the first periodic report on the social and economic situation of the regions of the Community⁽¹⁴⁾ in accordance with Council Resolution of 6 February 1979⁽¹⁵⁾, which requires that this report be established.
21. The widening of regional disparities, due mainly to structural factors aggravated by the economic crisis, is an important obstacle to the greater convergence of national economies. The regional policy of the Community should therefore aid the integration of the economic and regional policies of Member States by measures designed to reduce the most serious regional problems. For this purpose, the instruments of Community regional policy must be made more effective. In its report on the mandate of 30 May⁽¹⁶⁾, the Commission proposed guidelines for such action.
22. The memorandum states that priority must be given to creating productive jobs, not only because of the scale of structural unemployment in the weaker regions but also to deal with the problems raised by the arrival of large numbers of young people on the labour market. Community regional policy and that of Member States should also be directed to increasing productivity, to be achieved primarily by encouraging technology suited to indigenous development potential and the exploitation of local resources. The memorandum also stresses the need to take advantage of the growth potential and capacity for adaptation in the regions through aids to information, research and technical assistance designed, among other things, for small and medium-sized enterprises and craft industries.
23. The memorandum also provides that assistance from the quota section should primarily go to regions seriously affected by structural under-development, while the resources of the quota-free section, destined for regions affected by serious problems of industrial decline or by certain Community policies, should be increased. The efficient use of Community instruments calls for their close coordination, for instance by implementing "integrated operations" in given areas with particularly serious problems. Mutual consistency between regional policy and other Community policies must be ensured from the earliest stages of formulation of major Community policies (assessment of their regional impact) and also by

¹³ COM(81) 152 final.

¹⁴ COM(80) 816 final.

¹⁵ O.J. No C 36 of 9.2.1979.

¹⁶ COM(81) 300 final.

means of accompanying measures designed to facilitate their implementation or to offset any negative regional effects.

24. Finally, coordination between Community and national regional policies, which is based on the regional development programmes sent to the Commission by Member States, will be intensified: the ceiling and volume of national aids for regional policy purposes will be assessed according to the severity of national and Community regional problems and co-financing by the Community and the Member State of infrastructure programmes or investment aid schemes will be introduced progressively.
25. These "New regional policy guidelines and priorities" on which the Economic and Social Committee has already delivered a very favourable opinion, form the basis of the Commission's proposals for revising the ERDF Regulation, sent to the Council on 26 October 1981⁽¹⁷⁾.

AMENDMENTS TO THE ERDF REGULATION

26. The Fund Regulation was amended for the first time in February 1979, with the creation of the quota-free section and for the second time in December 1980 on a specific point: the quotas had to be altered to take account of the accession of Greece on 1 January 1981.

The changes proposed by the Commission in October 1981 are of a different order. To take account of the comprehensive character of regional policy, which includes financial and non-financial aspects, the Commission considers that the Fund Regulation should include the main aspects of measures governing regional development in the Community. The proposed amendments accordingly include the following points.

Introduction of rules governing coordination of national regional policies between themselves and with Community regional policy

27. At present, the Fund Regulation contains no special provisions on the coordination of regional policies. The relevant guidelines were stated in a Council Resolution of February 1979.

The Commission considers that a real regional policy should necessarily include the coordination of national policies. To this end it proposes to amend the title of the Regulation and to define, first, the purposes of coordination (removal of possible contradictions between regional policies, better coherence between them and with Community regional policy, adaptation of intensity of aid to the seriousness of regional problems) and secondly its

¹⁷ COM(81) 589 final.

essential instruments (periodic report, regional development programme, regional impact assessment).

Changes to the operation of the quota section

Geographical concentration of aids

28. The Commission proposes that the ERDF as a whole should retain its comprehensive character, that is to say, it should assist the less favoured regions of all Member States, but that aids from the quota section should be concentrated in regions experiencing particularly serious structural problems, which means in practice in a limited number of countries. This provision would be accompanied by an expansion of the quota-free section, which would continue to operate in all the Member States.

The regions selected for aid under the quota section are located in Greece, Ireland, Italy, the United Kingdom, France (the overseas departments) and Denmark (Greenland).

Programme financing

The Commission proposes to substitute by degrees a system of programme financing for the system of financing individual projects; the new system may cover both infrastructure programmes and state aid schemes for industry and services.

An approach of this kind should make it easier to ascertain that the principle of additionality is applied, that is, that assistance from the Fund must be additional to that provided by Member States, and to associate the regional authorities concerned more closely than in the past with the preparation of Community decisions benefiting their regions.

Harnessing the indigenous development potential of the regions

The measures proposed by the Commission under the quota-free section and approved by the Council in October 1980 respond to a real need to improve the economic environment of firms. The Commission therefore proposes that measures of this kind should also be financed from the quota section. The Fund could in this way help to finance, for the SME (small and medium sized enterprises), craft business and rural tourism, specific aids for market surveys, management improvement, the creation of common services for several firms, the promotion of rural tourism, and so on.

Introduction of a system of advance payments

The prompt settlement of payments is essential if the Fund's contribution to regional development is to be fully effective. The original payments system has already been improved by introducing accelerated payments, but the Commission wishes to go further and proposes to introduce a system of advance payments of up to 80% of expenditure, subject however to conditions to ensure that the grant

of advances is matched by a satisfactory rate of progress in executing the programme.

Changes to the operation of the quota-free section

29. Firstly, the scope of the quota-free section should be broadened: it will operate not only in regions suffering the consequences of certain Community policies but also in Community regions particularly affected by recent serious problems of industrial decline. Secondly, the size of the quota-free section should be increased from 5% to a maximum of 20% of Fund resources. Lastly, specific Community regional development measures should not have to be adopted unanimously by the Council, as this has in the past considerably delayed the adoption of Commission proposals, but by the Commission itself after obtaining the opinion of the Fund Committee.

Integrated development operations

30. The Commission proposes that integrated operations, an approach to regional development which it has been seeking to establish for some two years, should now be given official standing in the Fund Regulation. Measures under an integrated operation would receive priority and a preferential rate (+ 10%) of contribution from the ERDF.

Launching of measures under the quota-free section

31. The five Regulations instituting specific Community regional development measures under the ERDF quota-free section were adopted by the Council on 7 October 1980¹⁸. These measures must be implemented by way of special programmes prepared by the Member States concerned.

In 1981, the majority of these special programmes were presented to the Commission, which approved them after consulting the Fund Committee. Accordingly, the Commission decided to grant 95 Mio ECU in June 1981: 55 Mio ECU to France under the "Enlargement" Regulation, 16 Mio ECU and 18 Mio ECU to Ireland and the United Kingdom respectively under the "Border areas" Regulation and 16 Mio ECU to Italy under the "Energy" Regulation. In November 1981, programmes for Italy ("Enlargement" Regulation) and Belgium ("Steel industry" Regulation) were approved, with contributions of 65 Mio ECU and 6 Mio ECU respectively.

¹⁸ O.J. No L 271 of 15 October 1980.

FINANCIAL INSTRUMENTS PROVIDING SUPPORT FOR REGIONAL DEVELOPMENT

GRANTS

EAGGF Guidance Section

32. Under its agricultural structures policy, the Community continued its efforts to modernize the means of producing, processing and marketing agricultural products and rural infrastructure. With this objective in mind the EAGGF Guidance Section contributed to the development of certain rural regions which also benefit from Regional Fund aid. Moreover, for some years now, specific measures to assist the less favoured regions have been progressively introduced.

In 1981, a series of new measures were decided on to help severely disadvantaged areas; among these measures, to be financed in the next few years, should be mentioned those intended to accelerate agricultural development in Northern Ireland⁽¹⁹⁾ and in the French overseas departments⁽²⁰⁾, a measure designed to improve infrastructure in certain less favoured farming areas of the Federal Republic of Germany⁽²¹⁾ and integrated development programmes in the Western Isles of Scotland⁽²²⁾, the French department of Lozère⁽²³⁾ and south east Belgium⁽²⁴⁾.

These three integrated development programmes are designed to deal with particularly unfavourable socio-economic situations. They consist of integrated packages of measures to improve the agricultural situation and measures outside agriculture, which are indispensable for improving the general situation of the region. To this end, the EAGGF Guidance Section assists the agricultural sections of the programme with more generous provision than usual (through broader criteria and higher aid rates), while other Community instruments combine to assist the non-agricultural sections. Specific measures have been adopted to promote the production of beef and veal, sheepmeat and goatmeat in Italy⁽²⁵⁾ and of beef cattle in Ireland and Northern Ireland⁽²⁶⁾, the improvement of processing and marketing conditions for animal feed in Northern Ireland⁽²⁷⁾; a temporary financial aid has also been decided for veterinary measures in Ireland⁽²⁸⁾.

¹⁹ Regulation 1942/82.

²⁰ Directive 81/527.

²¹ Regulation 1928/81.

²² Regulation 1938/81.

²³ Regulation 1940/81.

²⁴ Regulation 1941/81.

²⁵ Regulation 1944/81.

²⁶ Regulation 1054/81.

²⁷ Regulation 1943/81.

²⁸ Regulation 1055/81.

Commitments made in 1981 for measures already in force in favour of the less favoured regions stood at: 29.2 Mio ECU for rural infrastructure⁽²⁹⁾, of which 22.4 Mio ECU in Italy and 6.8 Mio ECU in southern France; 45.6 Mio ECU for forestry measures in Mediterranean areas⁽³⁰⁾, of which 30.1 Mio ECU in Italy and 15.5 Mio ECU in France; and 54.4 Mio ECU for irrigation projects in the Mezzogiorno⁽³¹⁾. Moreover, in order to help modernize the processing and marketing of agricultural products, 64 Mio ECU were committed specifically to assist less favoured areas, namely 37.1 Mio ECU in the Mezzogiorno and 16.0 Mio ECU in certain Mediterranean regions of France⁽³²⁾, 9.3 Mio ECU in the less favoured regions of the west of Ireland⁽³³⁾ and 1.6 Mio ECU for animal feed in Northern Ireland⁽³⁴⁾.

European Social Fund

Total assistance granted in 1981 by the European Social Fund amounted to 1.015 Mio ECU. Of this amount 43.5% or 434.6 Mio ECU went to the Mezzogiorno, Greece, Northern Ireland, Greenland and the French overseas departments. The percentage of total assistance allocated to all less favoured areas, also eligible for ERDF grants, was 87.4% (compared with 81.4% in 1980).

ECSC readaptation aids

The ECSC committed 124 Mio ECU in 1981 as aids for the retraining and resettlement of workers in the steel and coal industries.

Some 78% of this amount went to coal and steel areas of the United Kingdom. The exact regional breakdown by ERDF areas is not available.

LOANS

ECSC conversion loans

33. Restructuring of the steel industry has continued, causing substantial job losses in this sector. In addition to the abovementioned readaptation aids for workers in this sector, the Commission has also granted loans carrying interest rebates for conversion investments creating new jobs for ECSC workers made redundant following restructuring measures (Article 56 of the ECSC Treaty). Loans granted under this head in 1981 amounted to 304.8 Mio ECU and carried interest rebates totalling 26.2 Mio ECU charged to the ECSC operational budget. It should be remembered that the access of small and medium-sized enterprises to these loans is facilitated by the technique of "global loans" granted through national financial agencies acting as intermediaries.

²⁹ Regulation 1760/78.

³⁰ Regulation 269/79.

³¹ Regulation 1362/78.

³² Regulation 136/78.

³³ Regulation 1820/80.

³⁴ Regulation 1943/81.

Table 2
Loans (a) granted under Article 56 of the ECSC Treaty (b)

(Mio ECU)

Member State	1961-1977	1978	1979	1980	1981
B	36.67(12)	-	-	12.50(1)	39.26(5)
D	126.58(62)	63.70(1)	-	27.30(4)	56.65(6)
	(c)				+39.48
F	219.53(53)	9.06(4)	94.48(9)	19.91(3)	16.64(4)
Irl	2.00(1)	-	-	4.45(1)	-
	(d)				
I	79.32(19)	-	-	13.11(1)	11.94(1)
L		2.49(1)	1.69(1)	10.79(2)	-
Nl	46.82(38)	-	-	7.30(1)	-
U.K.	93.98(11)	124.96(5)	103.95(15)	155.47(20)	140.83(12)
	(d-e)				
EC	604.30(196)	200.21(11)	200.12(25)	250.83(33)	304.80(28)

(a) Based on appropriations committed.
(b) Figures in brackets refer to number of loans granted.
(c) Includes a loan under Articles 54 and 56 of the ECSC Treaty.
(d) 1973-1977.
(e) Taking account of the cancellation, in 1979, of loan granted in 1976.

European Investment Bank

In 1981, finance granted by the Bank from its own resources for investments located in the ten Member States amounted to 2,821.5 Mio ECU³⁵ compared with 2,753.3 Mio ECU in 1980. Bank financing goes by priority to investments contributing to the economic development of regions in difficulty, that is to say, to investments of regional interest: in 1981, some 62% of loans were granted under this head. In this way, Bank activity took the form of substantial external capital transfers to countries and regions with the most acute structural problems. The bulk of the loans of regional interest were for investments located in Italy (54.8%), the United Kingdom (12.5%), Ireland (18.2%) and Greece (8.5%).

The sectoral breakdown shows that the majority of loans went to infrastructure projects, namely 75.8% of the total, of which nearly 26.1% were for the energy sector alone. Loans for industrial investments - and to a lesser degree for agriculture and service activities - totalled 422.7 Mio ECU, of which 288.3 Mio ECU were global loans for the benefit of small and medium investments. Out of

³⁵ Includes guarantee operations (282.1 Mio ECU), special loans for reconstruction in areas damaged by the earthquake in Italy in November 1980 (31.8 Mio ECU) and operations under Article 18 of the Bank Statute (22.8 Mio ECU).

(Mio ECU)

1981	Infrastruct.	Energy	Total	of which(2)
F	40.3	-	40.3	40.3
Irl	8.0	9.3	17.3	17.3
I (1)	363.9(1)	84.4	448.3(1)	383.6
U.K.	33.9	-	33.9	33.9
Total	446.1	93.7	539.8	475.1
(1) Includes 296.3 Mio ECU of loans interest subsidized loans for reconstruction in areas damaged by the earthquake of November 1980.				
(2) of which investments of regional interest.				

the current global loans, 268.8 Mio ECU have been on-lent for 843 industrial initiatives of regional interest.

New Community Instrument for borrowing and lending (NCI)

Loans granted in 1981 under the NCI amounted to 539.8 Mio ECU. So far, the aim has been to finance investment projects complying with Community priority aims in the infrastructure and energy sectors, taking account of the regional impact of projects and the need to reduce unemployment. A small proportion went to advance factories and to housing. The distribution by country and by sector of loans granted in 1981 is shown in the table above.

The Council considered that, alongside the Community's existing financial agencies and instruments, whose range should be extended, operations under the NCI should be continued; by its Decisions of 15 March and 26 April 1982 it authorized the Commission to borrow an additional sum of 1,000 Mio ECU in principal the proceeds to be on-lent to finance investment projects complying with the Community's priority aims in the fields of energy, infrastructure of regional or Community interest and productive investments by small and medium-sized enterprises.

The Commission will negotiate the borrowing operations and decide on project eligibility. The mandate to grant the loans given to the Bank under the first authorizing decision was renewed; it will also take care of the temporary placing of borrowed funds where necessary.

Loan interest subsidies granted within the framework of the EMS

Loans of 1,017.5 Mio ECU from the Bank's own resources and from those of the NCI carried interest subsidies of 3 percentage points granted within the framework of the European Monetary System and charged to the 1981 budget. Of these loans 726.3 Mio ECU were for investments in Italy and 291.2 Mio ECU were loans granted to Ireland.

	ERDF contribution	Works cost
- Special project for depolluting the Bay of Naples.	56.9	152.5
- New aqueduct West Campania (2nd section).	73.0	230.0
- Railway link Naples-Pomigliano.	22.5	75.1
- Modernisation Cumana railway.	6.8	22.8
- Water supply. Regi Lagni region.	17.1	42.9
- Servicing industrial areas Acerra, Pomigliano, Nola.	2.6	8.7
- Local produce markets : Giugliano, Mugnano, Pozzuoli.	10.4	35.0
- Water supply and sewerage works.	3.4	8.3
- Port works.	0.2	1.0
- Vocational training centre.	2.1	7.0
The total cost of these projects is 583.30 Mrd LIT		

The subsidies were respectively 126.6 Mio ECU on loans to Italy and 66.6 Mio ECU on loans to Ireland.

INTEGRATED OPERATIONS FOR REGIONAL DEVELOPMENT

34. In 1981, the Commission continued its efforts to ensure the steady progress of the integrated operations already launched in Naples and Belfast.

The budgetary authority decided to introduce into the 1982 budget a new heading to cover the financing of preparatory studies for new integrated operations and for specific measures forming part of an integrated operation but not covered by any of the Community's financial instruments.

On another front, the proposal for the revision of the Regional Fund Regulation provides for a special chapter on integrated operations.

35. For the Naples integrated operation, the technical working group met on several occasions. Its tasks have included checking the progress of work and preparing decisions for adoption by the authorities responsible.

The working group will from now on have the support of the permanent office installed at Naples with the task of following closely and on the spot the various technical, administrative and financial questions connected with the operation. In 1981, the ERDF contribution to projects within the integrated operation was LIT 195,000 Mio. The breakdown is shown in the Table above.

The Social Fund continued to support training programmes promoted by the region of Campania which also concern the Naples area.

The EIB has already contributed on several occasions between 1975 and 1981 to financing projects mainly connected with the cleansing of the Bay of Naples and servicing industrial areas, for an amount of 50.7 Mio ECU of which 1.6 Mio ECU were from NCI resources. However, it should be noted that the definition of works agreed by the Bank and that appearing in the integrated operation are not identical. This is because the Bank has several times financed works forming the initial phases of integrated operations. Moreover, loans carrying interest subsidies - mainly drawn on NCI resources - and granted for reconstruction in the areas affected by the 1980 earthquake partly concern the Naples area.

36. As regards the integrated operation in Belfast, the United Kingdom authorities officially communicated the basic operational dossier to the Commission in May 1981.

The dossier provides for groups of projects of strategic importance for the development of the area; these form a coherent working framework for the improved organization of Community financial aids and cover:

- improvement in housing (new dwellings, renovation and improvement of existing accommodation), establishment of social services and health, school and recreational services;
- urban transport and linked projects;
- industrial infrastructure and a series of measures to assist small and medium-sized enterprises;
- vocational training.

The total cost of the projects is assessed currently at UKL 486 Mio, of which some 48% is for the housing sector.

The operation consists of a series of interdependent and integrated projects combined to form a strategy based on the dovetailing and coordinating of measures run by various agencies with a common purpose. Projects within the sectors of transport, industry and vocational training are in principle eligible for assistance from various Community instruments, in particular the ERDF and the Social Fund. The Commission departments are collaborating with the United Kingdom authorities to finalize applications for Community aid.

The financing of housing, however, is not generally eligible for Community contributions.

To make funds available for housing projects, and in response to the Resolution of the European Parliament (June 1981)³⁶, which stressed the worsening social and economic problems of Northern Ireland and of Belfast in particular and requested further remedial

³⁶ O.J. No C 172 of 13.7.1981.

measures, the Commission proposed to the Council in November 1981 a Regulation which would enable the Commission to assist new housing in Belfast.

By that means, the Commission will help to speed up the integrated operation.

REGIONAL DEVELOPMENT STUDIES

37. The Commission's regional studies are carried out under two distinct heads. Firstly, there are the studies financed under Article 12 of the Fund Regulation, which are described in Chapter III. Then there are studies financed under specific articles of the Community budget. Depending on the budget article concerned, these studies are financed solely by the Commission or jointly with one or more Member States.

38. Studies financed entirely by the Commission are divided into two main categories. Firstly, those designed to determine the regional impact of other Community policies. The following studies of this type were completed in 1981:

- the regional impact of the Community's external commercial policy (to be published in the Regional Policy series);
- study of the regional impact of the common agricultural policy (published in No 21 of the Regional Policy series).

Within the same field, the studies listed below were started in 1981:

- the impact of the energy crisis on Community regions
- regional impact of the enlargement of the Community (Phase II)
- regional impact of the situation of the motor vehicle sector
- study of the effect of the new information technology on the development of the less favoured regions of the Community.

The second group of studies financed entirely by the Commission comprises those contributing to the preparation of the Commission's periodic report. Within this category, the following studies were completed in 1981:

- Centrality, Peripherality and EEC Regional Development Study to be published in the Regional Policy series
- The contribution of infrastructure to regional development (Phase I) to be published in the Regional Policy series.
- highly qualified manpower and less favoured regions.

Among studies started under this heading in 1981 are:

- regional disequilibria and national economic performance
 - analysis and forecasting of regional labour markets
39. Studies financed jointly by the Commission and Member States are also divided into two main categories. Firstly, there are studies to prepare or improve certain general programmes of economic and social development for particular regions, or to measure the impact of changes in specific policies or sectors on the economy of one or more regions.

The following studies of this type were completed in 1981:

- optimum strategy for the development of the Midlands region (Ireland)
- industrial development in Friuli Venezia-Giulia (Italy)
- guidelines and measures needed for an economic redeployment strategy in Wallonia (Belgium)
- study of the impact of microelectric technology in Ireland
- the enlargement of the European Community: Impact of the accession of Spain on certain French regions, with particular reference to the mainland frontier regions (published in No 12 of the series Internal Documents of the Commission)
- the effects of the enlargement of the European Economic Community on the regions of the Mezzogiorno (published in No 13 of the series Internal Documents of the Commission).

The following studies were started in 1981:

- the comparative advantage of Greek regions for the location of foreign investment and cooperation with the Middle East and African countries
- analysis of the system of selection and control of regional development Programmes and ERDF projects in Greece
- studies of economic cooperation between the Republic and Northern Ireland.

The second group of studies cofinanced by the Commission comprises those for examining the problems and outlook for the conversion of declining coal and steel producing areas in the Community. Studies were completed to this end in 1981 for the areas of Derwentside, Wolverhampton, Motherwell and Hartlepool in the United Kingdom and Longwy in France. Studies started in 1981 include the one made for Cardiff in the United Kingdom.

40. Finally, the Commission made a special opinion survey in 1981 asking respondents living in less favoured regions for their views about their own region, the place they thought it occupied in relation to

other Community regions and the role played by the Community in regional development. The findings of this survey were published in No 9 of the series Internal Documents of the Commission.

REGIONAL POLICIES OF THE MEMBER STATES

41. In Greece, a new system of regional aids entered into force on 14 January 1981. It differs from the previous system in that the assisted areas are now divided into three categories instead of five. More emphasis has been put on aid to investment and interest subsidies as aids to regional development. In addition to aid for industrial development, the new system provides for assistance to projects in the tourism and energy sectors and for certain environmental projects.
42. In Denmark, the decision to review the boundaries of assisted areas and the distribution of areas classified as standard or special⁽³⁷⁾ was taken following a study by the Regional Development Council. The study found that the positive trend in several assisted areas since the review of the situation in 1977 and the negative trend in non-assisted areas called for area reclassification. The aim of the changes, which entered into force at the beginning of the current year, is to reduce the aided population by 2.3% to 25.2% of the Danish population. The percentage living in the special assisted areas has fallen from 17.9% of the total population to 16.7%.
43. In Germany, the authorities have made marked changes in the scope and place of the regional aids programme in the tenth Outline Plan (Rahmenplan). The number of areas eligible for aid, the Arbeitsmarktregionen (Labour Market Regions, AMR) has been reduced and emphasis has been put on creating skilled jobs and on industrial rationalization.

Thirty AMR previously eligible for aid have been withdrawn from the system and five new AMR have been added, bringing the total number of assisted AMR to 87, of which 37 are located wholly or partly in the Zonenrandgebiet (region bordering the East European countries). The number of key development points has been cut from 329 to 269. In this way, the percentage living in assisted areas has fallen from 36% of total population to 29.8%. The regional policy budget has been reduced by 20%.

The programme also provides that in certain key points aids at three separate levels according to the situation of the area will be paid for creating skilled jobs. This aid will be limited to jobs in innovation and technology. Provision has also been made to assist major schemes for the rationalization or relocation of industries.

³⁷ The special areas differ from standard assisted areas in that they are eligible for aid under Article 10 of the regional development aid programme (1972).

44. In France, certain minor changes have been made to the system of aid to productive investments in regions. The special programme of rural aids, applicable to non-agricultural small and medium-sized enterprises setting up in rural areas, has been prolonged for one year. It is understood that a major review of present aid policy has been started during the year. In Ireland a tax-free employment grant has been introduced for the services sector. In Italy, certain autonomous provinces have introduced additional aid programmes to stimulate the regional development of their areas. As in France, national aid policy is being generally reviewed.
45. In the Netherlands, the authorities have extended the special programme of investments grants (WIR) to Delfzijl and Maastricht and have announced their intention of making a thorough overhaul of regional development policy. On the basis of this review, legislation amending the present system is expected in 1982.

In certain cases, the Commission has initiated the procedure laid down in Article 93(1) of the EEC Treaty in respect of changes introduced by Member States. The Greek regional law is still being studied.

REGIONAL POLICY COMMITTEE

46. The Regional Policy Committee held six meetings in 1981. It discussed at length the Commission's proposals on the guidelines and priorities for Community regional policy and their implications for a new Regulation for the Regional Fund. These subjects were also debated at a hearing between the Committee and representatives of both sides of industry (UNICE, CEEP, ETUC and chambers of commerce and industry).

The Committee studied the preliminary draft fifth medium-term economic policy programme, primarily from the angle of regional policy.

The Committee gave opinions on 69 major infrastructure projects.

The Committee examined the first of the "second generation" regional development programmes which it received, namely the programmes of Denmark, Greece, Italy and the United Kingdom. It was also informed of changes made to their regional policies by the Federal Republic of Germany and Greece. The method to be followed in preparing the second periodic report on the economic and social situation of Community regions was the subject of detailed consideration. The Committee also devoted special attention to a study on the regional impact of the common agricultural policy. The Committee visited Greece to study the situation in the north of the country.

SUMMARY OF FUND ACTIVITIES IN 1981

Table 3
ERDF budget appropriations

	ERDF appropriation	Percentage of the total budget of the EC
1975	300 Mio U.A	4.8 %
1976	500 Mio U.A	5.6 %
1977	500 Mio U.A	4.9 %
1978	581 Mio ECU	4.6 %
1979	945 Mio ECU	6.1 %
1980	1,165 Mio ECU	6.7 %
1981	1,540 Mio ECU	7.3 %

47. For 1981, the initial budget allocation for the Fund in commitment appropriations, entered in Chapter 55 of the budget, was 1,540 Mio ECU, an increase of 32% on the initial allocation for 1980 (1,165 Mio ECU). This endowment was 7.3% of the total Community budget compared with 6.7% in 1980.

Table 3 shows the pattern of budget allocations to the Fund since its inception and their relative size within the total budget of the European Communities.

48. In October 1980, the Council adopted the first Regulations bringing the quota-free section of the Fund into operation. In 1981, the Commission took the first grant decisions under this second section of the Fund.

For the quota section, total commitment appropriations available in 1981 stood at 1,615.17 Mio ECU, comprising 1,463 Mio ECU entered in Chapter 55 of the budget (95% of the total budget endowment for the Fund), 86.34 Mio ECU derived from appropriations released and operations for adjustment for exchange fluctuations, 31.86 Mio ECU carried forward from the 1980 appropriations and 33.97 Mio ECU transferred from the quota-free section.

Table 4
Balances outstanding and rates of utilization

Member state	Balances end 1981 Mio ECU	Rate of utilization in %
B	27.73	9.8
DK	0.49	97.5
D	16.36	78.2
Gr	- 58.15	130.4
F	80.41	65.3
Irl	- 14.39	116.1
I	- 61.57	110.4
L	0.06	96.1
Nl	4.85	72.7
U.K	26.20	93.2
EC	18.98	98.8

These operations are analysed in detail in Chapter V, "Financial management and control".

49. In 1981, grant decisions taken under the quota section of the Fund took up 98.8% of the resources available for this section; all the commitments were made for all the projects on which the Fund Committee had been consulted in that year. As shown in Table 4, however, this aggregate result masks fairly wide differences between Member States with regard to the rate of utilization of resources allocated to them in 1981: three Member States - Greece, Ireland and Italy - received more aid than their entitlement for the year; these excess payments will naturally be deducted from the resources available to those Member States in 1982. Conversely, while Denmark and Luxembourg used up their full entitlement, the Netherlands, Germany, the United Kingdom, France and Belgium used considerably less than the amounts allocated to them. The reasons why these Member States did not use all the appropriations available to them were:

- too few grant applications in 1981
- late and incomplete grant applications
- investigation still in progress for certain projects owing to lack of sufficiently detailed information or sectoral difficulties arising during investigation.

For the quota-free section, all the operations described below in the relevant paragraphs involved the commitment of 40.59 Mio ECU out of the total of 101.28 Mio ECU available after the transfer to the quota section; this represents a utilization rate of 40.1%.

QUOTA SECTION OF THE FUND

In the various analyses of Fund activity published with each series of decisions, the data for the current year are converted at the rates of exchange obtaining in January. The commitment decisions are expressed in terms of the exchange rates obtaining at the time of commitment and recalculated monthly to take account of fluctuations. It follows that there may be differences between the data given in this Chapter and Chapter IV and those in Chapter V. In view of currency trends in 1981, such differences are more marked for that year. As, however, the amounts calculated at the rates obtaining at the time of commitment levels do not show the breakdown by type of investment and by region needed for the analyses in Chapters III and IV, and the differences are not large enough to affect the orders of magnitudes indicated, the amounts calculated at the exchange rates of January 1981 have been used in Chapters III and IV.

GRANT APPLICATIONS FOR INVESTMENT PROJECTS

50. In 1981, the Commission examined 617 grant applications concerning 3,752 projects: 134 applications for 813 projects submitted before 1981 and 483 for 2,939 projects submitted in 1981⁽³⁸⁾.

Altogether, these applications were for assistance totalling 2,042 Mio ECU, in respect of total investment of 14,540 Mio ECU distributed among investment categories shown in Table 5.

51. Many of the applications to the Commission by Member States were delayed until the second half of the year: 60% of applications covering 58% of the assistance requested were submitted in July, August and even September. This not only throws out of balance the work of the Fund Committee⁽³⁹⁾ but also causes delays in payments, to the marked disadvantage of the Member States concerned. Moreover, the late submission of applications is not without effect on the percentage calculation of payments against total commitments.
52. Of the projects submitted, 2,759 received financial assistance in 1981. Allowing for the fact that some projects were merged, 993 projects failed to obtain a grant decision in their favour. The reasons were as follows:
- 384 projects were not accepted by the Commission for various reasons (no clear contribution to the development of the region in question, aid schemes incompatible with the common market, nature of the investment, etc ..)

³⁸ For information: 47 applications submitted at the end of 1981 related to 715 projects on which draft decisions will be presented in 1982.

³⁹ Point 70 of this report.

Table 5
Breakdown of applications in 1981
by categories of investment

Investment categories	Assistance applied in %	Investment projects in %
- Industry, craft industry & services (projects costing 10 Mio ECU or more)	7.7	19.5
- Industry, craft industry & services (projects costing less 10 Mio ECU)	6.1	9.6
TOTAL	13.8	29.1
- Infrastructure (projects costing 10 Mio ECU or more)	48.6	53.3
- Infrastructure (projects costing less 10 Mio ECU)	37.2	17.4
- Infrastructure in mountain or hill areas(1)	0.4	0.2
TOTAL	86.2	70.9
TOTAL	100.0	100.0
(1) Within the meaning of Directive 75/268/EEC of 28 April 1975, on mountain and hill farming and farming in certain less favoured areas.		

- 519 gave rise to difficulties during their investigation, which required further information and prevented a decision being taken in 1981; some may be submitted to the Fund Committee in 1982
- 12 projects were withdrawn at the request of the Member State concerned
- 45 projects failed to fulfil the formal conditions laid down by the Fund Regulation (minimum of 10 jobs to be created, location in an assisted area, investment to cost more than 50,000 ECU)
- 33 projects were rejected for sectoral reasons (e.g. risks of structural over-capacity).

Table 6
Outcome of examination of grant applications

Member State	(A)	(B)	Number of projects on which no grant was taken in 1981					Total
			01	02	03	04	06	
B	41	35	1	5				6
DK	66	64				2		2
D	249	247		1		1		2
Gr	306	273		2	5	26		33
F	1,011	619	2	31	2	357		392
Irl	69	68		1				1
I	1,404	862	1	67	2	472		542
L	2	2						
Nl	6	6						
U.K.	598	583	1	10		4		15
Total	3,752	2,759	5	117	9	862		993

(A) Projects presented in 1981 or carried forward from previous years
(B) Projects financed in 1981.
01 = Investments in industry, craft industry or services costing 10 Mio ECU or more.
02 = Investments in industry, craft industry or services costing less than 10 Mio ECU.
03 = Investments in infrastructure costing 10 Mio ECU or more
04 = Investments in infrastructure costing less than 10 Mio ECU.
06 = Investments in infrastructure in mountain & hill areas.

53. The Commission, in the interests of making a better selection of projects, has for several years asked Member States to introduce applications for grants totalling more than their quota of the Fund. The previous report⁴⁰ noted that in 1980 several Member States had confined themselves to submitting applications that corresponded approximately to their quota. In 1981, only Greece and Italy applied for amounts substantially larger than their entitlements for that year.

⁴⁰ Sixth Annual Report - point 45.

GRANT DECISIONS FOR INVESTMENT PROJECTS

Table 7
Grants made and investments financed in 1981, by category of project

(in %)

		Grants	Investments
Industry, craft industry & services	.projects > 10 Mio ECU	5.44	11.04
	.projects < 10 Mio ECU	6.45	9.93
	Total	11.89	20.97
Infrastructure	.projects > 10 Mio ECU	52.83	61.98
	.projects < 10 Mio ECU	34.74	16.82
	.infrastructure in hill and mountain farming areas	0.54	0.23
	Total	88.11	79.03
Total		100.00	100.00

54. In 1981, the Commission adopted 547 decisions on grants to 2,759 investment projects for a total of 1,666.33 Mio ECU, an amount some 48% higher than in 1980. As in previous years, there were four series of grant decisions:

February : 59 decisions⁽⁴¹⁾ on grants totalling 354.05 Mio ECU for 302 investment projects

June : 92 decisions - 201.05 Mio ECU in grants - 335 projects

September : 84 decisions - 199.72 Mio ECU in grants - 415 projects

December : 312 decisions - 911.50 Mio ECU in grants - 1,707 projects

Pursuant to the Fund Regulation these decisions were taken after the Commission had obtained the necessary opinions from the Regional Policy Committee and the Fund Committee. The decisions taken under the first 1981 allocation were on applications made to the Commission in 1980 on which the Fund Committee had been consulted in November 1980 but on which no decision could be taken in 1980 for lack of budgetary resources⁽⁴²⁾.

This allocation also included the commitment of further appropriations in respect of two grant decisions taken in 1980 without the full commitment having been made that year. In 1981, 17 decisions on Greece also provided for a grant commitment spread over two years.

⁴¹ Among these 59 decisions were two commitment decisions for Ireland and Italy which related to two grant decisions taken in 1980.

⁴² Sixth Annual Report, point 42.

55. The Annex Table 1 gives for each Member State and for each investment category within the meaning of the Fund Regulation the number of grant decisions, the number of projects financed, the volume of investment assisted and the amount of grants. Table 7 gives the overall distribution of grants by project category.

This table calls for the following comments:

- The proportion of grants to investment projects in industry, craft industry and services was only 11.9% of total grants in 1981, with major variations between Member States: the proportion was 60% in Germany, 17.5% in the United Kingdom and less than 5% in Denmark, Greece, Italy, Luxembourg and the Netherlands. This pattern continued a trend already indicated in the previous report⁽⁴³⁾; while not giving rise to legal problems in 1981, it involves a shift to which the attention of Member States should be drawn.
- On infrastructure projects, it will be noted that projects which have benefited from grants of up to 40% of the investment cost, a possibility introduced by the amended Regulation of February 1979, accounted for 27% of projects costing 10 Mio ECU or more, while 17% of these projects received grants of less than 30%.
- The proportion of grants to projects involving an investment of 10 Mio ECU or more was 58.3%. This figure, slightly lower than in 1980, reflects the priority to be given to large projects pursuant to Article 7 of the Fund Regulation.

THE MAIN TYPES OF PROJECTS FINANCED

The Annex Table 4 gives the investment categories which received Fund grants. Examination reveals the following:

Industry and services

56. In 1981 the average amount of investment per project was 32.1 Mio ECU for projects costing more than 10 Mio ECU and 1.9 Mio ECU for projects costing less than 10 Mio ECU. Assistance from the Fund was equivalent to 48.2% of national aids and 6.6% of total investment for large projects and to 45.9% and 8.7% respectively for small projects. The average grant per project was 2.1 Mio ECU for large projects and 0.2 Mio ECU for small projects. Compared with 1980 there was a distinct fall in the average size of large industrial investment projects for which a Fund grant was requested.

As regards the distribution of Fund assistance by sector of activity, the list for projects of 10 Mio ECU or more was headed by motor vehicles and spare parts, followed by mechanical engineering and food, drink and tobacco. For investments of less than 10 Mio ECU, the sectors with the greatest number of projects in receipt of Fund

⁴³ Sixth Annual Report, point 47.

grants were manufacture of metal articles, production and preliminary processing of metals, mechanical engineering and electrical engineering.

Infrastructure

57. For projects of more than 10 Mio ECU, investment per project in 1981 was 72.4 Mio ECU and Fund grants were equivalent to 31.2% of public expenditure eligible for Fund assistance, giving an average grant of 8.2 Mio ECU per project. For small projects, the amount of investment per project was 1.1 Mio ECU and Fund grants were equivalent to 29.7% of eligible public expenditure. The average grant per project was 0.3 Mio ECU. It should be noted in this context that in certain cases the Commission varied the rate of assistance between 10 and 40%, on the basis of the Fund Regulation. This technique was applied after consulting the Regional Policy Committee and the Fund Committee and in accordance with the guidelines established last year by the Commission after consulting the Fund Committee. By comparison with 1980, the average size of infrastructure projects - large and small - tended to grow.

For the Community as a whole, the majority of assisted projects of 10 Mio ECU or more concerned transport infrastructure and, to a lesser extent, water engineering.

These two infrastructure categories also provided the majority of assisted projects of less than 10 Mio ECU; in mountain areas finally, water engineering headed the list, followed by transport infrastructure.

The categories of infrastructure assisted vary, however, from one Member State to another according to national policies and regional priorities. Among the large projects, water engineering thus received the bulk of Fund grants in Ireland and Italy while among small infrastructure projects those linked to productive activities were in the lead in Germany and Ireland; in France the largest number of grants went to telecommunications.

DEGREE OF COMPLETION OF PROJECTS ASSISTED

58. Since the revision of the Fund Regulation, the Commission will take into consideration for Fund assistance payments made by the Member States as from the 12th month before the date on which it receives the request for assistance, in respect of investments not completed by that date. The Commission considers the results of these provisions satisfactory since 37% of projects assisted were started in 1980 and 39% in the same year as the grant decision. Three Member States (France, Italy and the United Kingdom) have even submitted a number of grant applications for projects to be started in 1982.

GRANT OF INTEREST SUBSIDY ON EIB LOANS

59. In 1981, as in 1980, no Member State made use of the possibility of obtaining Fund assistance in the form of an interest subsidy on European Investment Bank loans.

THE IMPACT OF FUND ASSISTANCE ON EMPLOYMENT

60. One main objective of the Fund is to create or maintain jobs in predominantly agricultural regions, regions undergoing industrial change or regions suffering from structural underemployment. The extent to which Fund grants helped to achieve this objective is particularly difficult to judge because in 1981, as in previous years, the majority of projects assisted were infrastructure projects, which are not in themselves - or only to a small extent - creators of jobs but designed to establish conditions that help employment.

However, even in a job creation context, the key role of infrastructure in developing the less favoured regions should not be underestimated. By its very nature, regional policy must concentrate mainly on medium- and long-term structural measures, such as the improvement of infrastructure, essential to creating or maintaining permanent jobs in the future.

The direct creation of permanent jobs therefore takes place mainly in manufacturing and services: the number due to be created or maintained pursuant to the grant applications on which a decision was taken in 1981 is estimated at nearly 60,000. Nearly 90% of the 60,000 are new jobs. France and the United Kingdom created or maintained the largest number of jobs with the help of Fund grants.

61. As in previous years, projects of less than 10 Mio ECU created the most jobs in relation to the volume of investment and Fund assistance. Investment per job created or maintained was 80,000 ECU and Fund assistance per job created or maintained was 5,300 ECU for projects of more than 10 Mio ECU; the figures for projects of less than 10 Mio ECU were 29,500 and 2,550 ECU respectively.

This is due to the fact that the volume of capital invested per unit of labour is most of the time higher for large projects than for small projects, the latter being often very labour-intensive.

However, there are major variations between Member States, due in part to differences in the sectoral distribution of industrial projects receiving Fund assistance and to differences in the economic situation.

For large projects, Fund assistance per job created was highest in Italy and Germany and lowest in Ireland and France. For small projects, Fund assistance per job created was highest in Italy and Belgium and lowest in France and the United Kingdom.

FINANCING STUDIES

62. In 1981 the Commission helped to finance, to the tune of 40 to 50% of the cost, four studies closely related to Fund operations and undertaken at the request of a Member State; the finance was provided on the basis of Article 12 of the Fund Regulation.

The grant of assistance for these studies should enable the Commission to help finance a number of investments from the planning stage and to play a more active part in their implementation.

Other objectives which the Commission seeks to attain by financing studies are: to encourage application of the principle of additionality when Fund resources are used for individual projects; to build up a portfolio of investment projects which might enable the Community to improve the implementation of joint measures involving several Community financial instruments.

In view of the abovementioned aims and the provisions of the Regulation, the Commission gave priority to financing technical and feasibility studies directly linked to a project or a group of projects.

However, the ERDF may also finance studies designed to prepare a sectoral or regional programme when these studies lead to identifying and quantifying a group of investments and are not too general or macroeconomic in character.

63. The four studies on which a financing decision was taken in 1981 were:

- a study on the use of hydro-electric energy in Greenland;
- a study on the establishment of a regional centre providing advisory services and assistance to small and medium-sized enterprises in eastern Macedonia and Thrace;
- a feasibility study on building a ski resort on the Greek mainland;
- a feasibility study on building a dam in Wales.

Fund grants for studies totalled 2.06 Mio ECU in 1981.

ADDITIONALITY

64. As in previous years, the Commission has updated its memo on additionality by taking account of information received from Member States. The first Greek contributions and contributions from the Netherlands and the United Kingdom have enabled the Commission to make substantial additions to the factual part of the memo.

But the Commission still does not know more about the effective application of the principle of additionality. Most Member States indicate that in fixing budget allocations for regional development general account has already been taken of the volume of funds provided by the ERDF. Yet it is extremely difficult, especially at a time of general budget cutbacks, to judge whether or not ERDF resources have been used to top up national funds or, put differently, whether national budget commitments for regional development purposes would or would not have been less without the ERDF. At such a general level, the reply can only be hypothetical. This situation could improve with the proposed introduction of programme contract financing.

QUOTA-FREE SECTION OF THE FUND

65. On 7 October 1980 the Council adopted five proposals for specific Community regional development measures under the quota-free section of the ERDF⁽⁴⁴⁾. This first series of specific measures should enable the Community to contribute, for a limited period of time, to solving problems for which it has special responsibility in particular regions proposed by the Commission on the basis of Community criteria. These are regions liable to be affected by the consequences of decisions and measures taken as part of other Community policies and, in particular, peripheral regions suffering from special problems due to their remoteness. These specific regional development measures are⁽⁴⁵⁾:

- a measure contributing to the development of certain regions affected by the Community enlargement (Mezzogiorno and South West France) (Regulation (EEC) No 2615/80);
- a measure contributing to the development of certain areas particularly affected by the difficulties of the steel industry in the United Kingdom, Italy and Belgium (Regulation (EEC) No 2616/80);
- a measure for the benefit of certain areas particularly affected by the difficulties of the shipbuilding industry in the United Kingdom (Regulation (EEC) No 2617/80);
- a measure helping to diversify sources of energy in mountain areas of the Mezzogiorno (Regulation (EEC) No 2618/80);
- a measure contributing to the development of tourism in the border areas of Ireland and Northern Ireland (Regulation (EEC) No 2619/80).

These quota-free measures differ from those under the "quota" section of the Fund, both with regard to the nature of operations assisted and with regard to financing procedures. They are

⁴⁴ Sixth Annual Report, points 12 to 17.

⁴⁵ O.J. L 271 of 15.10.1980.

implemented in the form of special multi-annual programmes presented by Member States, after consultation of the Fund Committee, for approval by the Commission.

These programmes must form part of the regional development programmes of the countries concerned. They must include information analysing the situation and needs related to the objectives pursued, specify the operations proposed and the timetable for carrying them out and, more generally, supply all factors necessary to enable their consistency with regional development objectives to be assessed.

In the context of these programmes, the Fund may use the quota-free section to finance jointly with the Member States concerned a series of operations for which it cannot provide assistance from the quota section, in particular market studies, the promotion of industrial innovation, management advisory services, the improvement of access to risk capital for small and medium-sized enterprises (SME) etc. These operations may benefit from Community assistance of up to 70%, which means a substantial increase in the funds available for operations carried out in Member States. Fund assistance may go to public authorities including local authorities, various organizations, firms or individuals.

66. In 1981 the Commission, after consulting the Fund Committee, approved six special programmes forming the first phase of the five specific measures adopted by the Council.

The maximum assistance from the quota-free section of the Fund to these programmes will be 166 Mio ECU over five years (1981-85), distributed as follows:

- Regulation (EEC) No 2615/80:

An amount of 65 Mio ECU for a special Italian programme for the Mezzogiorno and 55 Mio ECU for a special French programme for South West France (Aquitaine, Midi-Pyrénées and Languedoc-Roussillon).

These two programmes are designed to encourage, within the regions concerned, economic activities outside agriculture and to help create alternative jobs to correct the unfavourable effects of Community enlargement on competitiveness in these regions. They involve measures to help small and medium-sized enterprises to promote industrial and craft industry innovation and to boost rural tourism.

- Regulation (EEC) No 2619/80:

An amount of 16 Mio ECU for a special Irish programme in the counties of Donegal, Leitrim, Cavan, Monaghan or Louth and 8 Mio ECU for a special United Kingdom programme in Northern Ireland (Londonderry, Strabane, Omagh, Fermanagh, Dungannon, Armagh, Newry and Mourne).

These two programmes are designed to improve the economic and social situation in the border areas of the two countries, which are among the least favoured areas of the Community. They involve

measures to promote tourism, improve tourist facilities, develop communications and promote craft industry and small business.

- Regulation (EEC) No 2618/80:

An amount of 16 Mio ECU for a special Italian programme designed to improve security of energy supply in mountain areas of the Mezzogiorno by way of improved use of new techniques for harnessing hydraulic energy and alternative energy sources. The programme involves measures to assist the construction or overhaul of hydro-electric mini-power stations, the conduct of a survey of small sources of hydraulic energy and experiments with small-scale wind energy and biogas plants.

- Regulation (EEC) No 2616/80:

An amount of 6 Mio ECU for a special Belgian programme designed to create jobs by promoting technological innovation in small and medium-sized industrial and service enterprises in certain areas of Wallonia affected by the restructuring of the steel industry (provinces of Liège, Hainaut (Ath and Tournai excepted) and Luxembourg). The programme involves measures to assist feasibility studies (research into and development of new production processes and new products), promote information on innovation and encourage the search for licences for specialized high-technology products.

67. Fund assistance for specific Community measures has two special features compared with quota section grants:

- The grant made is a maximum grant for five years. Annual commitments depend on the budget funds available and the state of progress of Programmes.
- The grant made and annual commitments are denominated directly in ECU and not in national currency as is the case with grant decisions on projects submitted for assistance from the quota section of the Fund.

Table 8 shows the maximum grant made and the 1981 commitment for each of the programmes so far adopted.

In the context of the first specific measures adopted in 1980 by the Council, programmes in respect of three measures have yet to be approved:

- the programmes to be presented by Italy and the United Kingdom to overcome constraints on the development of new economic activities in certain areas adversely affected by the restructuring of the steel industry (Regulation (EEC) No 2616/80);
- the programme to be presented by the United Kingdom to overcome constraints on the development of new economic activities in certain areas adversely affected by the restructuring of the shipbuilding industry (Regulation (EEC) No 2617/80).

Table 8
Grants for non-quota programmes

Programme	Total amount (5 years) Mio ECU	Commitment 1981 Mio ECU
France (enlargement)	55	15.56
Italy (energy)	16	5.03
Ireland (border areas)	16	3.22
United Kingdom (border areas)	8	0.47
Italy (enlargement)	65	16.13
Belgium (restructuring of steel industry)	6	0.18
Member States	166	40.59

FUND COMMITTEE ACTIVITIES IN 1981

68. The Fund Committee held three meetings in 1981: in May, July and November. In accordance with Article 16(2) of the amended Regulation, these meetings provided the occasion for the Committee to give an opinion on draft decisions concerning Fund grants.

In 1981, out of 2,465 investment projects submitted to the Committee, 2,459 were endorsed, six were withdrawn and none were rejected.

69. At these meetings, the Committee also gave an opinion on six specific programmes presented by Member States pursuant to the Regulations of 7 October 1980 instituting the first specific measures under the quota-free section of the fund:

- in May, on four programmes presented by France (development of South West France in the context of Community enlargement) Italy (improvement of security of energy supply by way of improved use of new techniques for hydro-electrical power and alternative energy sources), Ireland and the United Kingdom (improvement of the economic and social situation in the border areas of Ireland and Northern Ireland);
- in November, on the programme presented by Italy (development of the Mezzogiorno in the context of Community enlargement) and on the programme presented by Belgium (overcoming constraints on the development of new economic activities in certain areas adversely affected by the restructuring of the steel industry).

70. The work of the Committee was again considerably simplified by application of the prior information procedure provided for in the Fund Regulation⁽⁴⁶⁾ since, of 1,960 projects of less than 10 Mio ECU

⁴⁶ Article 5(2)(b).

Table 9
Draft decisions submitted to the Fund Committee in 1981

	Meeting			Total 1981
	May	July	November (1)	
Number of draft decisions	96	100	295	491
Number of investment projects	361	437	1,667	2,465
Investment involved in Mio ECU	1,608.27	2,285.58	8,385.23	12,279.08
Total assistance proposed in Mio ECU	212.22	202.39	905.61	1,320.22
(1) Including 23 draft decisions submitted to the Committee by written procedure at the beginning of December.				

submitted to the Committee, only 783 (some 39%) had to be discussed at the meeting.

Little progress was made in resolving a difficulty already mentioned in the Sixth Report⁽⁴⁷⁾: an excessively large number of applications had to be considered at the last Committee meeting of the year. The problem is particularly marked in the case of France and Italy.

Lastly, it should be pointed out that as part of the procedure leading to a decision on specific Community measures, the Committee is required to examine programmes which are sometimes voluminous and often involve several ministries or departments of Member States. This has not been without difficulty, both as regards document preparation and as regards the time left to the Committee to undertake the examination.

71. At the three meetings of 1981, the Committee considered the Commission's proposals on a number of basic issues, in particular the rules governing Fund assistance to investment which might relate to agriculture and the inclusion of the purchase cost of land in the amount of investment to be considered when calculating Fund assistance. Generally speaking, this examination has helped to clarify future policy on these matters.

⁴⁷ Sixth Annual Report, point 62.

SUMMARY OF DEVELOPMENTS 1975-81

72. The principal features of Fund activity since it was set up in 1975 may be summarized as follows⁽⁴⁸⁾:

- In the seven years since its inception, the Fund has taken 2,567 grant decisions, of which 2,561 under the quota section and 6 under the quota-free section. However, as grant decisions under the quota-free section were not taken until 1981 the analysis below is confined to the quota section of the Fund.
- The grant decisions (quota section) provided finance towards 14,504 investment projects involving a total investment of some 46,400 Mio ECU and towards 20 studies.
- Grants to investment projects totalled an estimated 5,284 Mio ECU of which 75.7% went to infrastructure projects and 24.3% to projects in industry, craft industry or services. For the period 1981-83, the Commission is planning to come as close as possible to channelling 70% of assistance to infrastructure projects and 30% to industrial projects. Taking the breakdown by project size, 54% of grants went to projects of more than 10 Mio ECU and 46% to projects of less than 10 Mio ECU.
- In industry and services, projects financed should make it possible to create or maintain some 457,000 jobs. In relation to the number of projects financed, the industries which have received most Fund aid are motor vehicles and spare parts and the chemical industry (large projects) and manufacture of metal articles and mechanical and electrical engineering (small projects).
- On infrastructure, since 1975 the largest number of projects which have received a Fund grant concern transport infrastructure and infrastructure linked to productive activities in the case of large projects. For small projects, the list was headed by infrastructure linked to productive activities, followed by transport infrastructure.

⁴⁸ See table in statistical annex.

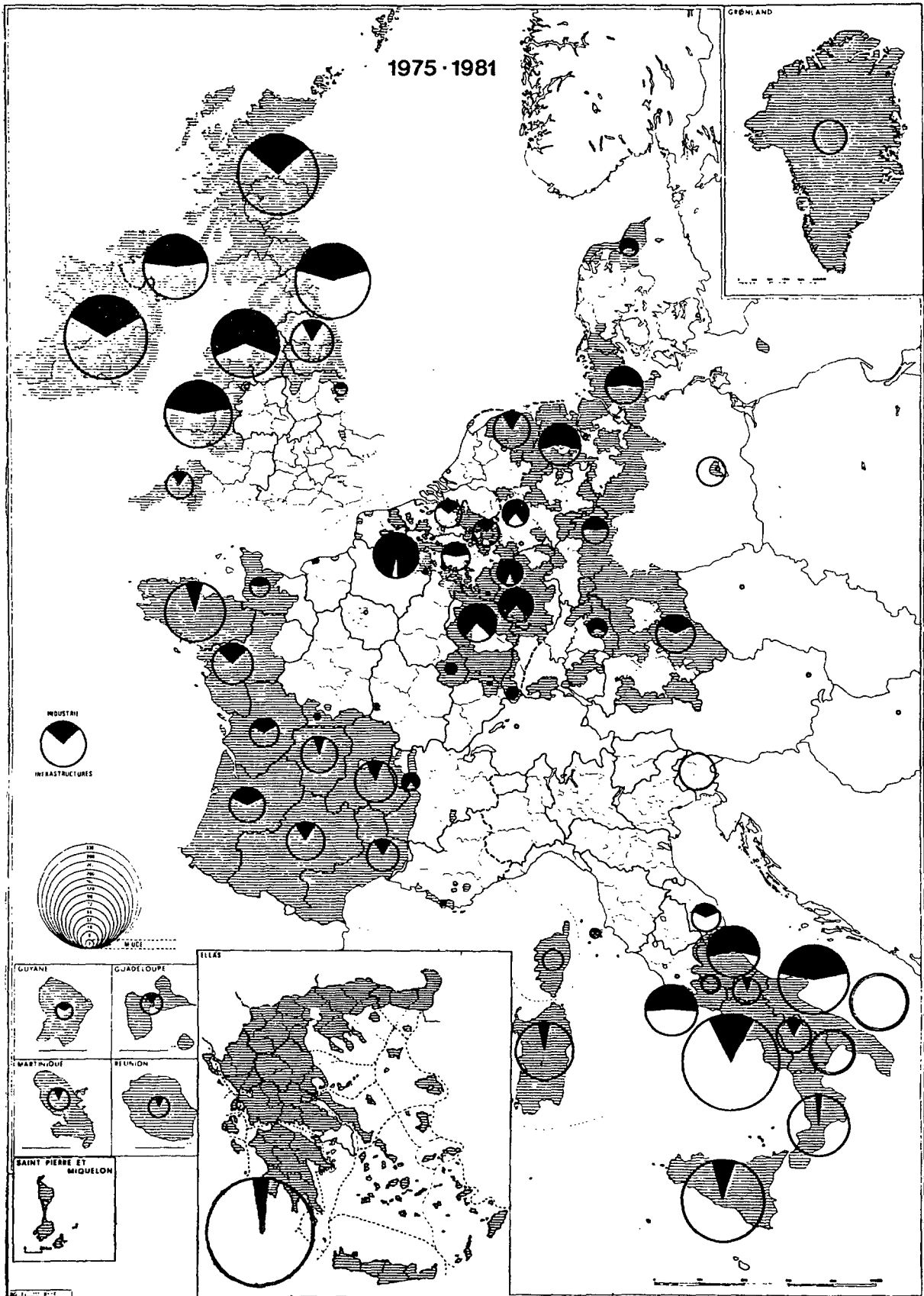
CHAPTER IV : REGIONAL ANALYSIS OF FUND ACTIVITY

GEOGRAPHICAL CONCENTRATION OF GRANTS

73. The Annex table 5 shows the regional distribution of Fund grants from 1975 to 1981.
74. The Fund Regulation provides that regions and areas which may benefit from the Fund must be limited to aided areas established by Member States in applying their systems of regional aids. However, in order to give maximum impact to Fund assistance, priority should be given to investments in national priority areas, taking account of the principles for the coordination of regional aids at Community level. The situation for the various Member States in 1981 was as follows:
- In Belgium, Fund assistance was to areas covered by the Commission Decision of 26 April 1972⁽⁴⁹⁾ on aids under the Belgian Economic Expansion Act of 30 December 1980.
 - In Denmark, 73.8% of Fund grants went to Greenland.
 - In Germany, 74.5% of grants went to the Zonenrandgebiet and to the special priority development poles.
 - In Greece, Fund grants went to areas throughout the national territory with the exception of most of the prefectures of Attiki and Thessaloniki.
 - In France, 73.3% of grants went to the priority regions of Nord Pas-de-Calais, Lorraine, the West and South West, Corsica and the overseas departments.
 - In Ireland, 66.8% of projects were in the designated areas, located mainly in the west of the country.
 - In Italy, all Fund grants went to the Mezzogiorno.
 - In the Netherlands, all Fund grants went to the two priority areas in the north and south of the country.

⁴⁹ O.J. L 105 of 4.5.1972.

Map : Regional Fund Aid 1975-1981



- In the United Kingdom, some 70% of grants went to projects located in priority areas: Northern Ireland, the Special Development Areas and the Development Areas.

Generally speaking, the Commission considers that concentration of assistance in the priority regions of the national aid systems is satisfactory and should be continued.

FUND ACTIVITY IN CERTAIN PRIORITY AREAS AND OTHER REGIONS

75. In line with the practice in previous annual reports, this part of the report reviews Fund assistance in a certain number of regions. The regions have been selected according to the following criteria:

- Firstly, they include the regions in the five areas recognized as priority areas by the Commission in its "Regional Policy Guidelines" of June 1977⁽⁵⁰⁾, namely:
 - Mezzogiorno⁽⁵¹⁾
 - Abruzzi
 - Basilicata
 - Calabria
 - Campania
 - Molise
 - Apulia
 - Sardinia
 - Sicily
 - Ireland
 - Northern Ireland
 - Greenland
 - French Overseas Departments (DOM)

to which must be added the 9 regions of Greece, which are analysed individually.

⁵⁰ Supplement 2/77 - Bull. EC.

⁵¹ The Mezzogiorno comprises Southern Italy and the islands; the regions which belong only partially to the Mezzogiorno (Latium, Marche, Tuscany) are excluded here.

- Secondly, they include the region of each Member State (Luxembourg excepted) which was the main recipient of Fund assistance in relation to its population in the period 1975-81. However, to limit repetition when a region has already been analysed in a previous report, it has been replaced where possible by the region ranking after it.

Those selected are:

- Saarland
- Corsica
- Northern Netherlands
- Wallonia
- North of England

76. Each region has been analysed as follows:

- an indication is given of the size of national⁽⁵²⁾ and Community aids⁽⁵³⁾ over recent years;
- a brief analysis is made of Regional Fund assistance in 1981.

The Commission does not possess for all regions full, precise and comparable data⁽⁵⁴⁾ on aids from national authorities.

The figures given are therefore only broad estimates. They are nevertheless a useful yardstick for measuring assistance from the Regional Fund and other Community financial instruments.

The analysis of the Mezzogiorno includes a section on this major region as a whole, followed by sections on each administrative region within the Mezzogiorno. For the other countries, there is only one section per region.

⁵² The amount of expenditure by national authorities has been converted into ECU at the average rate for each year considered. Although they are only orders of magnitude, the resulting figures give an impression for each region of the size of Regulation Fund assistance.

⁵³ EAGGF: Guidance Section support according to Regulations 17/64/EEC, 355/77/EEC, 269/79/EEC, 1852/78/EEC, 1362/78/EEC and 1760/78/EEC. EIB: individual loans (plus allocations from global loans) granted pursuant to Article 130 (a) of the EEC Treaty (for further details see EIB annual reports); ECSC: loans pursuant to Articles 54 and 56 of the ECSC Treaty.

⁵⁴ Point 19 of this Report.

MEZZOGIORNO

77. It is not possible to obtain exact figures for public spending in the Mezzogiorno. A very rough estimate is that capital expenditure by certain public authorities⁽⁵⁵⁾ in 1974-80 totalled some 25,395 Mio ECU, of which 10,478 Mio ECU were aids from the Cassa per il Mezzogiorno. Community assistance to the Mezzogiorno over the seven years of Regional Fund activity (1975-81) must be measured against these orders of magnitude:

Grants

• Regional Fund	2,120.0 Mio ECU
• Agricultural Fund - Guidance Section	335.6 Mio ECU
• European Social Fund	695.8 Mio ECU ⁽⁵⁶⁾

Loans

• European Investment Bank	3,807.5 Mio ECU
• New Community Instrument	489.9 Mio ECU
• ECSC	267.3 Mio ECU

Regional Fund grants in 1981

78. Regional Fund grants to the Mezzogiorno as a whole totalled 700.81 Mio ECU in 1981; this included an amount of 41.09 Mio ECU granted to two regions (Latium, Marche) which are only partly within the Mezzogiorno and which are therefore not included in the more detailed analyses below. Some two thirds of assistance to Italy is for projects implemented and financed by the Cassa per il Mezzogiorno, the central organization responsible for Mezzogiorno development. The other third is for projects conceived, carried out and financed by regional and provincial authorities or by other local public bodies, making it possible to achieve genuine additionality, which is not always the case at national level. This form of assistance, virtually inexistent until 1977, increased considerably in the past three years as a result of efforts by Commission departments to promote it with the country's local authorities.

⁵⁵ Cassa per il Mezzogiorno: all expenditure save that which cannot be regionalized (e.g. interest rebates); regions: expenditure commitments based on budget estimates.

⁵⁶ 1978-81.

ABRUZZI

79. On a very rough estimate, capital expenditure by Italian public authorities in the period 1974-80 totalled 1,567 Mio ECU. This included 878 Mio ECU in aids from the Cassa per il Mezzogiorno. Community assistance during the seven years of Regional Fund activity (1975-81) must be assessed by reference to these orders of magnitude:

Grants

- | | |
|--|-------------------------------|
| • Regional Fund | 108.0 Mio ECU ⁽⁵⁷⁾ |
| • Agricultural Fund - Guidance Section | 37.1 Mio ECU |

Loans

- | | |
|----------------------------|-------------------------------|
| • European Investment Bank | 360.6 Mio ECU ⁽⁵⁸⁾ |
|----------------------------|-------------------------------|

Regional Fund grants in 1981

80. In 1981, Regional Fund grants to the Abruzzi accounted for 3% of all Fund grants to Italy. They totalled 21.47 Mio ECU for 25 projects; 2.85 Mio ECU (13.3%) were for industrial ventures and 18.62 Mio ECU (86.7%) for infrastructure.

The projects financed included 11 industrial projects costing less than 10 Mio ECU each and involving total investment of 14.51 Mio ECU; these should create 527 jobs.

One project was financed which cost more than 10 Mio ECU and involved irrigation and water supply. The investment was 14 Mio ECU and the grant 5.58 Mio ECU.

Fund grants totalling 13.04 Mio ECU went to 13 infrastructure projects costing less than 10 Mio ECU each and involving total investment of 35.76 Mio ECU. In terms of investment volume, the list of assisted projects was headed by the construction of water supply networks, followed by road infrastructure.

⁵⁷ The amount does not include grants to multiregional projects also involving the Abruzzi (see Annex Table 5).

⁵⁸ Individual loans: 310.4 Mio ECU;
allocations from global loans: 50.2 Mio ECU.

BASILICATA

81. On a very rough estimate, capital expenditure by Italian public authorities in 1974-80 totalled 1,692 Mio ECU. This included 802 Mio ECU in aids from the Cassa per il Mezzogiorno. Community assistance during the seven years of Regional Fund activity (1975-81) must be judged by reference to these figures.

Grants

- Regional Fund 45.0 Mio ECU⁽⁵⁹⁾
- Agricultural Fund - Guidance Section 35.1 Mio ECU

Loans

- European Investment Bank 142.3 Mio ECU⁽⁶⁰⁾

Regional Fund grants in 1981

82. In 1981, Regional Fund grants to Basilicata accounted for 1.6% of all Fund grants to Italy.

They totalled 10.93 Mio ECU for 103 projects; 1.44 Mio ECU (13.2%) were for industrial ventures and 9.49 Mio ECU (86.8%) for infrastructure. The projects financed included 9 industrial projects costing less than 10 Mio ECU each and involving total investment of 7.12 Mio ECU; these should create 219 jobs.

Fund grants also went to 94 infrastructure projects costing less than 10 Mio ECU each and involving total investment of 26.45 Mio ECU. In terms of investment volume, the list of assisted projects was headed by road infrastructure, the construction of water supply networks and service infrastructure for the civilian population.

⁵⁹ The amount does not include grants to multiregional projects which also concern Basilicata (see Annex Table 5).

⁶⁰ Individual loans: 135.7 Mio ECU;
allocations from global loans: 6.6 Mio ECU.

CALABRIA

83. On a very rough estimate, capital expenditure by Italian public authorities in 1974-80 totalled 2,682 Mio ECU. This included 1,310 Mio ECU in aids from the Cassa per il Mezzogiorno. Community assistance during the seven years of Regional Fund activity (1975-81) must be judged by reference to these figures:

Grants

- Regional Fund 196.0 Mio ECU⁽⁶¹⁾
- Agricultural Fund - Guidance Section 43.5 Mio ECU

Loans

- European Investment Bank 226.6 Mio ECU⁽⁶²⁾

Regional Fund grants in 1981

84. In 1981, Regional Fund grants to Calabria account for 10% of all Fund grants to Italy. They totalled 69.45 Mio ECU for 163 projects; 3.49 Mio ECU (5%) were for industrial ventures and 65.96 Mio ECU (95%) for infrastructure.

The projects financed included 13 industrial projects costing less than 10 Mio ECU each and involving total investment of 19.18 Mio ECU; these should create 486 jobs.

Three projects of more than 10 Mio ECU were financed: building a dam on the Lodo stream; a road and rail link with the port and industrial estate of Gioia Tauro; a link road from the SS 106 to the port of Sibari.

Grants were 21.40 Mio ECU and investments 57.15 Mio ECU.

Fund grants totalling 44.56 Mio ECU went to 147 infrastructure projects costing less than 10 Mio ECU each and involving total investment of 150.47 Mio ECU. Most of these infrastructure projects concerned road works, water supply and various service infrastructure schemes for the civilian population (general infrastructure).

⁶¹ The amount does not include grants to multiregional projects which also concern Calabria (see Annex Table 5).

⁶² Individual loans: 210 Mio ECU;
allocations from global loans: 16.6 Mio ECU.

CAMPANIA

85. On a very rough estimate, capital expenditure by Italian public authorities in 1974-80 totalled 3,485 Mio ECU. This included 2,010 Mio ECU in aids from the Cassa per il Mezzogiorno. Community assistance during the seven years of Regional Fund activity (1975-81) must be judged by reference to these figures:

Grants

- Regional Fund 485.0 Mio ECU⁽⁶³⁾
- Agricultural Fund - Guidance Section 18.1 Mio ECU

Loans

- European Investment Bank 592.8 Mio ECU⁽⁶⁴⁾
- ECSC 26.6 Mio ECU

Regional Fund aids in 1981

86. In 1981, Regional Fund grants to Campania accounted for 24.4% of all Fund grants to Italy. They totalled 170.91 Mio ECU for 37 infrastructure projects.

A total of 9 projects more than 10 Mio ECU each and involving total investment costing 474 Mio ECU received 149 Mio ECU in Fund grants.

These projects concern:

- building an aqueduct crossing several municipalities
- building a fruit and vegetable market at Giugliano
- cleaning up the Bay of Naples
- irrigation on the left bank of the Volturno
- the double-track railway line Naples-Pomigliano d'Arco
- widening and modernizing the Cuma railway
- a purification plant and sewage collector network at the mouth of the Regi Lagni
- drainage and purification plant in the Nola region
- anti-pollution schemes in the Bay of Naples and purification plant on the Island of Procida.

Fund grants totalling 21.91 Mio ECU went to 28 projects costing less than 10 Mio ECU each and involving total investment of 67 Mio ECU. Most of these infrastructure projects concerned road works, water supply and various service infrastructure schemes for the civilian population.

⁶³ The amount does not include grants to multiregional projects which also concern Campania (see Annex Table 5).

⁶⁴ Individual loans: 504.7 Mio ECU;
allocations from global loans: 88.1 Mio ECU.

MOLISE

87. On a very rough estimate, capital expenditure by Italian public authorities in 1974-80 totalled 741 Mio ECU. This included 252 Mio ECU in aids from the Cassa per il Mezzogiorno. Community assistance during the seven years of Regional Fund activity (1975-81) must be judged by reference to these figures:

Grants

- Regional Fund 28.0 Mio ECU⁽⁶⁵⁾
- Agricultural Fund - Guidance Section 18.2 Mio ECU

Loans

- European Investment Bank 112.2 Mio ECU⁽⁶⁶⁾

Regional Fund grants in 1981

88. In 1981, Regional Fund grants to Molise accounted for 0.7% of all Fund grants to Italy. They totalled 5.16 Mio ECU for 25 projects; 2.86 Mio ECU (55%) were for industrial ventures and 2.30 Mio ECU (45%) for infrastructure.

One industrial project of more than 10 Mio ECU was financed. This was a factory producing chemical derivatives. The total cost of the investment was 13.57 Mio ECU and the ERDF grant 2.13 Mio ECU. This investment was to create 108 jobs.

Seven industrial projects costing less than 10 Mio ECU each and involving total investment of 3.66 Mio ECU were financed and were to create 243 jobs.

Fund grants amounting to 2.30 Mio ECU went to 17 infrastructure projects costing less than 10 Mio ECU each and involving total investment of 7.53 Mio ECU. Infrastructure financed included port works, roads and repairs to 1979 flood damage.

⁶⁵ The amount does not include grants to multiregional projects which also concern Molise (see Annex Table 5).

⁶⁶ Individual loans: 104.9 Mio ECU;
allocations from global loans: 7.3 Mio ECU.

APULIA

89. On a very rough estimate, capital expenditure by Italian public authorities in 1974-80 totalled 3,756 Mio ECU. This included 2,094 Mio ECU in aids from the Cassa per il Mezzogiorno. Community assistance during the seven years of Regional Fund activity (1975-81) must be judged by reference to these figures:

Grants

- Regional Fund 175.0 Mio ECU⁽⁶⁷⁾
- Agricultural Fund - Guidance Section 67.2 Mio ECU

Loans

- European Investment Bank 908.3 Mio ECU⁽⁶⁸⁾
- New Community Instrument 62.6 Mio ECU
- ECSC 231.2 Mio ECU

Regional Fund grants in 1981

90. In 1981, Regional Fund grants to Apulia accounted for 1.8% of all Fund grants to Italy. They totalled 12.75 Mio ECU for 91 projects; 3.66 Mio ECU (29%) were for industrial ventures and 9.09 Mio ECU (71%) for infrastructure.

The projects financed included 18 industrial projects costing less than 10 Mio ECU each and involving total investment of 19.56 Mio ECU; these should create 521 jobs.

Fund grants also went to 73 infrastructure projects costing less than 10 Mio ECU each and involving total investment of 30 Mio ECU. Investments financed were urban and rural road works and a rail link.

⁶⁷ The amount does not include grants to multiregional projects which also concern Apulia (see Annex Table 5).

⁶⁸ Individual loans: 859.3 Mio ECU;
allocations from global loans: 49.0 Mio ECU.

SARDINIA

91. On a very rough estimate, capital expenditure by Italian public authorities in 1974-80 totalled 2,897 Mio ECU. This included 1,317 Mio ECU in aids from the Cassa per il Mezzogiorno. Community assistance during the seven years of Regional Fund activity (1975-81) must be judged by reference to these figures:

Grants

- Regional Fund 167.0 Mio ECU
- Agricultural Fund - Guidance Section 45.6 Mio ECU

Loans

- European Investment Bank 295.4 Mio ECU⁽⁶⁹⁾

Regional Fund grants in 1981

92. In 1981, Regional Fund grants to Sardinia accounted for 8.5% of all Fund grants to Italy. They totalled 60.14 Mio ECU for 100 projects; 1.80 Mio ECU (3%) were for industrial ventures and 58.34 Mio ECU (97%) for infrastructure.

The projects financed included 14 industrial projects costing less than 10 Mio ECU each and involving total investment of 9.91 Mio ECU; these should create 116 jobs.

Three infrastructure projects of more than 10 Mio ECU were financed; they concerned irrigation of the area served by the dam on the Leni river and dykes on various rivers. The total cost of these investments was 89.26 Mio ECU and ERDF assistance was 35.70 Mio ECU.

Fund grants amounting to 22.64 Mio ECU went to 83 infrastructure projects costing less than 10 Mio ECU each and involving total investment of 67.73 Mio ECU. Investments financed were urban and rural road works, primary infrastructure in tourist areas and aqueducts.

⁶⁹ Individual loans: 275.6 Mio ECU;
allocations from global loans: 19.8 Mio ECU.

SICILY

93. On a very rough estimate, capital expenditure by Italian public authorities in 1974-80 totalled 8,075 Mio ECU. This included 1,816 Mio ECU in aids from the Cassa per il Mezzogiorno. Community assistance during the seven years of Regional Fund activity (1975-81) must be judged by reference to these figures:

Grants

- | | |
|--|-------------------------------|
| • Regional Fund | 417.0 Mio ECU ⁽⁷⁰⁾ |
| • Agricultural Fund - Guidance Section | 60.5 Mio ECU |

Loans

- | | |
|----------------------------|-------------------------------|
| • European Investment Bank | 651.4 Mio ECU ⁽⁷¹⁾ |
| • New Community Instrument | 55.8 Mio ECU |
| • ECSC | 9.5 Mio ECU |

Regional Fund grants in 1981

94. In 1981, Regional Fund grants to Sicily accounted for 29% of all Fund grants to Italy. They totalled 204.90 Mio ECU for 104 infrastructure projects.

Five projects costing more than 10 Mio ECU each and involving total investment of 605 Mio ECU received 178.20 Mio ECU in Fund grants. They concerned:

- various industrial pipelines to the industrial development areas of Syracuse;
- a link road with the port of Gela and water supply for the area;
- a dam on the Gibbesi stream;
- an irrigation system using drinking water from the dykes of S.Giovanni, Furore, Rosamaria, Olivo and Castello;
- a second carriageway for the Palermo outer ring.

Fund grants amount to 26.70 Mio ECU went to 99 infrastructure projects costing less than 10 Mio ECU each and involving total investment of 89.69 Mio ECU. These projects covered a wide range of investments such as tourist, sport, port and town planning schemes. It should be noted that Sicily received more than any other Italian region from the Fund, followed by Campania.

⁷⁰ The amount does not include grants to multiregional projects which also concern Sicily (see Annex Table 5).

⁷¹ Individual loans: 597.0 Mio ECU;
allocations from global loans: 54.4 Mio ECU.

MULTIREGIONAL PROJECTS IN ITALY

95. Three infrastructure investment projects costing more than 10 Mio ECU each and concerning several Mezzogiorno regions were the subject of Fund grant decisions in 1981.

One decision was on a scheme to ensure regular water supply to the population served by the water distribution networks of Agrigina and Frigida.

A second decision concerned the construction of rural aqueducts to serve the Murgia area and the regions of Alto Bradano and Medio-Ofanto (second part). A third decision concerned the construction of an infrastructure system for transporting, storing and distributing natural gas imported from Algeria.

These investments totalled 2,203.53 Mio ECU and Fund assistance in 1981 was 104.01 Mio ECU.

IRELAND

96. In the period 1975-80, the Irish authorities made grants to industry totalling some 1,300 Mio ECU. Public investment in infrastructure was equivalent to 2,200 Mio ECU. Community assistance in the period 1975-81 listed below must be seen against this national expenditure:

Grants

• Regional Fund	336.0 Mio ECU
• Agricultural Fund - Guidance Section	107.8 Mio ECU
• European Social Fund	288.4 Mio ECU

Loans

• European Investment Bank	1,116.1 Mio ECU ⁽⁷²⁾
• New Community Instrument	145.8 Mio ECU
• ECSC	26.3 Mio ECU

Regional Fund grants in 1981

97. In 1981, Regional Fund grants to 68 projects totalled 105.72 Mio ECU of which 17.97 Mio ECU (17%) were for industrial ventures and 87.75 Mio ECU (83%) for infrastructure.

⁷² Individual loans: 1,009.7 Mio ECU;
allocations from global loans: 106.4 Mio ECU.

Industrial and service activities

98. Four projects costing more than 10 Mio ECU each and involving total investment of 91.71 Mio ECU received 6.88 Mio ECU in Fund grants. The Projects should create some 4,352 jobs.

They involve:

- construction of a factory, plant and machinery, for the manufacture of personal computers and disk drives;
- construction of a factory, plant and machinery, for the manufacture of word-processing equipment, mini-computers and associated equipment;
- extension to an existing plant manufacturing miniature circuit-breakers;
- construction of plant for the production of refrigerated units for trucks.

Fund grants amounting to 11.09 Mio ECU went to 22 projects costing less than 10 Mio ECU each and involving total investment of 62.23 Mio ECU; these projects should create 3,365 jobs. The main recipient was electrical engineering, followed by other manufacturing.

Infrastructure

99. A total of 17 projects costing more than 10 Mio ECU each and involving total investment of 2,748.97 Mio ECU received 84.76 Mio ECU in Fund grants.

Projects financed concerned telecommunications, port works, drainage, roads, water supply systems and waste water treatment.

Fund grants amounting to 2.99 Mio ECU went to 25 projects costing less than 10 Mio ECU each and involving total investment of 12.49 Mio ECU.

Advance factories accounted for 80% of this investment.

NORTHERN IRELAND

100. In the period 1975/76 - 1980/81 total national aid to industry was some 830 Mio ECU. Public investment in infrastructure promoting economic development (but serving also the population generally) absorbed a total of some 440 Mio ECU over the two financial years 1979/80 and 1980/81. Community assistance to the region (1975-81) must be seen against these figures:

Grants

• Regional Fund	183.0 Mio ECU
• Agricultural Fund - Guidance Section	28.6 Mio ECU
• European Social Fund	160.0 Mio ECU

Loans

• European Investment Bank	198.3 Mio ECU ⁽⁷³⁾
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Regional Fund grants in 1981

101. In 1981, Regional Fund grants to Northern Ireland accounted for 14.14% of all Fund grants to the United Kingdom. They totalled 51.20 Mio ECU for 83 projects; 22.13 Mio ECU (56.8%) for infrastructure.

Industrial and service activities

102. A total of 3 projects costing less than 10 Mio ECU each and involving total investment of 143.70 Mio ECU received 16.26 Mio ECU in Fund grants. These investments should create 2,050 jobs and maintain 500 jobs. They involve a factory manufacturing small aircraft, a chemicals factory and the establishment of a factory for cranes and lifts. Fund grants amounting to 5.87 Mio ECU went to 16 projects costing less than 10 Mio ECU each and involving total investment of 31.01 Mio ECU. The projects should create some 1,093 jobs.

Infrastructure

103. A total of 64 projects costing less than 10 Mio ECU each and involving total investment of 100.52 Mio ECU received 29.07 Mio ECU in Fund grants. These projects concerned essentially port works, infrastructure for industrial estates, telecommunications and the building of reservoirs and pumping stations for water distribution.

⁷³ Individual loans: 196.2 Mio ECU;
allocations from global loans: 2.1 Mio ECU.

GREENLAND

104. Public investment by the Ministry for Greenland in housing, electricity, transport and communications amounted to some 269 Mio ECU in the period 1975-80. Community assistance to Greenland (1975-81) must be seen against this figure:

Grants

• Regional Fund	52.0 Mio ECU
• Agricultural Fund - Guidance Section	2.1 Mio ECU
• European Social Fund	22.5 Mio ECU

Loans

• European Investment Bank	40.1 Mio ECU
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Regional Fund grants in 1981

105. In 1981, Regional Fund grants to Greenland accounted for 73.8% of all Fund grants to Denmark. They totalled 14.28 Mio ECU for 64 projects; as in previous years, all of the projects financed were infrastructure projects. The Fund grants to Greenland were made up of 1.90 Mio ECU towards a study closely related to Fund operations; 5.38 Mio ECU towards a communications project costing more than 10 Mio ECU and involving an investment of 13.45 Mio ECU; and 7 Mio ECU towards 62 projects costing less than 10 Mio ECU each and involving total investment of 19.95 Mio ECU.

These projects concerned essentially airport facilities, infrastructure for urban heating, and water and electricity supply.

CENTRAL AND WESTERN MACEDONIA

110. In 1981, budget estimates for grants to assist industry and infrastructure totalled some 178 Mio ECU.

Community assistance to the region must be seen against this figure.

Grants

- Regional Fund 42.0 Mio ECU
- Agricultural Fund - Guidance Section 1.7 Mio ECU

Loans

- European Investment Bank 24.3 Mio ECU⁽⁷⁷⁾

Regional Fund grants in 1981

111. In 1981, Regional Fund grants to this region represented 17% of all Fund grants to Greece. Total grants to 27 infrastructure projects amounted to 42.44 Mio ECU.

A total of 2 projects costing more than 10 Mio ECU each and involving total investment of 70.29 Mio ECU received 24.87 Mio ECU in Fund grants.

They concerned the extension and modernization of the national and international telecommunications network and modernization of the Thessaloniki-Promachon railway line.

Fund grants amounting to 17.57 Mio ECU went to 25 projects costing less than 10 Mio ECU each and involving total investment of 58.74 Mio ECU.

They concerned road works, electricity supply and water supply.

⁷⁷ Individual loans: 16.3 Mio ECU;
allocations from global loans: 8.0 Mio ECU.

PELOPONNESE AND WESTERN MAINLAND GREECE

112. In 1981, budget estimates for grants to assist industry and infrastructure totalled some 145 Mio ECU.

Community assistance to the region must be seen against this figure.

Grants

- Regional Fund 28.0 Mio ECU
- Agricultural Fund - Guidance Section 1.7 Mio ECU

Loans

- European Investment Bank 8.3 Mio ECU^(7^o)

Regional Fund grants in 1981

113. In 1981, Regional Fund grants to this region accounted for 11.3% of all Fund grants to Greece. They totalled 28.28 Mio ECU for 48 projects; 0.06 Mio ECU were for an industrial venture costing less than 10 Mio ECU and 28.22 Mio ECU for infrastructure. One infrastructure project costing more than 10 Mio ECU and involving total investment of 48.56 Mio ECU received a Fund grant of 10.46 Mio ECU. This was to improve the Patras- Olympia main road.

Fund grants amounting to 17.76 Mio ECU went to 46 infrastructure projects costing less than 10 Mio ECU each and involving total investment of 119.64 Mio ECU.

They were concerned mainly with port works, road works, water supply and electricity supply.

^{7^o} Individual loans: 6.8 Mio ECU;
allocations from global loans: 1.5 Mio ECU.

THESSALLY

114. In 1981, budget estimates for grants to assist industry and infrastructure totalled some 74 Mio ECU.

Community assistance to the region must be seen against this figure.

Grants

- Regional Fund 24.0 Mio ECU
- Agricultural Fund - Guidance Section 1.9 Mio ECU

Loans

- European Investment Bank 13.6 Mio ECU⁽⁷⁹⁾

Regional Fund grants in 1981

115. In 1981, Regional Fund grants to Thessaly represented 9.7% of all Fund grants to Greece. Total grants to 31 infrastructure projects were 24.32 Mio ECU.

One project costing more than 10 Mio ECU and involving total investment of 11.04 Mio ECU received a Fund grant of 3.31 Mio ECU. This project concerned development of the Larissa industrial estate.

Fund grants amounting to 21.01 Mio ECU went to 30 projects costing less than 10 Mio ECU each and involving total investment of 72.10 Mio ECU. They mainly concerned port and road works and water supply.

EASTERN MACEDONIA

116. In 1981, budget estimates for grants to assist industry and infrastructure totalled some 45 Mio ECU.

Community assistance to the region must be seen against this figure.

Grants

- Regional Fund 11.0 Mio ECU
- Agricultural Fund - Guidance Section 0.3 Mio ECU

⁷⁹ Individual loans: 10.9 Mio ECU;
allocations from global loans: 2.7 Mio ECU.

Loans

- European Investment Bank 22.0 Mio ECU⁽⁸⁰⁾

Regional Fund grants in 1981

117. In 1981, Regional Fund grants to this region accounted for 4.5% of all Fund grants to Greece. They totalled 11.17 Mio ECU for 11 projects; 0.08 Mio ECU were for an industrial venture costing less than 10 Mio ECU and 11.09 Mio ECU for infrastructure.

Fund grants amounting to 11.09 Mio ECU went to 10 infrastructure projects costing less than 10 Mio ECU each and involving total investment of 38.71 Mio ECU.

They were mainly concerned with road, port and airport works.

CRETE

118. In 1981, budget estimates for grants to assist industry and infrastructure totalled some 60 Mio ECU.

Community assistance to the region must be seen against this figure.

Grants

- Regional Fund 12.0 Mio ECU
- Agricultural Fund - Guidance Section 0.5 Mio ECU

Loans

- European Investment Bank 5.0 Mio ECU⁽⁸¹⁾

Regional Fund grants in 1981

119. In 1981, Regional Fund grants to Crete represented 5% of all Fund grants to Greece. Total grants to 24 infrastructure projects were 12.46 Mio ECU. These projects cost less than 10 Mio ECU each and were concerned mainly with road and port works, electricity supply and telecommunications.

⁸⁰ Individual loans: 20.4 Mio ECU;
allocations from global loans: 1.6 Mio ECU.

⁸¹ Individual loans: 3 Mio ECU;
allocations from global loans: 2 Mio ECU.

EPIRUS

120. In 1981, budget estimates for grants to assist industry and infrastructure totalled some 45 Mio ECU.

Community assistance for the region must be seen against this figure.

Grants

- Regional Fund 21.0 Mio ECU
- Agricultural Fund - Guidance Section 1.0 Mio ECU

Loans

- European Investment Bank 13.1 Mio ECU⁽⁸²⁾

Regional Fund grants in 1981

121. In 1981, Regional Fund grants to this region accounted for 8.2% of all Fund grants to Greece. They totalled 20.63 Mio ECU for 33 projects; 1.42 Mio ECU (6.9%) were for industrial ventures and 19.21 Mio ECU (93.1%) for infrastructure.

An industrial project of less than 10 Mio ECU was financed for an investment cost of 9.79 Mio ECU. It concerned the construction of an industrial gas works and should create 120 jobs.

Fund grants amounting to 19.21 Mio ECU went to 32 infrastructure projects costing less than 10 Mio ECU each and involving total investment of 63.19 Mio ECU.

They were concerned mainly with road works and water supply systems.

⁸² Individual loans: 10 Mio ECU;
allocations from global loans: 3.1 Mio ECU.

THRACE

122. In 1981, budget estimates for grants to assist industry and infrastructure totalled some 57 Mio ECU.

Community assistance to the region must be seen against this figure.

Grants

- Regional Fund 23.0 Mio ECU
- Agricultural Fund - Guidance Section 0.2 Mio ECU

Loans

- European Investment Bank 10.9 Mio ECU⁽⁸³⁾

Regional Fund grants in 1981

123. In 1981, Regional Fund grants to this region accounted for 9.3% of all Fund grants to Greece. They totalled 23.26 Mio ECU for 40 projects; 5.02 Mio ECU (22%) were for industrial ventures and 18.24 Mio ECU (78%) for infrastructure.

Grants went to 15 industrial projects costing less than 10 Mio ECU each and involving total investment of 33.29 Mio ECU; these should create 1,434 jobs.

In addition, 2 infrastructure projects costing more than 10 Mio ECU each and involving total investment of 41.17 Mio ECU received Fund grants amounting to 8.91 Mio ECU. They concerned infrastructure services for an industrial estate at Komoteni and telecommunications works.

Finally, 23 infrastructure projects costing less than 10 Mio ECU each and involving a total cost of 72.24 Mio ECU received 9.33 Mio ECU in Fund grants. They concerned mainly road works, airport infrastructure and water supply systems.

⁸³ Individual loans: 10.1 Mio ECU;
allocations from global loans: 0.8 Mio ECU.

AEGEAN ISLANDS

124. In 1981, budget estimates for grants to assist industry and infrastructure totalled some 42 Mio ECU.

Community assistance to the region must be seen against this figure.

Grants

- Regional Fund 28.0 Mio ECU
- Agricultural Fund - Guidance Section 0.1 Mio ECU

Loans

- European Investment Bank 2.3 Mio ECU⁽⁸⁴⁾

Regional Fund grants in 1981

125. In 1981, Regional Fund grants to this region accounted for 11.3% of all Fund grants to Greece. They totalled 28.24 Mio ECU for 33 projects; 1.62 Mio ECU (5.7%) were for industrial ventures and 26.62 Mio ECU (94.3%) for infrastructure.

The projects assisted included 6 industrial projects costing less than 10 Mio ECU each and involving total investment of 13.53 Mio ECU; these should create 356 jobs.

In addition, infrastructure projects costing more than 10 Mio ECU each and involving total investment of 47.20 Mio ECU received Fund grants amounting to 7.58 Mio ECU. They concerned telecommunication works and road modernization works on 12 islands.

A total of 25 infrastructure projects costing less than 10 Mio ECU each and involving total investment of 72.80 Mio ECU received 19.04 Mio ECU in Fund grants. They involved mainly electricity supply, port works and airport infrastructure.

MULTIREGIONAL PROJECTS IN GREECE

126. Four infrastructure investment projects costing more than 10 Mio ECU each and concerning several Greek regions were the subject of Fund grant decisions in 1981.

They concerned:

- modernizing the Athens-Thessaloniki rail link;
- the construction of the interregional Aria-Trikala link road;
- modernizing the interregional Salonica-Sidironkastro-Promachon road.

⁸⁴ Allocations from global loans.

These investments totalled 111.82 Mio ECU and received Fund grants totalling 15.43 Mio ECU.

A study on the establishment of an agency to provide advisory services and technical aid to small and medium-sized enterprises was also financed for 0.07 Mio ECU.

SAARLAND

127. Expenditure by the Federal Republic of Germany on this region, as provided for in the regional development programmes for 1975-81, was 361 Mio ECU; 224 Mio ECU was for productive investment and 137 Mio ECU for infrastructure improvement. Community assistance over the same years to the region must be seen against these expenditure estimates:

Grants

- Regional Fund 43.00 Mio ECU
- Agricultural Fund - Guidance Section 2.50 Mio ECU

Loans

- European Investment Bank 10.60 Mio ECU⁽⁸⁵⁾
- ECSC 91.05 Mio ECU

Regional Fund grants in 1981

128. In 1981, Regional Fund grants to the Saarland accounted for 14% of all Fund grants to Germany. They totalled 7.96 Mio ECU for 46 projects; 7.69 Mio ECU (96.6%) were for industrial ventures and 0.27 Mio ECU (3.4%) for infrastructure.

A total of 3 industrial projects costing more than 10 Mio ECU each and involving total investment of 59.99 Mio ECU received Fund grants of 3.18 Mio ECU and should create 300 jobs.

They concerned:

- the extension of a factory manufacturing crankshafts and security locks;
- the extension of a factory manufacturing automatic gear boxes for the motor vehicle industry;
- the construction of a factory manufacturing unwoven fabrics.

Additionally, 42 industrial projects costing less than 10 Mio ECU each and involving total investment of 84.05 Mio ECU received Fund assistance of 4.51 Mio ECU and should create 1,659 jobs.

One small infrastructure project received a Fund grant of 0.27 Mio ECU.

⁸⁵ Individual loans.

CORSICA

129. In the period 1975-80, national aids to regional development amounted to 130 Mio ECU. The state contribution towards implementation of the priority regional development programmes of the VIIth Plan (P.A.P.I.R.) was 127 Mio ECU for 1975-79. Community assistance, which must be seen against these figures, was as follows over the years 1975-81:

Grants

- Regional Fund 15.0 Mio ECU
- Agricultural Fund - Guidance Section 3.3 Mio ECU

Loans

- European Investment Bank 1.0 Mio ECU⁽⁶⁶⁾

Regional Fund grants in 1981

130. In 1981, Regional Fund grants to Corsica represented 1.6% of all Fund grants to France. Total grants to 4 projects were 2.49 Mio ECU of which 0.16 Mio ECU for 2 industrial projects - one a factory manufacturing ceramic products, another electronic equipment - and 2.33 Mio ECU for infrastructure.

One project of more than 10 Mio ECU was financed to help implement the Corsican road plan. The investment was 31.39 Mio ECU and the Fund grant 2.20 Mio ECU.

An infrastructure project of less than 10 Mio ECU for repair work on a dam at Bastia received a Fund grant of 0.13 Mio ECU towards an investment cost of 3.19 Mio ECU.

NORTHERN NETHERLANDS

131. Expenditure by the national authorities in favour of this region totalled 110 Mio ECU in investment grants and some 25 Mio ECU in and to infrastructure improvement in the period 1978-80.

Community assistance over the years 1975-81 must be seen against these figures. It was as follows:

Grants

- Regional Fund 60.0 Mio ECU
- Agricultural Fund - Guidance Section 13.8 Mio ECU

⁶⁶ Allocations from global loans.

Loans

- ECSC 141.7 Mio ECU

Regional Fund grants in 1981

132. In 1981, Regional Fund grants to the Northern Netherlands accounted for all Fund assistance to the Netherlands.

Total grants were 12.43 Mio ECU and involved 6 infrastructure projects.

One project of less than 10 Mio ECU concerned the rebuilding of a square and a road section at Groningen. The investment was 34.87 Mio ECU and the Fund grant 10.46 Mio ECU.

Four projects of less than 10 Mio ECU involved total investment of 6.58 Mio ECU and received Fund grants amounting to 1.97 Mio ECU. These projects concerned the completion of industrial sites.

WALLONIA

133. Only certain areas of Wallonia are eligible for regional aids. In the period 1976-80, these areas received 408 Mio ECU in aid to industrial investment under the Belgian laws on economic expansion (industry and regional aids).

Additionally, during the years 1978-80, public investment in infrastructure to promote economic development received assistance totalling 290 Mio ECU and investment in transport infrastructure came to some 2,030 Mio ECU.

Grants

- Regional Fund 27.0 Mio ECU
- Agricultural Fund - Guidance Section 17.8 Mio ECU

Loans

- European Investment Bank 9.7 Mio ECU⁽⁸⁷⁾
- ECSC 185.2 Mio ECU

Regional Fund grants in 1981

134. In 1981, Regional Fund aids on behalf of Wallonia were 31% of all Fund aids to Belgium. Total contributions to 17 infrastructure projects in hill or mountain areas were 0.83 Mio ECU.

These investments involve road works and roads, building drinking water reservoirs in the provinces of Luxembourg and Namur.

⁸⁷ Allocations from global loans.

NORTH OF ENGLAND

135. In the period 1975/1976-1980/1981, national aid to industry totalled some 1,320 Mio ECU. Public investment in infrastructure promoting economic development (but also serving the general public) was some 1,300 Mio ECU in the two financial years 1979/1980 and 1980/1981. Community assistance to the region (1975-80) must be seen against these figures:

Grants

- | | |
|--|---------------|
| • Regional Fund | 249.0 Mio ECU |
| • Agricultural Fund - Guidance Section | 6.4 Mio ECU |

Loans

- | | |
|----------------------------|-------------------------------|
| • European Investment Bank | 446.8 Mio ECU ^(**) |
| • New Community Instrument | 33.9 Mio ECU |
| • ECSC | 190.3 Mio ECU |

Regional Fund grants in 1981

136. In 1981, Regional Fund grants to the North of England accounted for 19% of all Fund grants to the United Kingdom. They totalled 69.09 Mio ECU for 96 projects; 6.41 Mio ECU (9.3%) were for industrial ventures and 62.68 Mio ECU (90.7%) for infrastructure.

One industrial project of more than 10 Mio ECU was financed for an investment of 49.62 Mio ECU. It involved the establishment of a factory for deep-frozen products and should create 436 jobs.

A total of 9 infrastructure projects costing more than 10 Mio ECU each and involving total investment of 622.59 Mio ECU received 29.97 Mio ECU in Fund grants for the following:

- construction of a sewage treatment works and sewage disposal equipment at Portrack;
- construction of a metropolitan railway comprising track-laying, conversion and new stations;
- provision of power line to upgrade existing line;
- Tyneside sewage scheme part 2;
- construction of reservoir and connecting aqueducts;
- terminal buildings at Newcastle airport.

Fund grants amounting to 32.71 Mio ECU went to 86 infrastructure projects costing less than 10 Mio ECU each and involving total investment of 110.61 Mio ECU. In terms of investment volume, the list was headed by road works, port works and telecommunications.

^{**} Individual loans: 413.8 Mio ECU;
allocations from global loans: 33 Mio ECU.

CHAPTER V : FINANCIAL MANAGEMENT AND CONTROL

137. Pursuant to Article 21(2) of the Fund Regulation, the report which the Commission must present annually before 1 October must cover not only the implementation of the Regulation but also the financial management of the Fund and the conclusions drawn by the Commission from the checks carried out on Fund operations.

This Chapter complies with that requirement.

BUDGET RESOURCES AVAILABLE AND FINANCIAL RESULTS

138. The quota-free section gave rise to charges on the budget for the first time in 1981; this analysis of financial management therefore refers both to the quota and the quota-free sections, the assistance granted from both of which is described in Chapter III.

As regards the budget resources available for the 1981 financial year, the total allocation in commitment appropriations adopted by the budgetary authority was 1,540 Mio ECU, of which 1,463 Mio ECU was allocated to the quota section and 5%, or 77 Mio ECU, to the quota-free section. This is a rise of 31% in nominal terms and 24% in real terms over 1980, and the total allocation amounted to 7.3% of the total budget of the European Communities in 1981 against 6.7% in 1980. However, budget and financial operations during the year affected the amount of budget resources available. These operations are detailed at point 139 below with regard to the quota section and point 145 with regard to the quota-free section.

The budgetary authority fixed the total allocation of the Fund in payment appropriations at 819.2 Mio ECU of which 799.2 Mio ECU for the quota section and 20.0 Mio ECU for the quota-free section. The budget operations which affected these amounts over the year and the use made of the payment appropriations are described below.

The Annex Table 6 gives an outline of the budget situation at the end of the 1981 financial year.

Table 10
Operations affecting availabilities under the budget

(Mio ECU)

	Balances Outstanding (1)	Appropriations	Approp. released out of commitments. 1975/81	Ex.rate adjustments on commitments 1975/81	Total commit. approp. available	Com.apps. used 1981 (2) (3)	Balances Outstanding end 1981
B	10.749	16.239	0.244	0.181	27.413	2.686	24.727
DK	4.222	15.508	-	0.141	19.871	19.382	0.489
D	6.526	68.030	4.143	-3.669	75.030	58.670	16.359
GR	-	190.190	-	0.885	191.075	249.225	-58.150
F	17.378	199.553	3.185	11.564	231.680	151.267	80.413
IRL	2.435	86.902	1.792	0.392	91.521	105.913	-14.392
I	13.616	519.219	4.600	56.543	593.978	655.551	-61.574
L	0.627	1.024	-	0.008	1.659	1.594	0.065
NL	0.627	18.141	-	-0.980	17.790	12.941	4.847
UK	9.648	348.194	15.079	14.767	387.688	361.492	26.196
CE	65.828	1,463.000	29.043	79.831	1,637.702	1,618.722	18.979

(1) Includes 33.972 Mio ECU transferred from the non-quota section.
(2) of which 2,063 Mio ECU for studies pursuant to Article 12 of the Fund Regulation.
(3) at the rates obtaining in the month of commitment.

BUDGET AND FINANCIAL OPERATIONS AFFECTING AVAILABILITIES UNDER THE BUDGET

Quota Section

139. Operations for the adjustment, release and transfer of appropriations carried out during the year in connection with the financial settlement of ERDF grants affected the amount of total appropriations for commitment available to the quota section in 1981. The definitive amount available came to 1,615.167 Mio ECU, whereas the allocation adopted by the budgetary authority was 1,463.0 Mio ECU. The details of the operations causing this difference are given below.
140. The analysis of grants from the quota section of the Fund given in Chapter III shows that in 1981, taking into account that Greece, Ireland and Italy exceeded their respective quotas, 1,596.188 Mio ECU in commitment appropriations were used, leaving an unused balance of 18.979 Mio ECU outstanding from the 1,615.167 Mio ECU commitment appropriations for the year. In fact the appropriations available exceeded by 152.157 Mio ECU the 1981 budget allocation of 1,463.0 Mio ECU. This increase is partly explained by the carryover of 31.855 Mio ECU from the 1980 financial year and by the transfer, towards the end of 1981, of 33.972 Mio ECU unused from

the quota-free section. In addition, adjustments for exchange rate fluctuations and the release of committed appropriations during the year affected the amount of available commitment appropriations.

Adjustments for exchange rate fluctuations, which are inherent in the European Monetary System, while having different effects from one Member State to another, together produced an increase in available appropriations of 60.856 Mio ECU.

141. Pursuant to Article 9(6) of the Fund Regulation, committed appropriations are released when information from Member States to the Commission, particularly in their payment claims or findings from on-the-spot checks show that a project has not been carried out or has been so implemented that it merits only part of the grant from the Fund. These operations in 1981 produced an increase in available commitment appropriations of some 25.483 Mio ECU: the part of the assistance thus recovered becomes available for granting as aid to other investments located in one of the eligible regions of the same Member State.

142. It should be noted that hitherto the policy followed on recovery of appropriations has not been one of automatic release; such recovery has taken place only on the basis of information supplied by Member States on presentation of their payment claims or of information requested from Member States following on-the-spot inspections. It is not excluded that lengthening delays in implementing investment projects, which in current economic circumstances are nevertheless not surprising, may prompt the Commission to change its tactics and, still acting under Article 9(6) of the Fund Regulation, to proceed automatically to release appropriations applied to projects which have taken much longer to implement than was originally estimated.

Table 10 shows how adjustments for exchange rate fluctuations and the release of committed appropriations in 1981 affected the shares of the Member States.

143. The balances available shown in the last column of Table 10 will go to increase or reduce the respective shares of Member States for the 1982 financial year.

It should be stressed that the outstanding balance of 18.979 Mio ECU, which in fact is the total outstanding balance on all operations since the inception of the Fund, is very small when compared with the sum of commitments made from 1975 to 1981, which amounts to over 5,240 Mio ECU.

Table 11
Balances carried over since 1975

	Commitment appropriations	Carry-overs	Commitments	Balance apps. (4)
Year	Mio U.A.	Mio U.A.	Mio U.A.	Mio U.A.
1975	300.00	-	292.86	7.14
1976	500.00	7.14	494.67	12.47
1977	500.00	12.47	501.78	
Year	Mio ECU	Mio ECU	Mio ECU	Mio ECU
1977	-	-	-	15.03(3)
1978	581.00	15.03	552.55(1)	43.48
1979	900.00	43.48	940.26(1)	3.22
1980	1,151.75(2) (a)	3.22	1,123.11(1)	31.86
1981	1,496.97(2) (b)	31.86	1,509.85(1)	18.98

(1) Includes appropriations released and exchange rate adjustments.
(2) (a) Includes 45 Mio ECU from the non-quota section.
(b) Includes 33.972 Mio ECU from the non-quota section.
(3) Conversion of 10.69 Mio ECU at January rate 1978.
(4) Commitment appropriations carried over.

However, the situations for the Member States taken individually vary widely. Some Member States, notably Belgium, France, Germany, the Netherlands and the United Kingdom, were unable to use their entire shares of the appropriations available; the Commission, in the interests of sound financial management, used the budget appropriations not taken up by these Member States to grant assistance from the ERDF to Greece, Ireland and Italy in excess of their 1981 share, to be set against their share for 1982.

Table 11 shows the balances outstanding every year since the creation of the Fund.

144. The Fund allocation in payment appropriations for 1981 was fixed initially by the budgetary authority at 599.2 Mio ECU, to which were added 200 Mio ECU under the supplementary and amending budget No 2 of the European Communities for the financial year 1981. Together with the 4.720 Mio ECU carried forward from 1980 to 1981, this increased the total payment appropriations initially available for 1981 to 803.920 Mio ECU. At the end of 1981, an unused balance of 3.342 Mio ECU from the quota-free section was transferred to the quota section pursuant to Article 2(3) of the ERDF Regulation.

Quota-free section

145. Following approval of the first six special programmes implementing the specific measures described in Chapter III, the first annual allocation of Fund assistance to these programmes was charged to the

budget in 1981 pursuant to Article 5(5) of the Regulations for quota-free measures.

146. Out of the total forward allocation, fixed by the Council on 7 October 1980 at 220 Mio ECU, the first six programmes will require, over their five-year span, assistance from the Fund of 166.0 Mio ECU; in 1981, an amount of 40.588 Mio ECU was charged to the budget. Of this amount 24.278 Mio ECU were charged against the appropriations of the quota-free section available in 1980 and carried forward to 1981, namely 58.250 Mio ECU leaving an unused balance of 33.972 Mio ECU. The remainder, 16.310 Mio ECU was charged against the appropriations available in 1981, leaving a balance of 60.689 Mio ECU to be carried forward to the 1982 financial year and therefore to be added to the resources available for specific Community measures in 1982.

Pursuant to Article 2(3)(b) of the Fund Regulation, the balance of 33.972 Mio ECU outstanding at the end of the 1981 financial year - deriving from appropriations entered in the 1980 budget already carried forward to the 1981 financial year - was transferred at the end of 1981 to the quota section and has since been used for grants under that section^(*).

SETTLEMENT OF COMMITMENTS (PAYMENTS)

Quota section

147. In 1981, for the second year running, payment appropriations initially available for the quota section in the 1981 financial year, totalling 803.920 Mio ECU, were almost entirely exhausted. Payments made and charged against the budget appropriations for the year totalled 791.409 Mio ECU, representing 98.44% of the appropriations initially available; the outstanding balance was 12.511 Mio ECU to which was added the sum of 3.342 Mio ECU, representing the balance of the 1980 payment appropriations for the quota-free section remaining unused at the end of 1981 and therefore transferred to the quota section pursuant to Article 2(3)(b) of the Fund Regulation.

It should be noted that in fact payment claims by Member States during the 1981 financial year totalled 809.120 Mio ECU, exceeding the appropriations finally available, namely 807.262 Mio ECU. The difference between these two amounts resulted from various movements following adjustments for exchange rate fluctuations and from changes made to payment claims during investigation.

^{*} Point 138 of this Chapter.

Table 12
Payments made in 1981
(quota section)

Member State	Commit. 1975/80 not paid end 1980 (1)	Commit. 1981 (2) (3)	Pay-ments 1981	Commit. not paid end 1981	Pay-ments as % commit. 1975/81
B	23.240	2.676	9.170	16.746	68.0
DK	13.531	19.383	10.685	22.229	65.2
D	78.802	57.557	36.189	100.170	64.0
GR	-	248.340	122.001	126.339	49.1
F	272.166	151.267	62.159	361.275	52.4
Irl	68.336	105.208	79.322	94.222	69.7
I	631.027	649.358	210.164	1,070.221	42.7
L	0.940	1.594	0.962	1.572	67.6
Nl	33.888	12.941	5.662	41.168	51.5
U.K.	321.013	347.864	255.096	413.781	67.7
Total	1,442.943	1,596.188	791.409	2,247.723	54.3

(1) At the end of the 1980 financial year, the 1975/80 commitments not paid amounted to 1,529.283 Mio ECU (table 9 of the annual report). This amount had to be adjusted to take account of appropriations released (-25.484 Mio ECU) and adjustments for exchange rate fluctuations (-60.856 Mio ECU) affecting the 1975-1980 commitments (see table 14).

(2) Includes appropriations released (-3.559 Mio ECU) and adjustments for exchange rate fluctuations (-18.975 Mio ECU) affecting commitments for the current financial year.

(3) Of which 2.063 Mio ECU for studies under Article 12 of the Fund Regulation: 1.905 Mio ECU for Denmark, 0.113 Mio ECU for Greece and 0.044 Mio ECU for the United Kingdom.

148. Table 12 gives the situation for each Member State at the end of the 1981 financial year for the settlement of commitments under the quota-free section. The table at Annex 9 adds, for each Member State, details of payments made in 1981 showing the financial year in which the corresponding commitments were made.

149. Table 12 and the table at Annex 9 show that, at 31 December 1981, 54.3% of total commitments made since the inception of the Fund had been settled. The Commission wishes to stress that, while this relationship between payments and commitments certainly reflects the time-lag between the flow of commitments and the flow of payments, it must be remembered that this time-lag is inherent in a situation where ERDF grant decisions by the Commission mean that total assistance granted is immediately charged against the available commitment appropriations, whereas the settlement of commitments, i.e. the actual payment of the assistance granted, is spread,

pursuant to the Financial Regulation, over several years in line with the progress of the investment projects financed and is therefore dependent on the pace of public expenditure by Member States.

150. This figure of 54.3% should be compared with those at the end of 1980, 56.4%; at the end of 1979, 53.2%; and at the end of 1978, 53.3%. The rate of payments has improved for Belgium, Ireland and the United Kingdom. Four Member States, Greece with 49.1%, France with 52.4%, Italy with 42.7% and the Netherlands with 51.5%, shared rates below the Community average. Of the four, France and especially Italy failed to maintain the rates achieved in 1980. Italy, whose situation improved relatively in 1981, recorded the lowest rate in the Community with 42.7%, after 47.5% at the end of 1980, a result lower than that for 1979 (44.4%). Greece, it should be noted, during its first year of membership, obtained payment of 49.1% of its commitments. The scale of this result can be seen from the fact that on average, as experience shows, new commitments occasion, during the year in which they are made, payment of only some 25% of amounts committed.

151. Table 12 also gives the situation by Member State of commitments not settled at the end of 1981. From 1,529.283 Mio ECU at the end of 1980, commitments not settled rose to 2,247.723 Mio ECU. This increase is primarily due to the increase in commitments in 1981, which came to 1,591.188 Mio ECU, and by the time-lag already mentioned, stemming unavoidably from the rules in force, between the flow of commitments and that of payments. The share of Italy in total outstanding commitments, which is already usually the highest, increased relatively even further following the slowdown in the rate of payments to this Member State. Its share, at 1,070.221 Mio ECU, accounts for some 47.6% of the total compared with 44.9% in 1980.

Table 13
Breakdown of annual payments by Member State

Member State	% of payments made						
	1975	1976	1977	1978	1979	1980	1981
B	0.0	1.7	0.8	2.3	0.6	0.9	1.2
DK	1.7	1.5	1.6	0.5	1.8	1.3	1.3
D	0.0	3.6	6.7	16.6	9.0	6.9	4.6
GR	-	-	-	-	-	-	15.4
F	17.8	12.2	12.3	16.0	20.2	13.7	7.9
Irl	7.7	6.8	5.9	8.0	6.4	9.6	10.0
I	48.9	42.7	40.1	30.8	28.0	34.3	26.6
L	0.2	0.2	0.1	0.1	0.1	0.1	0.1
Nl	3.1	2.3	0.8	2.5	1.7	1.1	0.7
U.K.	20.1	29.1	31.8	23.2	32.3	32.1	32.2
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Table 14
Pattern of payment appropriations since 1975

Year	Budget appropriations		Payments made		Payment approp. carried over	
	Mio U.A	Mio ECU	Mio U.A	Mio ECU	Mio U.A	Mio ECU
1975	150.00		90.67	74.058	59.33	
1976	300.00		277.33	213.052	82.00	
1977	400.00		372.51	275.699	109.49	83.083(1)
1978		525.000		254.892		353.191
1979		483.000		513.148		323.043
1980		408.375(2) (a)		726.698		4.720(2) (a)
1981		799.200		791.409		12.511
		+3.342(2) (b)				+3.342(2) (b)

(1) Conversion of Mio U.A into Mio ECU.
(2) (a) Includes 16 Mio ECU from the non-quota section.
(b) Amount transferred from the non-quota section.

152. Table 13 shows the breakdown among Member States of annual payments from the Fund since 1975.

153. Table 14 summarizes the use of payment appropriations since the creation of the Fund.

This table shows that for the second year running budget appropriations available for the quota section have been used up almost entirely.

Table 15
Payments made in 1981
(non-quota section)

(Mio ECU)

Special programmes	Commitments 1981 (1st. allocation)	Payments 1981	Commitments not paid end 1981
United Kingdom - border region	0.473	0.142	0.331
Ireland - border region	3.216	0.965	2.251
France - enlargement	15.563	4.669	10.894
Italy - energy	5.026	1.508	3.518
- enlargement	16.135	-	16.135
Belgium - Steel industry	0.175	-	0.175
Total	40.588	7.284	33.304

154. The impact of the accelerated payments procedure, introduced in 1979, on payments in 1981 was calculated, by the method already explained in previous annual reports of the Fund, at 230 Mio ECU compared with 240 Mio ECU in 1980. The volume of accelerated payments was 29% of payments made in the year, compared with 33% in 1980.

Quota-free section

155. In 1981, 30.625 Mio ECU were available for the settlement of commitments under the quota-free section, of which 10.625 Mio ECU were carried forward from the 1980 financial year. Against this amount were charged the first advance payments of 30% of the first annual allocations committed for special programmes: United Kingdom - border region; Ireland - border region; France - enlargement; Italy - energy. These involved payments of 7.28 Mio ECU.

156. Table 15 shows, by special programme, the situation at the end of the 1981 financial year with regard to the settlement of commitments made under the quota-free section.

The unused balance of 1980 appropriations carried forward to 1981, 3.342 Mio ECU, was transferred at the end of the 1981 financial year to the quota section, pursuant to Article 2(3)(b) of the ERDF Regulation.

CONTROLS

INSPECTIONS

157. Since the first advances of 30% of the initial allocations for four special five-year programmes under specific Community measures, totalling 7.3 Mio ECU, were not paid over until October and December 1981 at the request of the Member States concerned, no checks on the use of assistance paid out under the quota-free section could be organized in 1981.

The following description of on-the-spot inspections carried out by the Commission under Article 9 of the Fund Regulation therefore only concerns the quota section.

158. In the sixth annual report of the Fund⁹⁰, the Commission explained that, in view of the limited staff available to deal with the large number of projects assisted and as it was determined not to sacrifice the quality of inspections to obtain a purely quantitative result, the aim of on-the-spot checks would be to cover every year, through the projects inspected, at least the volume of assistance granted by the Fund in previous years, since the use to which that aid was put was the real object of the inspections.

159. In 1981, on-the-spot inspections were made on 223 projects, compared with 202 in 1980, bringing the number of projects inspected on-site since the Fund was established to 1,064.

Through the inspection of the projects, the use of Fund aid totalling some 355 Mio ECU⁹¹ was examined in 1981 alone compared with 140 Mio ECU in 1980. This figure should be compared with the volume of appropriations committed from 1975 to 1981 i.e. some 5,240 Mio ECU and the volume of payments made during the same period i.e. 2,850 Mio ECU.

The projects inspected in 1981 accounted for investments totalling some 5,045 Mio ECU compared with 1,400 Mio ECU in 1980.

In 1981, the Court of Auditors was associated with five inspection visits made by the Commission.

Table 16 shows the breakdown of inspections by Member State and by type of investment.

⁹⁰ Sixth Annual Report of the Fund, point 141.

⁹¹ This amount includes however four major investment projects each costing more than 100 Mio ECU, which were the subject of an overall examination.

Table 16
Number of investment projects inspected
since the inception of the Fund

Member State	Industry			Infrastructure			Total
	75/80	1981	Total	75/80	1981	Total	
B	3	-	3	12	7	19	22
DK	8	-	8	19	15	34	42
D	63	9	72	44	3	47	119
GR	-	-	-	-	9	9	9
F	103	20	123	36	21	57	180
Irl	20	3	23	31	7	38	61
I	91	19	110	134	54	188	298
L	-	-	-	2	-	2	2
Nl	-	1	1	4	1	5	6
U.K.	77	14	91	194	40	234	325
Total	365	66	431	476	157	633	1,064

In 1981, of the 66 industrial projects inspected, 11 were investments of more than 10 Mio ECU, and 15 of the infrastructure investment projects cost more than 10 Mio ECU.

The Annex Table 8 gives the breakdown of inspections carried out in 1981 and over the period 1975-81 in the regions of the Community.

160. In the sixth annual report of the Fund⁽⁹²⁾, the Commission stated that in 1981 it had introduced systematic action on a regional basis to deal with "dormant" projects. When on-the-spot inspections are made, and in addition to them, projects located in the region visited for which payments have fallen behind schedule, are examined with the project managers. The purpose is to discover the causes of the delays and to speed up the processing or closure of the files either by final payment if the projects have been completed or by releasing the appropriations allocated to them if they have not been carried out. This systematic, region-based action is pursued alongside the general examination of dormant projects which the Commission periodically carries out in conjunction with Member States. This action was continued in 1981. As a result, when on-the-spot checks were carried out in 1981, 236 "dormant" projects, compared with 209 in 1980, were inspected separately; of that number 22 have lost or will lose their grants and 62 have since been the subject of new payment claims. The claims for 59 of these projects were the final ones.

⁹² Sixth annual report of the Fund, point 144.

ASSESSMENTS

161. On-the-spot checks in 1981 revealed no operation of a fraudulent character i.e. no case of obtaining undue financial benefit from the ERDF by way of illegal procedure. However, one comment must be made with regard to France, and a few general comments applying variously to several Member States.
162. During 1981, France continued its refusal to allow Commission representatives, authorized to undertake on-the-spot checks, to take partake effectively in visits to industrial concerns. Checks on French industrial projects in receipt of Fund contributions were therefore confined to relevant documentation available with the the responsible French administrative departments. The Commission for its part continued to withhold outstanding Fund payments for the projects in question⁽⁹³⁾ while awaiting French withdrawal of the objection. (N.B. The objection has since been withdrawn and for the year of 1982 checks on industrial projects in France have taken place with the provisions of Article 9 of the ERDF Regulation).
163. Generally speaking, on-the-spot inspections carried out in 1981 revealed occasional flaws in the information supplied in grant applications or in project completion reports and certain difficulties due to inadequate briefing of national managers; more important, they brought to light a tardiness in informing the Commission of the state of progress or even the completion of investment projects which had received Fund assistance. Such delay was most obvious when apparently "dormant" projects⁽⁹⁴⁾ were looked into: some were found to have been completed without the Commission being informed. In response to this situation, and even though the steps taken on "dormant" projects are beginning to achieve results - albeit in varying degrees from one Member State to another - the Commission started preparing at the end of 1981, for the attention of the Member States most immediately concerned, a detailed analysis of protracted delays in taking up grants from the Fund. The idea is to concentrate in the first instance on 1975, 1976 and 1977 projects and speed up the processing or closure of the files on those projects. Ultimately, this action implies a change in current policy⁽⁹⁵⁾ in that the Commission, acting in accordance with Article 9(6) of the Fund Regulation and after sending the results of the analysis to Member States, will be able on its own initiative to release the appropriations committed for projects which have far overrun their original schedule.

⁹³ Sixth annual report of the Fund, point 147.

⁹⁴ Point 161 of this report.

⁹⁵ Point 139 of this report.

164. As regards the regional impact assessment of Fund assistance, the Commission has already had occasion to stress how complex it is to assess regional policy: as the experiences of Member States go to show, it is by no means a simple matter⁽⁹⁶⁾. So long as national regional policies themselves are not assessed systematically, periodically and on the basis of reliable statistics, any attempt to assess Community regional policy will remain without real foundation. The problem of evaluating regional policies, both national and Community, is the subject of a study in which various approaches to the question, both macroeconomic and microeconomic, are considered⁽⁹⁷⁾.

It must be stressed here that, according to the conclusions of this study, before one of the approaches considered can be used to evaluate the effects of the Fund, it is necessary to show that its impact is additional rather than substitutive. And even if the impact is assumed to be entirely additional, i.e. if it is assumed that all Fund assistance is added on top of that of Member States' and therefore makes for results which would not be possible without it, it cannot be taken for granted that the impact which the Fund may have is statistically identifiable.

⁹⁶ Sixth annual report of the Fund, point 145.

⁹⁷ Assessment of studies evaluating regional policy. Internal documentation on Community regional policy No 11 - September 1981.

CHAPTER VI: PUBLICITY FOR FUND ACTIVITY

PRESS INFORMATION BY THE COMMISSION

165. After each of the four series of grant allocations under the ERDF quota section, the Commission informed the press by distributing press releases, tables and lists of projects assisted in each Member State and in each region. The six special programmes adopted in 1981 for assistance under the quota-free section were also the subject of press releases, together with a summary of the programmes. This material was aimed at the accredited international press in Brussels and to the regional and local press in Member States. The latter show the greater interest in ERDF assistance. Unfortunately the Commission has little feedback on the prominence given to its activities in the regional and local press, but it seems that most space is given in countries receiving the highest per capita assistance and where - for the Fund's quota section - the lists allow assisted projects to be identified: Ireland, Greece, Italy and the United Kingdom.
166. Wide publicity was also given to the Commission's proposal for the revision of the Fund Regulation. On 21 October 1981, a press release was issued and the Commission Member responsible for regional policy held a press conference, which was widely reported by the accredited international press in Brussels. In addition, the monthly reviews of Commission information offices in the Member States publicized the Commission's proposal.

SIGNBOARDS

167. The erection of signboards at the sites of major infrastructure projects falls within Article 10 of the Fund Regulation. The Commission attaches very great importance to this means of informing the general public of ERDF activities. It regrets that there are still no common criteria for the selection of projects for which signs are to be erected. At present, Member States put their own interpretations on what constitutes a project large enough to merit a signboard.

Table 17
On-site signboards

Member State	No projects with signs	Situation at end:
B	38	1981
DK	6	1981
D	50	1981
GR	-	1981
F	40	1981
Irl	71	1981
I	735	1981
L	4	1981
Nl	12	1981
U.K.	487	1981
Total	1,443	

The Commission also regrets that it does not receive enough detailed information on the number of signboards erected, even though it has been agreed that national authorities should report thereon annually.

According to the incomplete information currently available to the Commission, signboards have been erected for some 1,450 projects since the creation of the Regional Fund, including about 321 in 1981. Table 17 shows the distribution of signboards by country.

QUOTA-FREE MEASURES: PUBLICITY BY NATIONAL AUTHORITIES

168. Under the annexes to the five Regulations adopted in 1980 for the quota-free measures, the national governments must describe, in the special programmes they send to the Commission, their information measures for bringing to the notice of potential recipients and business circles the possibilities offered by the programmes and the role played by the Community.

Five of the six special programmes approved by the Commission in 1981 contain this information, namely:

- France; enlargement programme: information for grant recipients and trade and business organizations by the French authorities; information for a wider public through the information bulletin of the "Mission Grand Sud-Ouest"; this newsletter is widely distributed, in particular among economic and social interest groups in the South West region;

- Italy; enlargement programme: information meetings for interested operators, the regions and regional bodies; information for a wider audience of potentially interest persons through regional bodies e.g. IASM, FORMEZ, by their own methods;
- Ireland; border programme: information of the public through the paper published by the Irish parliament after approval of the special fund to finance the programme and through the half-yearly report to parliament on the European Communities; potential recipients and trade and business organizations in particular are informed by references in regular publications, in the five-year tourism programme and in the annual report of the Irish Tourist Board as well as in speeches and press releases;
- Northern Ireland; border programme: references in ministerial speeches; references at public meetings of local tourist boards and other bodies; where applicable, publicity posters;
- Belgium; steel programme: reference in the periodical newsletter published under the special programme; briefings for firms receiving assistance under the programme; public meetings.

The energy programme for Italy makes no reference to publicity measures envisaged by the Italian authorities, but the Italian Government has confirmed to the Commission that the necessary measures required by the annex to the Regulation have been introduced.

The Commission has not yet received any of the reports on the implementation of these special programmes which the Member States are required to submit annually and which should show among other matters the publicity measures actually adopted.

PUBLICATION IN THE OFFICIAL JOURNAL

Quota section

169. Under Article 10 of the Fund Regulation, the Commission must publish every six months in the Official Journal the list of projects which have received grants from the Fund. Since 1978 it has not been possible to keep to this schedule. Lists are published only once a year and with considerable delays. The list of projects decided upon in 1979 was published in December 1980⁹⁸, and the 1980 list has not been published. It is true that this list involves additional difficulty because it must be translated into a seventh language, Greek, before appearing in the Official Journal, and that the Commission has not given immediate priority to the translation of the list in view of the heavy workload imposed on Greek translators in 1981 and also because in any event these lists, as they appear in the Official Journal, are of little interest to the public so long as they do not allow projects to be identified. It should be remembered that some Member States do not allow identification of projects and that lists published in the Official Journal are harmonized at the level of the lowest common denominator. However, it is probable that the publication of the 1981 list will not take as long.

Quota-free section

170. Under Article 13(4) of the Fund Regulation, special programmes must be published in the Official Journal. This obligation is also spelt out in each of the five Regulations adopted in 1980 for the first five measures under the quota-free section. So far, none of the six special programmes approved in 1981 has been published in the Official Journal, largely because of the great volume of translation and typing, involving several hundred pages.

INFORMING INVESTORS

171. After each series of grant decisions, the Commission has written to each investor concerned to inform him of Community support for his project. However, French investors receive no letters directly from the Commission but only through the intermediary of the responsible national authorities.

⁹⁸ O.J. C 354 of 31.12.1980.

172. A feature of 1981 was the important series of proposals made by the Commission to the Council, on the general aims of Community regional policy with the memorandum on policy guidelines and priorities, and on the rules governing Regional Fund aid with the proposals for the revision of the Fund Regulation.

The first specific regional development measures adopted by the Council in 1980 were put in hand and the Commission adopted its first grant decisions relating thereto.

173. For the quota section, the Fund's allocation was substantially increased over 1980: total commitment appropriations amounted to 1,615 Mio ECU, of which 1,463 Mio ECU were entered in the budget and 152 Mio ECU were derived from the release of appropriations or carried forward from the previous financial year. Almost the entire amount of available appropriations was committed (1,596 Mio ECU).

This aggregate result, however, conceals fairly marked differences between Member States with regard to the level of use of the resources allocated to them in 1981. Three Member States (Greece, Ireland and Italy) received more than their 1981 quota, and the excess will be deducted from their 1982 quota; conversely, while Denmark and Luxembourg used their full quota, the Netherlands, Germany, the United Kingdom, France and Belgium used much less than their budgetary entitlement.

174. Payment appropriations totalled 804 Mio ECU and were almost entirely used up: payments amounted to 792 Mio ECU, that is 98.4% of the appropriations available. This satisfactory result was due to the system of accelerated payments. Among its proposals for revising the Fund Regulation, the Commission has included a system of advance payments and hopes thereby to improve the flow of payments still further.

175. As in 1980, it has been extremely difficult for the Commission to establish whether ERDF resources have been applied over and above those granted by Member States. In particular, it is still hard to judge whether the resources allocated by Member States to regional development would have been less if there had been no Regional Fund.

The Commission considers that its proposal, as part of the revision of the Fund Regulation, to introduce a system of programme financing should considerably improve the situation. It should be possible in future to define clearly the origin of the resources raised to finance a programme whether they are of regional, national or Community origin. A clearly coordinated breakdown of the various sources of financing should permit accurate measurement, over several years, of the level of financial commitment of the different public authorities contributing to the programmes.

176. In 1981 the Member States again acted under Article 12 of the Fund Regulation, whereby the Fund may contribute to the financing of studies which are closely related to Fund operations. The Commission hopes that Member States will make full use of this possibility.
177. As regards integrated operations, the Commission continued its activities to ensure satisfactory progress in the operations begun in Naples and Belfast. In Naples, the Fund contributed LIT 195,000 Mio to a series of investment projects, of which the main ones were the Bay of Naples clean-up project, water supply works and rail links. The Social Fund and the EIB also contributed. For Belfast, the United Kingdom authorities have officially handed the basic operational file to the Commission.
178. Under the quota-free section, commitments in 1981 amounted to 40.6 Mio ECU and payments 7.3 Mio ECU, for the following measures: cross-border measures in Ireland and the United Kingdom, the enlargement measure in France and the energy measure in Italy.

The Commission, while it is aware that the programme will necessarily take some time to get into full swing, asks Member States to ensure that measures planned are carried out at a regular rate of progress.

APPENDIX A. STATISTICAL ANNEX OF FUND ACTIVITY

Annex Table 1
Summary of ERDF grant decisions in 1981
Breakdown by Member State and by category of grant.
A. Number of decisions. In brackets : number of projects awarded grants(1)

Member State	Quota section						Studies	Total	Non-quota section	Total Fund
	Investment projects									
	01	02	03	04	06	Total				
Belgium	-	3(4)	-	1(14)	2(17)	6(35)	-	6(35)	1	7
Denmark	-	-	2(2)	6(62)	-	8(64)	1(1)	9(65)	-	9
Germany	9(9)	41(176)	1(1)	25(61)	-	76(247)	-	76(247)	-	76
Greece	-	6(24)	14(14)	46(235)	-	66(273)	2(2)	68(275)	-	68
France	17(17)	91(262)	13(13)	16(327)	-	137(619)	-	137(619)	1	138
Ireland	4(4)	2(22)	17(17)	2(23)	1(2)	26(68)	-	26(68)	1	27
Italy	1(1)	10(139)	25(25)	55(697)	-	91(862)	-	91(862)	2	93
Luxembourg	-	-	-	1(2)	-	1(2)	-	1(2)	-	1
Netherlands	-	-	1(1)	2(5)	-	3(6)	-	3(6)	-	3
United Kingdom	12(12)	9(30)	34(34)	74(482)	4(25)	133(583)	1(1)	134(584)	1	135
Community	43(43)	162(657)	107(107)	228(1.908)	7(44)	547(2.759)	4(4)	551(2.763)	6	557

(1) For projects of 10 Mio ECU or more (column 01 and 03), each decision concerns only one investment project. Likewise, for studies, the number of decisions corresponds to the number of studies in receipt of a grant. The project concept does not apply to the non-quota section where the Fund participates in financing programmes.

(2) 01 = Investments in industry, craft industry or services of 10 Mio ECU or more.
02 = Investments in industry, craft industry or services of less than 10 Mio ECU.
03 = Investments in infrastructure of 10 Mio ECU or more
04 = Investments in infrastructure of less than 10 Mio ECU
06 = Investments in infrastructure in hill or mountain areas pursuant to Directive 75/268/EEC

Annex Table 1
Summary of ERDF grant decisions in 1981
Breakdown by Member State and by category of grant
A. Number of decisions.

Annex Table 1
Summary of ERDF grant decisions in 1981
Breakdown by Member State and by category of grant
B. Investments concerned
Quota section - investment projects(2) (3)
(continued)

(Mio ECU)(1)

Member State	Investments					
	01	02	03	04	06	Total
B	-	13.93	-	3.67	2.94	20.54
DK	-	-	26.81	19.95	-	46.76
D	257.16	502.36	28.36	71.65	-	859.53
GR	-	57.93	419.97	649.67	-	1,127.57
F	545.94	363.74	292.10	99.00	-	1,300.78
Irl	91.71	62.23	1,912.81	12.08	0.41	2,079.24
I	13.57	132.12	3,418.25	554.88	-	4,118.82
L	-	-	-	5.80	-	5.80
Nl	-	-	34.87	6.58	-	41.45
U.K.	471.41	109.50	1,614.16	679.77	25.20	2,900.04
EC	1,379.79	1,241.81	7,747.33	2,103.05	28.55	12,500.53

(1) Rate of exchange used: January 1981
(2) The investment concept does not apply to studies - the Fund shares in financing their cost - nor to programmes of the non-quota section - the Fund shares in financing a great variety of measures.
(3) 01 = Investments in industry, craft industry or services of 10 Mio ECU or more.
02 = Investments in industry, craft industry or services of less than 10 Mio ECU.
03 = Investments in infrastructure of 10 Mio ECU or more.
04 = Investments in infrastructure of less than 10 Mio ECU.
06 = Investments in infrastructure in hill or mountain areas pursuant to Directive 75/268/EEC.

Annex Table 1
Summary of ERDF grant decisions in 1981
Breakdown by Member State and by category of grant
C. Grants awarded(1)
(continued)

(Mio ECU) (1)

Member State	Quota section							Non-quota section	Total Fund	
	Investment projects						Studies			Total
	01	02	03	04	06	Total				
Belgium	-	0.93	-	0.91	0.83	2.67	-	2.67	0.18	2.85
Denmark	-	-	10.45	7.00	-	17.45	1.90	19.35	-	19.35
Germany	11.31	22.37	2.72	20.14	-	56.54	-	56.54	-	56.54
Greece	-	8.20	95.76	146.15	-	250.11	0.11	250.23	-	250.23
France	23.19	24.26	79.56	30.17	-	157.18	-	157.18	15.56	172.74
Ireland	6.88	11.09	84.76	2.87	0.12	105.72	-	105.72	3.22	108.94
Italy	2.13	24.59	498.29	175.80	-	700.81	-	700.81	21.16	721.97
Luxembourg	-	-	-	1.59	-	1.59	-	1.59	-	1.59
Netherlands	-	-	10.46	1.97	-	12.43	-	12.43	-	12.43
United Kingdom	47.14	16.09	98.31	192.20	8.09	361.83	0.05	361.87	0.47	362.34
Community	90.65	107.53	880.31	578.80	9.04	1,666.33	2.06	1,668.39	40.59	1,708.98

(1) Rate of exchange used : January 1981.
Grant decisions for the quota section are shown in ECU and not in national currency.
(2) 01 = Investments in industry, craft industry or services of 10 Mio ECU or more.
02 = Investments in industry, craft industry or services of less than 10 Mio ECU.
03 = Investments in infrastructure of 10 Mio ECU or more.
04 = Investments in infrastructure of less than 10 Mio ECU.
06 = Investments in infrastructure in hill or mountain areas pursuant to Directive 75/268/EEC.

Annex Table 1
Summary of ERDF grant decisions in 1981
Breakdown by Member State and by category of grant
C. Grants awarded
(continued)

Annex Table 1
Summary of ERDF grant decisions in 1981
Breakdown by Member State and by category of grant
D. Impact on employment
Quota section. Investment projects in industry, craft industry and services(1)
(continued)

Member State	01			02			Total jobs created or maintained
	Created	Maintained	Total	Created	Maintained	Total	
Belgium	-	-	-	170	-	170	170
Denmark	-	-	-	-	-	-	-
Germany	1,126	-	1,126	8,108	1,259	9,367	10,493
Greece	-	-	-	1,958	-	1,958	1,958
France	5,413	-	5,413	14,344	1,429	15,773	21,186
Ireland	4,352	-	4,352	3,365	-	3,365	7,717
Italy	108	-	108	3,816	277	4,093	4,201
Luxembourg	-	-	-	-	-	-	-
Netherlands	-	-	-	-	-	-	-
United Kingdom	5,031	1,217	6,248	5,453	1,926	7,379	13,627
Community	16,030	1,217	17,247	37,214	4,891	42,105	59,352

(1) 01 = Investments in industry, craft industry or services of 10 Mio ECU or more.
02 = Investments in industry, craft industry or services of less than 10 Mio ECU.

Annex Table 1
Summary of ERDF grant decisions in 1981
Breakdown by Member State and by category of grant
D. Impact on employment
Quota section. Investment projects in industry, craft industry and services
(continued)

Annex Table 2
Summary of ERDF grant decisions from 1975 to 1981
Breakdown by Member State and by category of grant
Quota section

Member State	Investment projects									
	Industry				Infrastructure			Total		
	Decisions (projects)	Investment concerned (1)	Grants (1)	Jobs	Decisions (projects)	Investment concerned (1)	Grants (1)	Decisions (projects)	Investment concerned (1)	Grants (1)
Belgium	23(50)	300.83	19.38	5,376	21(217)	131.19	34.38	44(267)	432.02	53.76
Denmark	23(89)	91.54	6.28	3,302	49(317)	246.54	57.90	72(406)	338.08	64.18
Germany	301(1,079)	4,677.40	183.75	64,748	210(486)	738.30	152.99	511(1,565)	5,415.70	336.74
Greece	6(24)	57.93	8.20	1,958	60(249)	1,069.64	241.92	66(273)	1,127.57	250.12
France	355(1,164)	4,591.10	256.48	149,224	208(1,211)	2,180.62	527.63	563(2,375)	6,771.72	784.11
Ireland	37(185)	1,784.73	97.77	42,800	70(441)	3,298.01	237.96	107(626)	5,082.74	335.73
Italy	87(965)	1,779.06	280.86	62,340	367(4,403)	13,562.33	1,832.56	454(5,368)	15,341.39	2,113.42
Luxembourg	-	-	-	-	6(8)	29.83	5.00	6(8)	29.83	5.00
Netherlands	3(3)	133.45	12.51	1,155	21(37)	387.44	70.42	24(40)	520.89	82.93
United Kingdom	172(543)	4,352.42	416.22	125,995	522(3,033)	6,995.95	841.72	694(3,576)	11,348.37	1,257.94
Community	1,007(4,102)	17,768.46	1,281.45	456,898	1,534(10,402)	28,639.85	4,002.48	2,541(14,504)	46,408.31	5,283.93

(1) Mio ECU

Annex Table 2
 Summary of ERDF grant decisions from 1975 to 1981
 Breakdown by Member State and by category of grant
 Quota section

Annex Table 2
Summary of ERDF grant decisions from 1975 to 1981
Breakdown by Member State and by category of grant
Quota section
(continued)

Member State	Studies		Total	
	Decisions	Grants (1)	Decisions (projects)	Grants (1)
B	-	-	44(267)	53.76
DK	2(2)	2.48	74(408)	66.66
D	-	-	511(1,565)	336.74
GR	2(2)	0.11	68(275)	250.23
F	-	-	563(2,375)	784.11
Irl	1(1)	0.74	108(627)	336.46
I	13(13)	6.15	467(5,381)	2,119.57
L	-	-	6(8)	5.00
Nl	-	-	24(40)	82.93
U.K.	2(2)	0.18	696(3,578)	1,258.12
EC	20(20)	9.66	2,561(14,524)	5,293.58
(1) Mio ECU				

Annex Table 3
Investment projects financed from the Fund in 1981
Breakdown by investment category
A. Industry, craft industry and services

Investment category	Total investments Mio ECU	Amount of national aids taken into consideration Mio ECU	Number of projects and main sectors of activity concerned
Investments of 10 Mio ECU or more (01)	1,379.79	188.20	<p align="center">NACE</p> (1 15 Nuclear fuel (1 23 Extraction of minerals other than metal. & energy prod (1 24 Non metallic mineral products (3 25 Chemicals (1 31 Metal products (6 32 Mechanical engineering (2 33 Office and 43 (data processing machines of (5 34 Electrical and electronic engineering which (7 35 Motor vehicles and accessories (2 36 Other transport equipment (6 41/42 Food, drink and tobacco (1 43 Textiles (2 47 Paper, printing and publishing (4 48 Processing of rubber and plastics (1 83 Activities auxiliary to banking and insurance; services supplied to enterprises (7 22 Preliminary processing of metals (9 23 Extraction of minerals other than metal. & energy prod (48 24 Non metallic mineral products (23 25 Chemicals (118 31 Metal products (65 32 Mechanical engineering (6 33 Office and (data processing machines (54 34 Electrical and electronic engineering (22 35 Motor vehicles and accessories of (9 36 Other transport equipment which (12 37 Precision & optical instruments (47 41/42 Food, drink and tobacco (10 43 Textiles (6 44 Leather (33 45 Footwear and clothing (52 46 Timber and wooden furniture (22 47 Paper, printing and publishing (61 48 Rubber and plastics (33 66 Hotels & catering (6 97 Recreational services & other cultural services
Investments of less than 10 Mio ECU (02)	1,241.81	234.06	
Total	2,621.60	422.26	700

Annex Table 3
 Investment projects financed from the Fund in 1981
 Breakdown by investment category
 A. Industry, craft industry and services

Annex Table 3
Investment projects financed from the Fund in 1981
Breakdown by investment category
B. Infrastructure
(continued)

Investment category	Total investments Mio ECU	Amount of national aids taken into consideration Mio ECU	Number of projects and main sectors of activity concerned
Investments of 10 Mio ECU or more (03)	7,747.33	2,816.56	(7 Infrastructure linked to productive activity (64 Transport infrastructure 107 (8 Telecommunication infrastructure of (5 Energy supply infrastructure which(16 Water supply infrastructure (7 Infrastructure protecting the environment
Investments of less than 10 Mio ECU (04)	2,103.05	1,939.25	(226 Infrastructure linked to productive activity (782 Transport infrastructure (336 Telecommunications infrastructure 1,908 (127 Energy supply infrastructure of (351 Water supply infrastructure which(37 Infrastructure protecting the environment (49 Educational, social, sports, tourism infrastructure, etc.
Investments in hill or mountain farming areas (06)	28.55	28.21	(1 Infrastructure linked to productive activity 44 (16 Transport infrastructure of (8 Energy supply infrastructure which(19 Water supply infrastructure
Total	9,878.93	4,784.02	2,059

Annex Table 3
Investment projects financed from the Fund in 1981
Breakdown by investment category
B. Infrastructure

Annex Table 4
Investment projects financed from the Fund from 1975 to 1981
Breakdown by investment category
 A. Industry, craft industry and services

Investment category	Total investments Mio ECU	Amount of national aids taken into consideration Mio ECU	Number of projects and main sectors of activity concerned
Investments of 10 Mio ECU or more (01)	10,959.82	1,743.77	<p align="center">NACE</p> (3 15 Nuclear fuels (1 21 Extraction & preparation of metal ores (12 22 Production & preliminary processing of metals (1 23 Extraction of minerals other than metal. & energy prod (13 24 Non metallic mineral products (43 25 Chemicals (2 26 Man made fibres (8 31 Metal products (23 32 Mechanical engineering (2 33 Office and data processing machines 241 (22 34 Electrical & electronic engineering of (46 35 Motor vehicles & accessories which (6 36 Other transport equipment (2 37 Precision & optical instruments (23 41/42 Food, drink & tobacco (2 43 Textiles (2 45 Footwear & clothing (3 46 Timber & wooden furniture (9 47 Paper & paper products; printing, publishing (16 48 Rubber & plastics (1 81 Credit institutions (1 83 Activities auxiliary to banking & insurance ; services supplied to enterprises (86 22 Production & preliminary processing of metals (34 23 Extraction of minerals other than metal. & energy prod (306 24 Non metallic mineral products (180 25 Chemicals (572 31 Metal products (365 32 Mechanical engineering (19 33 Office and data processing machines (340 34 Electrical & electronic engineering (140 35 Motor vehicles & accessories 3,861 (66 36 Other transport equipment of (83 37 Precision & optical instruments which (298 41/42 Food, drink & tobacco (95 43 Textiles (24 44 Leather goods (140 45 Footwear & clothing (320 46 Timber & wooden furniture (191 47 Paper & paper products; printing, publishing (311 48 Rubber & plastics (55 49 Other manufacturing industries (13 61 Wholesale distribution & waste management (110 66 Hotels & catering
Investments of less than 10 Mio ECU (02)	6,808.64	1,308.37	
Total	17,768.46	3,052.14	4,102

Annex Table 4
Investment projects financed from the Fund from 1975 to 1981
Breakdown by investment category
 A. Industry, craft industry and services

Annex Table 4
Investment projects financed from the Fund from 1975 to 1981
Breakdown by investment category
B. Infrastructure
(continued)

Investment category	Total investments Mio ECU	Amount of national aids taken into consideration Mio ECU	Number of projects and main sectors of activity concerned
Investments of 10 Mio ECU or more (03)	21,723.24	8,564.22	(104 Infrastructure linked to productive activities (134 Transport infrastructure (21 Telecommunications infrastructure 359(16 Energy supply infrastructure of (74 Water supply infrastructure which(7 Infrastructure protecting the environment (3 Educational, social, sports, tourism infrastructure; etc.
Investments of less than 10 Mio ECU (04)	6,586.79	5,822.74	(2,783 Infrastructure linked to productive activities (2,464 Transport infrastructure (681 Telecommunications infrastructure (367 Energy supply infrastructure 8,641(1,835 Water supply infrastructure of (35 Infrastructure protecting the environment which(203 Educational, social, sports, tourism infrastructure; etc. (273 General services & miscellaneous
Investments in hill farming areas (06)	329.82	310.49	(10 Infrastructure linked to productive activities (196 Transport infrastructure 1,402(132 Telecommunications infrastructure of (258 Energy supply infrastructure which(83 Water supply infrastructure (923 General services & miscellaneous
Total	28,639.85	14,697.45	10,402

Annex Table 4
Investment projects financed from the Fund from 1975 to 1981
Breakdown by investment category
B. Infrastructure

Annex Table 5
Fund assistance 1975-1981 and main social and economic indicators

Member State	Assistance 1981 (Mio ECU)					Assistance 1975-1981 Mio ECU	Assistance per cap. '75-81' ECU	Population 1979		Un-empl. Index 1979	Index GDP/cap. 1978
	Industry & servic.	Infras-structure	Mountain infrast.	Studies	Total			'000	pop./km2		
BELGIUM											
Vlaanderen	0.93(4)	0.91(14)	-	-	1.84(18)	27.10(155)	5.78	4,686	410.0	145.30	124.6
Wallonie	-	-	0.83(17)	-	0.83(17)	26.66(112)	9.06	2,943	187.0	197.15	103.8
Total	0.93(4)	0.91(14)	0.83(17)	-	2.67(35)	53.76(267)					
DENMARK											
Groenland	-	12.38(63)	-	1.90(1)	14.28(64)	51.96(316)	1,039.00	50	0.1	200.0	60.0
Other regions	-	5.07(1)	-	-	5.07(1)	14.70(92)	10.68	1,376		142.0	140.6
Total	-	17.45(64)	-	1.90(1)	19.35(65)	66.66(408)					
GERMANY											
Schleswig-Holstein	3.56(23)	3.41(7)	-	-	6.97(30)	50.65(199)	21.71	2,333	155.0	63.14	119.9
Bremen	0.67(7)	-	-	-	0.67(7)	1.05(10)	1.51	696	1,722.0	65.82	181.4
Niedersachsen	4.76(48)	7.88(24)	-	-	12.64(72)	72.46(390)	14.30	5,066	147.0	62.32	123.3
Nordrhein Westfalen	2.92(14)	1.61(2)	-	-	4.53(16)	24.68(139)	7.20	3,428	296.0	64.15	139.9
Hessen	1.49(3)	-	-	-	1.49(3)	21.70(118)	14.46	1,501	133.0	46.44	148.5
Saarland	7.69(45)	0.27(1)	-	-	7.96(46)	43.14(184)	24.13	1,788	264.0	115.65	124.9
Bayern	8.60(29)	7.93(14)	-	-	16.53(43)	65.57(265)	11.59	5,659	114.0	56.76	134.3
Baden-Weurttemberg	1.83(13)	1.76(14)	-	-	3.59(27)	13.80(114)	10.42	1,324	110.0	37.89	149.2
Berlin	-	-	-	-	-	21.86(4)	11.48	1,905	3,969.0	79.66	163.9
Rheinland-Pfalz	2.15(3)	-	-	-	2.15(3)	21.83(142)	16.95	1,288	114.0	57.74	127.1
Total	33.67(185)	22.86(62)	-	-	56.53(247)	336.74(1565)					

Annex Table 5
Fund assistance 1975-1981 and main social and economic indicators
(continued)

Member State	Assistance 1981 (Mio ECU)					Assistance 1975-1981 Mio ECU	Assis- tance per cap. '75-81' ECU	Population 1979		Un- empl Index 1979	Index GDP/ cap. 1978
	Industry & servic.	Infras- tructure	Mountain infrast.	Studies	Total			'000	pop./ km2		
Greece											
East Greece	-	43.88(22)	-	0.05(1)	43.93(23)	43.93(23)	45.52	965	45	-	96.2
Central and West Maced.	-	42.44(27)	-	-	42.44(27)	42.44(27)	24.00	1,768	68	-	93.5
Peloponnese & West Gr.	0.06(1)	28.22(47)	-	-	28.28(48)	28.28(48)	21.97	1,287	46	-	77.8
Thessaly	-	24.32(31)	-	-	24.32(31)	24.32(31)	34.99	695	50	-	73.1
Eastern Macedoina	0.08(1)	11.09(10)	-	-	11.17(11)	11.17(11)	26.22	426	45	-	66.7
Crete	-	12.46(24)	-	-	12.46(24)	12.46(24)	28.45	438	53	-	72.5
Epirus	1.42(1)	19.21(32)	-	-	20.63(33)	20.63(33)	46.57	443	44	-	62.5
Thrace	5.02(15)	18.24(25)	-	-	23.26(40)	23.26(40)	67.23	346	40	-	52.5
Eastern Aegean Isl.	1.62(6)	26.62(27)	-	-	28.24(33)	28.24(33)	81.15	348	53	-	60.9
Multireg. projects	-	15.43(4)	-	0.07(1)	15.50(5)	15.50(5)					
Total	8.20(24)	241.91(249)	-	0.12(2)	250.23(275)	250.23(275)					

Annex Table 5
Fund assistance 1975-1981 and main social and economic indicators
 (continued)

Member State	Assistance 1981 (Mio ECU)					Assistance 1975-1981 Mio ECU	Assistance per cap. '75-81' ECU	Population 1979		Un- empl. Index 1979	Index GDP/ cap. 1978
	Industry & servic.	Infras- tructure	Mountain infrast.	Studies	Total			'000	pop./ km2		
FRANCE											
Alsace	0.44(6)	-	-	-	0.44(6)	5.15(47)	3.31	1,555	188	67.12	109.2
Aquitaine	1.93(16)	8.21(6)	-	-	10.14(22)	53.95(159)	20.96	2,574	62	145.24	96.7
Auvergne	1.05(14)	15.21(46)	-	-	16.26(60)	68.56(167)	51.94	1,320	51	132.78	86.9
Basse Normandie	0.26(2)	1.74(1)	-	-	2.00(3)	13.29(58)	10.14	1,311	75	127.44	94.6
Bourgogne	0.08(1)	-	-	-	0.08(1)	0.59(9)	0.37	1,587	50	105.84	100.6
Bretagne	2.29(27)	17.21(3)	-	-	19.50(30)	143.08(182)	54.09	2,645	98	103.71	80.9
Centre	0.11(2)	-	-	-	0.11(2)	1.30(11)	0.59	2,216	57	89.61	104.5
Champagne	0.39(6)	-	-	-	0.39(6)	6.05(22)	4.49	1,346	53	129.61	112.4
Corse	0.16(2)	2.33(2)	-	-	2.49(4)	14.93(54)	65.19	229	26	83.99	-
Franche-Comté	0.03(1)	-	-	-	0.03(1)	0.04(2)	0.04	1,083	67	115.14	112.3
Haute Normandie	-	-	-	-	-	0.27(2)	0.17	1,634	133	152.15	125.9
Languedoc-Roussillon	2.00(14)	11.21(67)	-	-	13.21(81)	45.90(206)	25.14	1,826	67	179.67	84.8
Limousin	0.33(5)	6.15(36)	-	-	6.48(41)	44.99(134)	61.29	734	43	68.81	82.4
Lorraine	6.27(18)	2.52(2)	-	-	8.79(20)	58.57(140)	25.31	2,314	98	106.59	102.7
Midi-Pyrénées	2.12(15)	12.04(78)	-	-	14.16(93)	58.61(263)	25.80	2,272	50	123.75	82.5
Nord-Pas-de-Calais	5.62(27)	-	-	-	5.62(27)	70.95(114)	18.11	3,918	316	174.58	100.2
Pays de la Loire	10.12(36)	3.56(1)	-	-	13.68(37)	63.73(188)	22.35	2,851	89	113.50	94.8
Picardie	0.12(2)	-	-	-	0.12(2)	0.76(10)	0.44	1,711	88	149.79	104.7
Poitou Charentes	2.16(12)	11.52(93)	-	-	13.68(105)	39.36(208)	25.64	1,535	59	135.94	93.3
Provence-Cote d'Azur	1.03(12)	-	-	-	1.03(12)	1.61(18)	0.42	3,859	123	193.93	104.0
Rhone Alpes	8.34(32)	-	-	-	8.34(32)	17.31(82)	3.52	4,916	113	121.45	118.7
Guadeloupe	0.45(8)	-	-	-	0.45(8)	16.93(98)					
Guyane	1.11(3)	1.89(4)	-	-	3.00(7)	11.54(49)	62.61	1,200	12	488.00	45.0
Martinique	0.50(8)	-	-	-	0.50(8)	16.99(70)				(1)	(1)
Réunion	0.57(10)	16.13(1)	-	-	16.70(11)	29.67(82)					
Total	47.48(279)	109.72(340)	-	-	157.20(619)	784.13(2375)					
IRELAND	17.97(26)	87.63(40)	0.12(2)	-	105.72(68)	336.47(627)	99.90	3,368	48	171.46	
(1) approx.											

Annex Table 5
Fund assistance 1975-1981 and main social and economic indicators
 (continued)

Member State	Assistance 1981 (Mio ECU)					Assistance 1975-1981 Mio ECU	Assis- tance per cap. '75-81' ECU	Population 1979		Un- empl Inde 1979	Inde GDP/ cap. 1978
	Industry & servic.	Infras- tructure	Mountain infrast.	Studies	Total			'000	pop/ km2		
ITALY											
Abruzzi	2.85(11)	18.62(14)	-	-	21.47(25)	108.44(253)	87.66	1,237	115	139.23	49.6
Basilicata	1.44(9)	9.49(94)	-	-	10.93(103)	44.66(603)	72.15	619	62	238.12	45.1
Calabria	3.49(13)	65.96(150)	-	-	69.45(163)	195.80(942)	94.45	2,073	137	303.75	33.9
Campania	-	170.91(37)	-	-	170.91(37)	485.34(839)	89.23	5,439	400	260.70	41.0
Friuli/Venezia Giulia	-	-	-	-	-	45.23(354)	36.33	1,245	159	56.60	67.8
Lazio	6.58(50)	16.15(36)	-	-	22.73(86)	109.77(419)	21.75	5,048	293	174.74	63.3
Marche	4.04(17)	14.32(108)	-	-	18.36(125)	42.55(261)	30.11	1,413	146	77.80	62.1
Molise	2.86(8)	2.30(17)	-	-	5.16(25)	27.95(269)	83.68	334	75	118.71	43.3
Puglia	3.66(18)	9.09(73)	-	-	12.75(91)	174.87(407)	44.80	3,903	202	162.30	43.1
Sardegna	1.80(14)	58.34(86)	-	-	60.14(100)	166.94(597)	104.53	1,597	66	232.61	47.6
Sicilia	-	204.90(104)	-	-	204.90(104)	416.79(417)	83.61	4,985	194	151.98	40.8
Toscana	-	-	-	-	-	3.19(6)	0.89	3,597	156	84.82	69.1
Multireg. projects	-	104.01(3)	-	-	104.01(3)	298.04(14)					
Total	26.72(140)	674.09(722)	-	-	700.81(862)	2,119.57(5381)					

Annex Table 5
Fund assistance 1975-1981 and main social and economic indicators
 (continued)

Member State	Assistance 1981 (Mio ECU)					Assistance 1975-1981 Mio ECU	Assistance per cap. '75-81' ECU	Population 1979		Un- empl Index 1979	Index GDP/ cap. 1978
	Industry & servic.	Infras- tructure	Mountain infrast.	Studies	Total			'000	pop/ km2		
LUXEMBOURG	-	1.59(2)	-	-	1.59(2)	5.00(8)	13.77	363	140	36.14	128.5
NETHERLANDS											
Noord Nederland	-	12.43(6)	-	-	12.43(6)	59.59(28)	38.42	1,551	171	91.91	146.5
Limburg	-	-	-	-	-	23.34(12)	21.87	1,067	483	132.96	98.2
Total	-	12.43(6)	-	-	12.43(6)	82.93(40)					
UNITED KINGDOM											
North of England	6.41(1)	62.68(95)	-	-	69.09(96)	248.52(716)	80.51	3,087	200	147.49	65.1
North-West England	3.35(2)	22.31(49)	-	-	25.66(51)	179.53(464)	27.72	6,476	883	103.42	67.8
Yorkshire/Humberside	0.82(2)	17.93(36)	-	-	18.75(38)	73.63(362)	15.09	4,878	316	86.46	67.1
East Midlands	-	8.80(10)	-	-	8.80(10)	13.24(63)	3.52	3,766	241	66.81	68.4
South-West England	0.41(1)	11.50(19)	-	-	11.91(20)	31.85(148)	7.38	4,316	181	74.66	65.0
Scotland	28.26(12)	95.77(168)	5.61(16)	-	129.64(196)	331.36(824)	64.13	5,167	66	129.23	69.9
Wales	1.85(5)	44.92(84)	-	0.05(1)	46.82(90)	196.70(707)	70.88	2,775	134	110.47	62.3
Northern Ireland	22.13(19)	26.59(55)	2.48(9)	-	51.20(83)	182.75(286)	118.44	1,543	109	165.66	54.1
West Midlands	-	-	-	-	-	0.54(8)	0.10	5,152	396	78.73	69.3
Total	63.23(42)	290.50(516)	8.09(25)	0.05(1)	361.87(584)	1,258.12(3578)					

Annex Table 5
 Fund assistance 1975-1981 and main social and economic indicators
 (continued)

Annex Table 6
Budget situation (Quota section)(1)
1. Commitment Appropriations

(Mio ECU)

Commitment appropriations available 1981					Use of commitments made (2) in 1981	Commitment appropriations available at 31.12.81
Entered in budget 1981	Carried over from 1980 (1) (a)	Available from				
		Released from previous commitments	Exchange rate change in approp. released	Total		
1,463.000	65.828	25.483	60.856	1,615.167	1,596.188	18.979

2. Payment Appropriations

(Mio ECU)

Appropriations available in 1981			Payments made in 1981			Unused payment appropriations at 31.12.1981	
carried over 80 (1) (b)	1981 budget (1) (c)	Total	from carryovers from 1980	from 1981 appropriations	Total	carried over from 1980	from 1981 appropriations
8.062	799.200	807.262	8.062	783.347	791.409	-	15.852

3. Pattern of commitments

(Mio ECU)

Commitments 1975-80 not paid at 1.1.1981	Approp. released and adjustments	Commitments made in 1981			Commitments 1975-1980 not paid at 31.12.80 + commitments 1981	Commitments paid in 1981	Commitments outstanding at 31.12.81
		from carryovers from 1980	from 1981 appropriation	Total			
1,529.284	- 86.340	65.828	1,530.360	1,596.188	3,039.132	791.409	2,247.723

- (1) (a) Includes the transfer of 33.972 Mio ECU of commitment appropriations from the non-quota section to the quota section
(1) (b) Includes the transfer of 3.342 Mio ECU of payment appropriations from the non-quota section to the quota section.
(1) (c) Includes the transfer of 200 Mio ECU under budget amending budget 1981.
(2) After deduction of appropriations released (3.559 Mio ECU) and adjustments for exchange rate charges (18.975 Mio ECU)

Annex Table 6
Budget situation (Quota section)
1. Commitment Appropriations
2. Payment appropriations
3. Pattern of commitments

Annex Table 7
Rate of use and balance available end 1981

Member State	Commitment appro. available in 1981(1)	Commitments	Rate of use	Balance available
B	27.403	2.676	9.8	24.727
DK	19.872	19.383	97.5	0.489
D	73.916	57.557	77.9	16.359
GR	190.190	248.340	130.6	- 58.150
F	231.680	151.267	65.3	80.413
Irl	90.816	105.208	115.8	- 14.392
I	587.785	649.358	110.5	- 61.574
L	1.659	1.594	96.1	0.065
Nl	17.788	12.941	72.8	4.847
U.K.	374.060	347.864	93.0	26.196
EC	1,615.167	1,596.188	98.8	18.979
(1) includes carry forward from 1980 to 1981, release operations, adjustments for exchange rate fluctuations and 33.972 Mio ECU from the quota free section.				

Annex Table 8
Inspection visits carried out over the period 1975-1981

Country and Region	Number of projects inspected			
	1975-1981		of which in 1981	
	Industry	Infras- tructure	Industry	Infras- tructure
Vlaanderen	-	13	-	2
Wallonie	3	6	-	5
BELGIUM	3	19	-	7
Groënland	-	34	-	15
Nordjylland	7	-	-	-
Viborg	1	-	-	-
DENMARK	8	34	-	15
Schleswig-Holstein	8	10	-	-
Niedersachsen	8	8	-	-
Nordrhein-Westfalen	15	2	-	-
Hessen	8	5	-	-
Rheinland-Pfalz	9	3	-	-
Saarland	4	3	-	-
Bayern	15	10	9	3
Baden-Württemberg	5	6	-	-
GERMANY	72	47	9	3
Kriti	-	9	-	9
GREECE	-	9	-	9
Alsace	10	-	-	-
Aquitaine	11	1	-	-
Auvergne	5	4	-	-
Basse Normandie	8	5	8	3
Bretagne	6	5	-	-
Corse	-	11	-	11
Languedoc-Roussillon	10	2	-	-
Limousin	5	4	-	-
Lorraine	6	-	-	-
Midi-Pyrénées	8	3	-	-
Pays de la Loire	7	6	-	-
Poitou-Charente	9	3	-	-
D.O.M.	19	12	12	7
Rhône-Alpes	9	1	-	-
Nord-Pas-de-Calais	10	-	-	-
FRANCE	123	57	20	21

Annex Table 8
Inspection visits carried out over the period 1975-1981
(continued)

Country and Region	Number of projects inspected			
	1975-1981		of which in 1981	
	Industry	Infras- tructure	Industry	Infras- tructure
Donegal	-	4	-	-
North West	1	1	-	-
West	3	3	-	-
Mid West	1	5	-	-
South West	6	10	3	4
South East	6	2	-	-
Midlands	2	2	-	-
East	2	7	-	-
North East	2	1	-	-
Multi-regional	-	3	-	3
IRELAND	23	38	3	7
Abbruzzi	6	8	-	-
Basilicata	15	26	1	11
Calabria	14	26	3	9
Campania	13	25	5	7
Friuli-Venezia Giulia	-	32	-	12
Lazio	12	7	-	-
Marche	8	7	-	-
Molise	6	10	-	-
Puglia	15	11	6	6
Sardegna	10	20	4	7
Sicilia	11	14	-	-
Multi-regional	-	2	-	2
ITALY	110	188	19	54

Annex Table 8
Inspection visits carried out over the period 1975-1981
(continued)

Country and Region	Number of projects inspected			
	1975-1981		of which in 1981	
	Industry	Infras- tructure	Industry	Infras- tructure
LUXEMBOURG	-	2	-	-
Groningen	1	3	1	1
Limburg	-	1	-	-
Friesland	-	1	-	-
NETHERLANDS	1	5	1	1
Northern England	14	44	3	9
North West England	13	49	3	14
Yorkshire & Humberside	10	20	-	-
Midlands	2	5	-	-
South West England	6	19	-	-
Scotland	11	42	-	-
Wales	18	40	3	9
Northern Ireland	16	15	4	8
Multi-regional	1	-	1	-
UNITED KINGDOM	91	234	14	40
EUR 10, per category	431	633	66	157
EUR 10, total	1,064		223	

Annex Table 9
Settlement of commitments by financial year(1)

Member State	Commitments made but not settled at 31.12.1980(2)		Commitments (2)		Payments made in 1981 against commitments					Total payments		Commit. not settled 31.12.81		Commit. paid	
	Mio ECU	%	Mio ECU	%	75-77	1978	1979	1980	1981	Mio ECU	%	Mio ECU	%	end 1980	end 1981
					Mio ECU										
B	23.240	1.6	2.676	0.2	0.946	1.328	2.281	4.501	0.114	9.170	1.2	16.746	53.1	68.0	
DK	13.531	0.9	19.383	1.2	0.313	-	2.698	7.674	-	10.685	1.3	22.229	69.4	65.2	
D	78.802	5.5	57.557	3.6	0.532	2.534	2.563	19.178	11.381	36.189	4.6	100.170	64.2	64.0	
GR	-	-	248.340	15.6	-	-	-	-	122.001	122.001	15.4	126.339	-	49.1	
F	272.167	18.9	151.267	9.5	2.701	3.124	9.424	26.131	20.779	62.159	7.9	361.274	55.2	52.4	
Irl	68.337	4.7	105.208	6.5	0.599	0.556	9.505	23.239	45.423	79.322	10.0	94.222	67.1	69.7	
I	631.026	43.7	649.358	40.7	3.654	15.477	47.951	70.919	72.163	210.164	26.6	1,070.221	47.5	42.7	
L	0.940	0.1	1.594	0.1	-	-	-	-	0.962	0.962	0.1	1.572	71.1	67.6	
Nl	33.888	2.3	12.941	0.8	0.326	1.420	3.916	-	-	5.662	0.7	41.168	53.0	51.5	
U.K.	321.013	22.3	347.864	21.8	4.901	16.230	43.768	57.533	132.704	255.096	32.2	413.782	65.6	67.7	
EC	1,442.944	100.0	1,596.188	100.0	13.972	40.669	122.106	209.175	405.528	791.409	100.0	2,247.723	56.4	54.3	

(1) Point 139 of Chapter V.
(2) Includes release operations in 1981 and adjustments for exchange rate fluctuations.

Annex Table 9
Settlement of commitments by financial year

APPENDIX B. BIBLIOGRAPHICAL ANNEX

PROVISIONS ADOPTED ON COMMUNITY REGIONAL POLICY

EUROPEAN REGIONAL DEVELOPMENT FUND

- Regulation (EEC) No. 724/75 of the Council of 18 March 1975 establishing a European Regional Development Fund.
(O.J. No. L 73 of 21 March 1975, page 1)
- Regulation (EEC) No. 241/79 of the Council of 6 February 1979 amending Regulation (EEC) No. 724/75 establishing a European Regional Development Fund.
(O.J. No. L 35 of 9 February, page 1)
- Regulation (EEC) No. 3325/80 of the Council of 16 December 1980 amending Regulation (EEC) No. 724/75 establishing a European Regional Development Fund
(O.J. No. L 349 of 23 December 1980, page 10)
- Regulation (EEC) No. 2364/75 of 15 September 1975 on calculating aids, taking the form of reduced rate of interest or interest rebate not expressed by number of percentage points.
(O.J. No. L 243 of 17 September 1975, page 9)
- Regulation (EEC) No. 2615/80 of the Council of 7 October 1980 establishing a specific Community measure contributing to the development of certain French and Italian regions in the context of Community enlargement.
(O.J. No. L 271 of 15 October 1980, page 1)
- Regulation (EEC) No. 2616/80 of the Council of 7 October 1980 establishing a specific Community measure of regional development contributing to the removal of obstacles to the development of new economic activities in certain areas affected by restructuring of steel industry.
(O.J. No. L 271 of 15 October 1980, page 9)

- Regulation (EEC) No. 2617/80 of the Council of 7 October 1980 establishing a specific Community measure of regional development contributing to the removal of obstacles to the development of new economic activities in certain areas affected by the restructuring of the shipbuilding industry.
(O.J. No. L 271 of 15 October 1980, page 16)
- Regulation (EEC) No. 2618/80 of the Council of 7 October 1980 establishing a specific Community measure of regional development contributing to improvement of energy supplies in certain Community regions through a better use of new technology with regard to hydro-electrical supply and alternative sources of energy.
(O.J. No. L 271 of 15 October 1980, page 23)
- Regulation (EEC) No. 2619/80 of the Council of 7 October 1980 establishing a specific Community measure of regional development contributing to the improvement of the economic and social situation of the frontier areas of Ireland and Northern Ireland.
(O.J. No. L 271 of 15 October 1980, page 28)

REGIONAL POLICY COMMITTEE

- Council Decision 75/185/EEC of 18 March 1975 creating a Regional Policy Committee.
(O.J. No. L 73 of 21 March 1975, page 47)
- Council Decision 79/137/EEC of 6 February 1979 amending Decision 75/185/EEC creating a Regional Policy Committee.
(O.J. No. L 35 of 9 February 1979, page 9)
- Rules of procedure of the Regional Policy Committee No. 75/761/EEC.
(O.J. No. L 320 of 11 December 1975, page 17)

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(O.J. No. C 69 of 24 March 1976, page 2)
- Opinion of the Commission of 23 May 1979 on regional development programmes (79/534/EEC).
(O.J. No. L 143 of 12 June 1979, page 7)
- Commission Recommendation of 23 May 1979 to Member States on regional development programmes (79/535/EEC).
(O.J. No. L 143 of 12 June 1979, page 9)

OTHER PROVISIONS

- Council Resolution of 6 February 1979 on Community regional policy guidelines.
(O.J. No. C 36 of 6 February 1979, page 10)
- Council Decision 79/136/EEC of 6 February 1979 amending Decision 74/120/EEC on the attainment of a high degree of convergence of the economic policies of Member States of the European Economic Community.
(O.J. No. L 35 of 9 February 1979, page 8)
- Communication from the Commission to the Council of 18 February 1981 on categories of infrastructure to which the European Regional Development Fund may contribute in the various regions aided by the Fund
(COM(81)38 final of 18 February 1981).
- Communication from the Commission to the Council of 24 July 1981: New regional policy guidelines and priorities
(COM(81)152 final of 24 July 1981).

COMMISSION PROPOSALS

- Proposal for a Council Regulation amending Regulation (EEC) No 724/75 establishing a ERDF
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⁹⁹ DE : German, DA : Danish, EN : English,
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- No. 13 The Effects of the Enlargement of the European Economic Community on the Region of the Mezzogiorno, 1981, 262 pp. (EN, FR, IT).

APPENDIX C. PRINCIPAL REGULATIONS

Updated version of the text of Council Regulation (EEC) No 724/75 of 18 March 1975 establishing a European Regional Development Fund 1)

Council Regulation (EEC) No 724/75 of 18 March 1975 establishing a European Regional Development Fund (OJ No L 73, 21.3.1975, p. 1) and the amendments arising out of Regulations (EEC) No 214/79 (OJ No L 35, 9.2.1979, p. 1) and No 3325/80 (OJ No L 349, 23.12.1980, p. 10) are hereby coordinated.

This coordination is without legal status. Hence, the preamble has been omitted.

TITLE I

PRELIMINARY PROVISIONS

Article 1

The European Regional Development Fund, hereinafter referred to as 'the Fund', is intended to correct the principal regional imbalances within the Community resulting in particular from agricultural preponderance, industrial change and structural under-employment.

Article 2

1. As from the financial year 1978, the endowment for the Fund shall be determined annually in the general budget of the European Communities.

2. The annual budget shall indicate for the relevant year under the Fund heading:

(a) commitment appropriations;

(b) payment appropriations.

Save where otherwise provided for in the special provisions laid down in this Regulation, the Financial Regulation applicable to the general budget of the Communities shall apply to the management of the Fund.

3. The following may be financed by the Fund with a view to contributing to the realization of the objectives referred to in Article 1:

(a) Community action in support of regional policy measures taken by the Member States, as provided for in Title II of this Regulation.

In 1981, the resources of the Fund intended for financing these activities shall be distributed in accordance with the following table:

Belgium	1.11 %
Denmark	1.06 %
Germany	4.65 %
Greece	13.00 %
France	13.64 %
Ireland	5.94 %
Italy	35.49 %
Luxembourg	0.07 %
Netherlands	1.24 %
United Kingdom	23.80 %

(b) specific Community regional development measures, as provided for in Title III of this Regulation. The sum allotted to such measures shall amount to 5 % of the Fund's resources. Resources which cannot be used in time for such measures shall be allocated to the supporting action referred to in (a).

The whole of the Fund's resources for financing these measures shall be used having due regard to the relative severity of regional imbalances in the Community.

Article 3

1. Regions and areas which may benefit from the Fund shall be limited to those aided areas established by Member States in applying their systems of regional aids and in which State aids are granted which qualify for Fund assistance.

When aid from the Fund is granted, priority shall be given to investments in national priority areas, taking account of the principles for the coordination at Community level of regional aids.

1) The updated version has not been published in the OJ.

2. As part of the specific Community regional development measures referred to in Article 2 (3) (b), the Fund may also, where appropriate, give assistance in regions or areas other than those referred to in paragraph 1, for the solution of problems forming the subject of Community action, if the Member State concerned has also given assistance or does so at the same time.

TITLE II

COMMUNITY ACTION IN SUPPORT OF REGIONAL POLICY MEASURES TAKEN BY THE MEMBER STATES

Chapter 1

Field of action

Article 4

1. As part of Community action in support of regional policy measures taken by the Member States, the Fund may contribute to the financing of investments which individually exceed 50 000 European units of account and come under any of the following categories:

- (a) investments in industrial, handicraft or service activities which are economically sound and which benefit from State regional aids, provided that at least 10 new jobs are created or that 10 existing jobs are maintained. In the latter case, the investments should fall within the framework of a conversion or restructuring plan to ensure that the undertaking concerned is competitive. Preference shall, however, be given to operations which both maintain existing jobs and create new jobs.

Service activities qualifying for assistance shall be those concerned with tourism and those which have a choice of location. Such activities should have a direct impact on the development of the region and on the level of employment.

For the purposes of this Article, a group of investments which are related geographically and financially, and which together comply with the criteria provided for in this Article, may be considered as a single investment in the field of handicrafts or tourism;

- (b) investments financed wholly or in part by public authorities or by any other agency responsible, on a similar basis to a public authority, for the creation of infrastructures, and covering, provided that this is justified by regional development programmes, infrastructures which contribute to the development of the region or area in which they are situated, provided that the total share of the overall assistance granted by the Fund for financing the investments referred to in this point does not exceed 70 % of the Fund's assistance.

This percentage must be complied with over a period of three years; however, it may be exceeded by decision of the Council acting on a proposal from the Commission.

In administering the Fund, the Commission shall take account of the particular situation of certain regions on the basis of the programmes referred to above. Member States shall take all steps to enable the provisions of this point to be applied;

- (c) investments in infrastructures covered by Article 3 (2) of the Council Directive on mountain and hill farming and farming in certain less-favoured areas, provided that the less-favoured area in question corresponds to or is located within one of the regions or areas covered by Article 3 of this Regulation.

2. The amount of the Fund's contribution shall be:

- (a) in respect of investments covered by paragraph 1 (a), 20 % of the investment cost without, however, exceeding 50 % of the aid accorded to each investment by public authorities under a system of regional aids, such contributions being limited moreover to that part of the investment which does not exceed 100 000 European units of account per job created and 50 000 European units of account per job maintained.

In the case of services and handicrafts, the Fund's contribution may, by way of derogation from the first subparagraph, exceed 20 % of the investment cost, provided that the amount does not exceed in such case 10 000 European units of account per job created or maintained, or 50 % of the national aid.

The State aid to be taken into consideration shall be grants, interest rebates, or their equivalent where loans at reduced rates of interest are concerned, whether such aid is linked to the investment or to the number of jobs created.

Such aid may include aid granted in respect of an investment in connection with the transfer of plant and workers. The aid equivalent shall be calculated in accordance with an implementing Regulation under the terms of Article 16. Aid granted in the form of rent rebates or exemptions from payments of rent for buildings, including plant, may also be taken into account, provided that the same calculation is possible.

The contribution from the Fund thus defined may, pursuant to a prior decision of the Member State concerned communicated at the same time as the request for this contribution, either supplement aid granted to the relevant investment by public authorities or remain credited to those authorities and considered as a partial repayment of such aid;

- (b) in respect of investments covered by paragraphs 1 (b) and (c), 30 % of the expenditure incurred by public authorities where the investment is less than 10 million European units of account and from 10 to 30 % maximum for investments of 10 million European units of account or more. However, the maximum rate may be 40 % for projects which are of particular importance to the development of the region in which they are situated.

The Fund's assistance may consist wholly or in part of a rebate of three percentage points on loans made by the European Investment Bank, pursuant to Article 130 (a) and (b) of the Treaty, in the regions and areas referred to in Article 3 of this Regulation. In that event, the aid from the Fund shall be paid to the Bank in one instalment, the rebate being a capitalized sum expressed as a percentage of the investment.

Chapter 2

Procedural provisions

Article 5

1. The Fund's assistance shall be decided upon by the Commission according to the relative severity of the economic imbalance of the region where the investment is made and the direct or indirect effect of the investment on employment. The Commission shall examine, in particular, the consistency of the investment with the range of actions undertaken by the relevant Member State in favour of the region concerned, as apparent from information supplied by Member States pursuant to Article 6 and taking special account of:

- (a) the investment's contribution to the economic development of the region;
- (b) the consistency of the investment with the Community's programmes or objectives;
- (c) the situation of the economic sector concerned and the profitability of the investment;
- (d) whether the investment falls within a frontier area, that is to say, within regions adjacent to one or more other Member States;
- (e) other contributions made by Community institutions or by the European Investment Bank, either to the same investment or to other activities within the same region. Thus contributions from the Fund will be coordinated with other Community contributions, in such a way as to favour a range of converging and coordinated actions within a given region and to guarantee, in particular, consistency between regional policy and structural policy for agriculture.

2. (a) In respect of investments of 10 million European units of account or more, the Fund's assistance shall be the subject of a Commission Decision under the procedure provided for in Article 16.

In respect of investments in infrastructure costing 10 million or more European units of account, the Commission shall, before obtaining the opinion of the Fund Committee referred to in Article 15, consult the Regional Policy Committee.

- (b) In respect of investments costing less than 10 million European units of account, the Commission shall provide prior information for the Member States in the form of a simplified list of investments for which requests for assistance have been received. The procedure provided for in Article 16 shall apply in the case of:
 - draft negative decisions, where the Member State concerned so requests,
 - all other draft decisions in respect of which the Commission or a Member State wishes an opinion to be sought from the Fund Committee.

Article 6

1. Investments may benefit from the Fund's assistance only if they fall within the framework of a regional development programme the implementation of which is such as to contribute to correction of the main regional imbalances within the Community

which may prejudice the proper functioning of the common market and the convergence of the Member States' economies, with a view, in particular, to the attainment of economic and monetary union.

2. Regional development programmes shall be established according to the joint plan prepared by the Regional Policy Committee.

3. Member States shall notify the Commission of regional development programmes and alterations to programmes already notified.

4. The programmes shall be of an indicative nature and specify the objectives of the development of the region concerned and the means to be employed. They shall be the subject of consultation with the Regional Policy Committee. The Commission shall examine these programmes in the light of the criteria referred to in Article 5 (1) (b) in order to enable it to determine the priorities for assistance from the Fund.

5. Before 31 March each year, Member States shall bring the regional development programmes up to date by providing the Commission with all available information for the current year not contained in the programmes on:

- (a) the financial resources allocated to regional development under their programmes;
- (b) the priority measures relating to regional development which they intend to implement;
- (c) the use they intend to make of Community resources, and in particular of resources from the Fund in implementing these priority measures.

Any other relevant information shall be forwarded to the Commission as soon as available.

6. Before 1 October each year, Member States shall provide the Commission with an overall statistical summary indicating by region for the previous year:

- (a) the results achieved in the region in terms of investment and employment;
- (b) the financial means employed;
- (c) the actual use made of the resources of the Fund.

Article 7

1. Member States shall submit requests for assistance from the Fund to the Commission, and

shall indicate any factors which will allow the Commission to assess the value of the investments proposed in the light of Articles 5 and 6.

2. In respect of the investments referred to in Article 4 (1) of less than 10 million European units of account, Member States shall present their global requests at the beginning of each quarter. They shall group these requests by region and shall separate investments referred to in Article 4 (1) (a) from investments in infrastructure.

These requests shall indicate:

- (a) in respect of the investments referred to in Article 4 (1) (a), the names of the undertakings concerned, the sector of their activity and the location of each investment, also its character (foundation, extension, conversion or restructuring of the relevant concern), the total amount of investment involved, the predicted overall effect on employment (creation or maintenance), estimates regarding the implementation schedule, total aids granted for which a contribution from the Fund is requested and the schedule laid down for their payment;
- (b) in respect of investments in infrastructure, the location of each investment and its character, its contribution to the development of the region, the predicted total costs and the costs borne by public authorities and the schedule laid down for their payment, the name of the responsible authorities, the total contribution requested from the Fund, and estimates regarding the implementation schedule.

3. In respect of investments of 10 million European units of account or more, requests shall be presented separately and shall include the following information:

- (a) in respect of the investments referred to in Article 4 (1) (a) the name of the undertaking, the sector of activity, the nature of the investment, its location, the effect on employment, the implementation schedule, the grants, interest rebates or loans at reduced rates of interest and the schedule laid down for the payment of such aids, any other form of aid granted or provided for by public authorities and the financing plan, indicating in particular any other Community aids requested or provided for.

The Member State shall state in its request the total aid which in its opinion should be granted to the undertaking and the contribution it is seeking from the Community:

(b) in respect of investments in infrastructure, the responsible authority, the nature of the investment, its location, its contribution to the development of the region, its cost, its financing plan, its implementation schedule and the schedule laid down for payments.

4. Aid from the Fund shall be determined by the Commission:

(a) in the aggregate for each request covered by paragraph 2;

(b) case by case for requests covered by paragraph 3.

5. Member States shall give priority to the presentation of requests for contributions towards investments of 10 million European units of account or more.

Article 8

1. The amount of the contribution from the Fund defined, where applicable, by calculating the aid equivalent pursuant to the implementing Regulation referred to in Article 4 (2) (a) shall be paid *pari passu* with expenditure upon presentation by the Member State of quarterly statements certifying expenditure and the existence of detailed supporting documents, and containing the following information:

(a) for intermediate payment requests:

- the name of the undertaking concerned, or, for infrastructures, the name of the responsible authority,
- the location of the investment,
- total public expenditure paid after the date referred to in Article 11 and that part of the amount for which payment is requested,
- the amount of the payment requested from the Fund,
- a forecast of future payment requests;

(b) for final payment requests, all the information referred to in (a) except the last indent, together with:

- the sum actually invested and confirmation that the investment made conforms with the initial project,
- the date of completion of the investment,

— the number of jobs created or maintained in being by the investments referred to in Article 4 (1) (a),

— the amounts of public expenditure.

2. In cases where expenditure provided for by the decisions referred to in Article 7 consists of aids granted in the form of interest rebates or loans at reduced rates of interest, the contribution of the Fund relating to these aids and which is still due when the investments are completed shall be settled in a single payment on presentation of the certificates covering completion of the investments.

3. Accelerated payments under a decision to grant aid from the Fund may be granted by the Commission to a Member State at the latter's request. They may not exceed 75 % of the total amount of the aid from the Fund. Such accelerated payments shall be subject to the condition that at least 30 % of the payments constituting the basis for aid from the Fund have been made.

Payments already made pursuant to paragraph 1 (a) under the decision to grant aid shall be deducted from the accelerated payments.

The balance of the aid from the Fund shall be paid in accordance with paragraph 1 as regards payments by the Member States not covered by the accelerated payment.

Grouped applications for accelerated payments shall be submitted on a quarterly basis to the Commission by the Member State concerned.

4. Member States shall designate the authority or the institution authorized to furnish the certification referred to in this Article. The Commission shall make payments to the Member State, to an agency designated by the Member State for this purpose, or if necessary to the European Investment Bank.

Article 9

1. Where an investment which has been the subject of a contribution from the Fund has not been made as planned, or if the conditions of this Regulation are not fulfilled, the contribution from the Fund may be reduced or cancelled, if the Commission so decides after consulting the Fund Committee.

Any sums which have been paid in error shall be repaid to the Community by the Member State concerned or, where applicable, by the European Investment Bank, within 12 months following the date on which the relevant decision has been communicated.

Member States shall repay the Commission the amount of the Fund's assistance wherever national aid used as the basis for calculating the Fund's assistance has been repaid to the Member State by the investor.

2. Member States shall make available to the Commission all information required for the effective operation of the Fund and shall take all steps to facilitate such supervision as the Commission may consider useful in managing the Fund, including on-the-spot checks. They shall notify the Commission of the cases referred to in the first subparagraph of paragraph 1.

3. Notwithstanding verification carried out by Member States in accordance with national laws, regulations and administrative provisions and without prejudice to the provisions of Article 206 of the Treaty or to any inspection arranged on the basis of Article 209 (c) of the Treaty, at the request of the Commission and with the agreement of the Member State, the competent authorities of that Member State shall carry out on-the-spot checks or enquiries about operations financed by the Fund. Officials of the Commission may take part in these proceedings and the Commission may fix a time limit for carrying them out.

4. The objective of these on-the-spot checks or enquiries about operations financed by the Fund shall be to verify:

- (a) the conformity of administrative practices with Community rules;
- (b) the existence of supporting documentary evidence and its conformity with the operations financed by the Fund;
- (c) the conditions under which the operations financed by the Fund are executed and checked;
- (d) the conformity of projects implemented with the operations financed by the Fund.

5. The Commission may suspend payment of aid to a particular operation if an inspection reveals either irregularities or a substantial change in the character or conditions of the project for which the Commission's approval has not been sought.

6. Notwithstanding Article 6 (2) of the Financial Regulation of 21 December 1977 applicable to the general budget of the European Communities⁽¹⁾, if a project receiving aid from the Fund is not

⁽¹⁾ OJ No L 356, 31. 12. 1977, p. 1.

completed or is implemented in such a manner as no longer to justify payment of part of the aid from the Fund granted on behalf of that project, the outstanding part of the Fund's contribution shall be granted to another investment located in one of the eligible regions of the same Member State under the conditions laid down in this Regulation.

Article 10

1. The investors concerned shall be informed by agreement with the Member States in question that part of the aid granted to them has been provided by the Community. For infrastructure projects, the Member States, by agreement with the Commission, shall take all necessary steps to ensure that assistance from the Fund is given suitable publicity.

2. The list of projects which have received contributions from the Fund shall be published every six months in the *Official Journal of the European Communities*.

Article 11

The Commission shall take into consideration for Fund assistance payments made by the Member States as from the 12th month before the date on which it receives the request for assistance, in respect of investments not completed by that date. This period shall be increased to 24 months for payments in respect of investments in Greenland.

Article 12

1. The Fund may contribute to the financing of studies which are closely related to Fund operations and are undertaken at the request of a Member State.

2. Such assistance may not exceed 50 % of the cost of the study.

TITLE III

SPECIFIC COMMUNITY REGIONAL DEVELOPMENT MEASURES

Article 13

1. The Fund may participate in financing specific Community regional development measures which

differ in whole or in part from the types of measure referred to in Title II. These shall be measures:

- either 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,
- or, in exceptional cases, intended to meet the structural consequences of particularly serious occurrences in certain regions or areas with a view to replacing jobs lost and creating the necessary infrastructures for this purpose.

These measures shall not have as their object the internal reorganization of declining sectors but may, by establishing new economic activities, promote the creation of alternative employment in regions or areas in a difficult situation.

These measures shall be financed jointly by the Community and the Member State or States concerned.

2. Member States shall provide the Commission with information on regional problems likely to be the subject of specific measures within the meaning of paragraph 1.

3. Without prejudice to the responsibilities of the Commission with regard to State aid under Articles 92, 93 and 94 of the Treaty, the Council, acting unanimously on a proposal from the Commission and after consulting the European Parliament, shall determine for each of these measures to be implemented in the form of a special programme:

- (a) the nature of the operations to which the Fund may contribute;
- (b) the areas and regions which the Fund may assist;
- (c) the national public aid taken into consideration in granting Fund assistance;
- (d) the contribution of the Fund;
- (e) the categories of beneficiaries of Fund assistance;
- (f) the detailed rules for financing.

4. Requests for Fund assistance for these special programmes shall be submitted to the Commission by the Member States. The fifth subparagraph of Article 4 (2) (a) and Article 10 shall apply.

Article 14

1. The Fund may bear all or part of the cost of studies which are closely related to the measures referred to in Article 2 (3) and are undertaken at the request of one or more Member States.

2. The Commission shall decide whether to grant assistance from the Fund in accordance with the procedure laid down in Article 16, after consulting the Regional Policy Committee.

TITLE IV

GENERAL AND FINAL PROVISIONS

Article 15

1. A Fund Committee (hereinafter referred to as 'the Committee') is hereby established. It shall be composed of representatives of the Member States and chaired by a representative of the Commission.

2. Within the Committee the votes of the Member States shall be weighted in accordance with Article 148 (2) of the Treaty. The chairman shall not vote.

Article 16

1. Where the procedure laid down in this Article is to be followed, the chairman shall refer the matter to the Committee either on his own initiative or at the request of the representative of a Member State.

2. The representative of the Commission shall submit drafts of decisions to be taken. The Committee shall deliver its opinion on the drafts within the time limit which the chairman may fix according to the urgency of the questions under consideration. An opinion shall be adopted by a majority of 41 votes.

3. The Commission shall adopt decisions which shall apply immediately. However, if these decisions are not in accordance with the opinion of the Committee, they shall forthwith be communicated by the Commission to the Council. In that event the Commission shall defer application of the decisions which it has adopted for not more than two months from the date of such communications. The Council, acting by a qualified majority, may take a different decision within two months.

Article 17

The Committee may consider any other question concerning the Fund's operations referred to it by its chairman either on his own initiative or at the request of the representative of a Member State.

Article 18

The necessary measures for the implementation of this Regulation shall be adopted in accordance with the procedure laid down in Article 16.

Article 19

1. Member States shall adopt the necessary measures to indicate separately, according to the special characteristics of national budget systems, the sums received from the Fund.

2. At the request of the Commission, Member States shall provide it with information on the allocation of the amounts received from the Fund.

Article 20

Assistance from the Fund shall not change the conditions of competition in a way incompatible with the principles contained in the relevant provisions of the Treaty, as elaborated in the principles for the coordination of the general regional aid schemes. In

particular, the provisions of this Regulation shall not prejudice the application of Articles 92, 93 and 94 of the Treaty, particularly as regards establishing and realigning the areas aided for regional purposes referred to in Article 3 and in respect of the amount of the contributions from the Fund.

Article 21

1. Before 1 October each year the Commission shall present a report to the Council, the European Parliament and the Economic and Social Committee on the implementation of this Regulation during the preceding year.

2. This report shall also cover the financial management of the Fund and the conclusions drawn by the Commission from the checks made on the Fund's operations.

Article 22

On a proposal from the Commission, the Council shall re-examine this Regulation before 1 January 1982.

Article 23 -

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

APPENDIX D. SYMBOLS AND ABBREVIATIONS USED

<	less than
>	more than
%	percentage
Mio	million
Mrd	'000 million
ECU	European currency unit
DM	Deutschemark
FF	French franc
LIT	Italian lira
HFL	Florin(Guilder)
BFR	Belgian franc
LFR	Luxembourg franc
UKL	Pound sterling
IRL	Irish pound
DKR	Danish crown
DR	Drachma
GDP	Gross domestic product at market prices
EC	European Communities
ECSC	European Coal and Steel Community
EUR 9	Total of member countries of the EC, except Greece
EUR 10	Total of member countries of the EC

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The Seventh Annual Report reviews the Fund's activities in 1981.

The Commission sent the Council major proposals on the general objectives of the Community's regional policy (Communication on new regional policy guidelines and priorities) and on the Fund's operational rules (proposals amending the Fund Regulation).

The endowment of the Fund's quota section was substantially increased over 1980, with commitment appropriations totalling 1615 million ECU.

Payment appropriations, which amounted to 804 million ECU, were almost entirely used up, with payments totalling 792 million ECU, or 98.4% of available appropriations. This satisfactory result was made possible by the system of accelerated payments.

Member States again applied for assistance under Article 12 of the Fund Regulation, whereby the Fund may contribute to the financing of studies closely related to Fund operations.

The Commission took further steps to ensure the smooth functioning of the integrated operations launched in Naples and Belfast.

Commitments under the non-quota section totalled 40.6 million ECU and payments 7.3 million ECU.