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PREFACE

Article 21(1) and (2) of the Council Regulation establishing a European Regional Development Fund provide as follows:

- "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."

The obligation to present an annual report is reinforced, where non-quota measures are concerned, by Article 6(2) and (3) of the Council Regulations instituting specific Community measures, which read as follows:

- "2. At the end of each year, the Member State concerned shall present to the Commission a report on the progress made in carrying out the special programme by reference to the information required in the Annex to this Regulation. These reports should enable the Commission to satisfy itself that the special programme is being executed, to observe its effects and to establish that the different operations are being carried out in a coherent manner. They shall be forwarded to the Regional Policy committee."
- "3. On the basis of these reports and the relevant decisions, the Commission shall report under the conditions laid down in Article 21 of the Fund Regulation."

NOTE

As the second Periodic Report on the Economic and Social Situation of the Regions of the Community is now being drafted, this Report covers only the most important aspects of ERDF operations.

Accordingly, the following changes in content and layout have been made as compared with the Seventh Report for 1981:

- Chapter II, "Regional Policy in 1981" (together with the related statistical annex) has been dropped from the 1982 Report. However, some of the topics discussed in that chapter have been included in the Annex: sheets on the regional development programmes presented by the Member States (Annex Sheet N. 1) and on the integrated development operations (Annex Sheet N. 2);
- Chapter IV, "Regional Analysis of Fund Activity", has also been omitted. However, the overall aspects of the geographical concentration of Fund assistance in certain regions are discussed in the final chapter, which also gives a brief statistical review of ERDF assistance from 1975 to 1982, considers its impact on employment and examines complementarity, additionality and the ERDF's overall impact on regional development.

A point to be borne in mind is that some of the figures given in various chapters of the report cannot be directly compared. For example, the figures on commitments and payments shown in Chapter III under the heading "Payments and settlement of commitments" do not give any breakdown of Fund activities by type of investment or by region, and to describe this aspect use has been made of the statistical statements published with each batch of decisions. In those statements, the amounts in national currency are converted into ECU at the exchange rate applying in January of the relevant year, and in Chapter II the conversion coefficients used are the exchange rates for converting national currencies into ECU applying in January 1982. In Chapter III, on the other hand, commitments and payments are shown, in accordance with budgetary rules, at the exchange rates for each month, with commitments being revalued monthly in line with fluctuations in exchange rates. This difference in the methods used to calculate the ECU amounts given in the report means that there are discrepancies between the figures in Chapters II and III, but they are too small to affect the orders of magnitude shown.

Similarly, the figures shown for the numbers of applications submitted and projects examined or approved "for the financial year 1982" must be distinguished from the figures for applications submitted and projects examined or approved "during the calendar year 1982" (see point 24 of Chapter II and point 96 of Chapter V).

Note

PRELIMINARY REMARKS

1. The European Regional Development Fund is the only Community instrument set up for the sole purpose of assisting development in the Community's less-favoured regions. It is used to buttress national regional development measures with a view to reducing regional imbalances in the Community. It makes grants for investment projects (infrastructures, production of goods and services) in the regions and areas eligible for regional assistance from Member States. Such projects must be financed by or receive assistance from the Member State in question.
2. Until 1973, the Community showed steady and sustained growth, but it was unbalanced. There was no Community regional policy on a scale to reduce this imbalance; to develop one in the present economic circumstances is not easy. Because of the large budget deficits, there is little room for budgetary policy measures, and the need for cuts in expenditure reduces the financial resources earmarked for regional policy. Furthermore, the economic crisis has been so severe that structural problems have also arisen in the developed regions, and certain regional imbalances have been further aggravated. It is no coincidence that the countries with the greatest regional disparities are the very ones that are least able to solve them, since they are also faced with the most serious economic problems. The short-term measures adopted by governments to combat the recession, although apparently necessary for political and social reasons, should not obscure the fact that the gap is as wide as ever between regions with the advantage of natural assets and opportunity for development, and those regions handicapped by low incomes and structural unemployment.
3. The upturn expected in the economy will probably alleviate but not solve the structural problems afflicting the less-favoured regions. Without an active regional and structural policy, there cannot therefore be any real progress towards economic integration. As an arm of such a policy, the Regional Fund is however only one element in a large whole. To this extent, the impact of regional policy cannot be fully assessed without taking account of the Community's other financial instruments and policies and without viewing the assistance they provide in the light of the present economic situation.

SUMMARY OF FUND ACTIVITY IN 1982

Quota section

4. Under the ERDF Regulation, adopted by the Council in March 1975⁽¹⁾ and amended in February 1979⁽²⁾ and December 1980⁽³⁾, the Commission is required to present an annual report on the financial management of the Fund and on the conclusions drawn by the Commission from the checks made on the Fund's operations. This annual report covers the Fund's activities in 1982.
5. Together with continued discussions on the proposed amendment of the ERDF Regulation⁽⁴⁾ presented in October 1981, the main events in 1982 were the implementation of the specific regional development measures, known as "non-quota measures", adopted by the Council in October 1980, and the presentation in November of proposals for a second series of non-quota measures⁽⁵⁾.
6. In the absence of a Council decision on the revised ERDF Regulation, the Commission decided to use again in 1982 the quotas which had applied in 1981, under Article 2(3) (a) of the Fund Regulation⁽⁶⁾.
7. The funds available (commitment appropriations) for the quota section in 1982 amounted to 1,817.7 Mio ECU, of which 1,669.0 Mio ECU represented the budget allocation for 1982 and 148.7 Mio ECU derived from appropriations released, sums carried over from the previous year, and adjustments to take account of fluctuations in the ECU rate. Although this amount represents a substantial increase over the previous year and almost all the appropriations available were committed (1,812.1 Mio ECU), the Commission was not able to make grants to all the eligible projects submitted. Grant decisions on 149 investment projects on which the Fund Committee had already given its opinion in 1982 had to be deferred to 1983. It is also evident that the Member States with the most serious regional problems would have submitted an even greater number of applications if the Fund's endowment had been larger.
8. In the interests of efficiency and sound financial management, the Commission adopted a fairly flexible approach in using budget resources not taken up by certain Member States and granted Greece, Ireland, Italy and the United Kingdom a volume of ERDF assistance that was in excess of their quotas for 1982, with the difference to be counted against their quotas for 1983.

¹ Regulation (EEC) No. 724/75 of 18 March 1975 (O.J. No. L 73, 21.03.75).

² Regulation (EEC) No. 214/79 of 6 February 1979 (O.J. No. L 35, 09.02.79).

³ Regulation (EEC) No. 3325/80 of 16 December 1980 (O.J. No. L 349, 23.12.80).

⁴ Document COM(81) 589 final, 26.10.1981.

⁵ Document COM(82) 658 final, 18.11.1982.

⁶ Doc. COM(82) PV 644, point X.

9. In 1982, by the end of the appraisal procedure, the Commission had approved 63.9% of the projects examined. During the year, the Commission adopted a total of 535 grant decisions under the quota section involving a total amount of 1,864.30 Mio ECU (81.7% of the assistance applied for) in respect of 3,277 investment projects. Since 1975, 17,771 projects and 30 studies have been approved, bringing the total amount of aid granted to 7,198.65 Mio ECU (7,186.89 Mio ECU for projects and 11.76 Mio ECU for studies).
10. Of the 1,864.30 Mio ECU granted in 1982, 12.8% was for industrial and service sector projects (1975-82: 21.3%), which were expected to result in the creation or maintenance of 48,148 jobs (1975-82: 506,477 jobs) and 87.1% for infrastructure projects (1975-82: 78.7%), with the remainder being used to finance studies.

In 1982, aid granted to infrastructure projects again exceeded the 70% ceiling laid down in the ERDF Regulation. The low level of investment in the industrial, craft industry and service sectors was largely due to the economic situation. The Commission, however, is concerned at the small proportion of resources devoted to the productive sector and considers that the Member States must make a special effort to remedy this state of affairs and to meet the minimum target of the ERDF Regulation⁷).

11. Payment appropriations available for the quota section amounted to 1,015.0 Mio ECU, plus 33.6 Mio ECU carried over from 1981. Payments in 1982 were up 20% over the previous year, amounting to 950.7 Mio ECU (as against 791,409 Mio ECU in 1981), i.e. 92.2% of the budget appropriations available for the quota section. Total payments made since the Fund was set up amount to 53.9% of total appropriations committed. The Commission considers that this percentage is satisfactory, since payments from the Fund are made only after payment of the national aids taken as a basis for calculating Fund assistance and national aids are paid only as and when the project is carried out.
12. Since the revision of the Fund Regulation in 1979, grants from the Fund have been possible in respect of payments made by Member States as from the twelfth month preceding the date on which the grant application was received by the Commission, for investment projects not completed by that date. For instance, 37% of the projects financed in 1982 had been started in 1981, 39% were begun during the same year as the grant decision, and a small number will begin in 1983.

⁷ Article 4(1)(b) of the Fund Regulation.

13. In administrative terms, the new simplified procedures governing grant applications for small investment projects (costing less than 10 Mio ECU) have produced a marked improvement in the prompt provision of full information to the Member States and efficient Fund management. Nevertheless, there were practical difficulties for the Commission, particularly during the second half of the year, since small projects accounted for 97% of the total number of projects examined (representing 41% of the assistance applied for) and more than 65% of the applications submitted, equivalent to nearly 70% of the commitment appropriations available in 1982, were not received until the period September-November. The Commission has always endeavoured to meet the wishes of the national authorities in this area; however, in view of the practical difficulties, it must insist that applications be submitted in a more even flow throughout the year, in accordance with the Regulation, and it must refuse any application received after the deadline.

By no means all the applications were properly completed; many had to be supplemented by the Commission staff on the basis of further information requested from the Member States. It proved generally less difficult to obtain additional information in those Member States which allow the Commission to have direct contact with the relevant regional and local authorities.

14. In 1982, the Member States again made no use of the possibility afforded by Article 4(2)(b) of the ERDF Regulation, which provides that Fund assistance for infrastructure projects may consist wholly or in part of a rebate of three percentage points on loans made by the EIB. This is because Member States prefer to obtain ERDF assistance under their quotas within a relatively short period, in the form of an amount based on the progress of the projects rather than in the form of an interest subsidy comprising payments spread over a relatively long period, i.e. the term of the EIB loan. Yet making use of this possibility would increase the impact of the assistance provided by these two financial instruments, firstly by allowing a number of investors easier access to credit and secondly by allowing more resources to be channelled to regional development through the Fund.
15. Eight studies relating to ERDF operations were co-financed (2.07 Mio ECU) under Article 12 of the Fund Regulation. This number is well below that which the Commission believes should be financed from this type of Fund assistance.

Non-quota section

16. With regard to the non-quota section the specific Community measures financed on the basis of the special programmes approved by the Commission began to be implemented as from the second half of 1981.

Commitment appropriations available under the non-quota section in 1982 amounted to 151.189 Mio ECU (of which 90.5 Mio ECU were entered in the 1982 budget and 60.7 Mio ECU were carried over from 1981). During the year, 32.7 Mio ECU were committed, bringing the total amount committed since 1981 to 73.3 Mio ECU (i.e. nearly 34% of the total available for five years was committed in 18 months). The payment appropriations available amounted to 62.22 Mio ECU. Payments amounted to 22.42 Mio ECU during the year, covering a series of commitments for the United Kingdom, Ireland, France, Italy and Belgium.

Remarks

17. The Commission stresses the importance of publicizing Fund assistance. Such information obviously has a much greater impact if Fund assistance can be seen to be additional to national expenditure and if the projects financed can be identified individually. The Commission notes with satisfaction that the authorities in some Member States, both at national and at regional and local levels, continue to cooperate with it in this matter. It considers it essential that other Member States agree to provide more public information in this respect. The Commission is in any case considering changes in the way the lists of projects published in the Official Journal are presented so as to make these a more useful source of information. Particular importance is attached to this in the context of the forthcoming elections to the European Parliament.
18. The Commission feels bound to stress the importance of Fund assistance being additional to national regional development expenditure. Observing this principle is the only way of ensuring a real increase in the total assistance provided to regions and hence of improving the public credibility of Community measures. The Commission however finds it difficult to establish the real ratio between national expenditure and the amounts received from the Fund and hence to determine to what extent Community assistance has been genuinely additional to national expenditure.

19. The amended Fund Regulation and the Council resolution on the guidelines for Community regional policy(*) give more prominence to the role of regional development programmes. The ERDF Regulation provides that Community assistance may be granted only if the project forms part of a regional development programme. The ERDF has in this way obliged the Member States to draw up regional development programmes in accordance with a common outline prescribed by the Regional Policy Committee. It thus exerts some influence over the programmes by providing a consistent framework for them. Gradually, as the programmes are improved and planned with greater thoroughness, the basis for regional policy coordination in the Community is being created. This coordination process has barely begun, the preparation of the first series of programmes having taken several years. At the present stage the aim is to make them more comparable and to include recognition of the repercussions of other structural policies, whether at national or Community level. Accordingly, as stated in the Commission's recommendations to the Member States on this subject, the regional development programmes should be regularly updated and supplemented. By the end of 1982, all the Member States had notified the Commission of their new regional development programmes, which are set out in summary form in Annex Sheet N. 1.
20. The efforts launched in 1979 to put through a number of integrated regional development operations demonstrated the usefulness of this coordinated approach, despite the difficulties encountered. In 1982, the Community budget included for the first time an amount of 2 Mio ECU to enable the Commission to contribute to the financing of preparatory studies for integrated operations. (The situation regarding the first integrated operations is set out in Annex Sheet N. 2, which also contains details of ERDF activities in regions covered by integrated development programmes: the Western Isles in the United Kingdom and Lozère in France.
21. The Regional Policy Committee met five times in 1982. It elected a new Chairman, Mr. B. ATTALI, and a new Vice-Chairman, Mr. J.R. EYSINK-SMEETS. The Committee examined a document on Community regional policy presented by its former Chairman, Mr. NOE, and the "second generation" regional development programmes referred to it (those for the Federal Republic of Germany, Ireland and the Flanders region of Belgium). It discussed the broad lines of the Second Periodic Report on the Economic and Social Situation of the Regions of the Community and delivered opinions on 112 major infrastructure projects.

* Council Resolution of 6 February 1979 concerning the guidelines for Community regional policy (O.J. N. C 36, 6.2.1979, p. 10).

QUOTA SECTION

INTRODUCTION AND METHOD OF WORK

22. The work of the Fund's quota section falls into three consecutive phases:

Phase 1: The Commission's departments examine the investment projects proposed in the grant applications submitted by the Member States and select eligible projects, which then become the subject of "draft decisions"⁽⁹⁾ (see points 5 to 9 of this Chapter).

Phase 2: The Commission refers to the Fund Committee for an opinion⁽¹⁰⁾ on the projects it has examined and accepted. The referral arrangements are as follows:

- for investment projects costing 10 Mio ECU or more, referral is automatic. In the case of infrastructure projects, the Commission consults the Regional Policy Committee⁽¹¹⁾ before seeking the opinion of the Fund Committee;
- for investment projects costing less than 10 Mio ECU, the Commission applies the prior information procedure⁽¹²⁾ sending the Member States simplified lists of the investment projects for which applications have been received. The Fund Committee is consulted:
 - on draft decisions to reject an application where the Member State concerned so requests;
 - on all other draft decisions in respect of which the Commission or a Member State would like to have the opinion of the Fund Committee.

⁹ The "draft decisions" and the resultant "decisions" generally group investment projects in the same way as the grant applications submitted to the Commission under Article 7 of the ERDF Regulation.

¹⁰ Article 16 of the Fund Regulation. Projects are presented at Fund Committee meetings, which generally take place four times a year.

¹¹ As provided for in Article 5(2)(a) of the Fund Regulation.

¹² This procedure was introduced in 1979 under Article 5(2)(a) and (b) of the Fund Regulation.

Phase 3: Following the prior information procedure and the opinion delivered by the Fund Committee, the Commission decides⁽¹³⁾ on the aid to be granted and the benefiting projects are grouped "in decisions"^(*) receiving assistance (see point 33 of this Chapter).

23. It should be noted that, with certain exceptions:

- projects examined "for 1982" are projects contained in grant applications which have reached the Commission during the twelve months from October 1981 to September 1982⁽¹⁴⁾;
- the projects referred to the Fund Committee for an opinion are projects accepted on completion of the examination procedure for 1982, plus projects proposed in earlier years which had not been fully examined and had been provisionally set aside;
- the grant decisions taken in 1982 concern the projects accepted on completion of the procedure described above and which could be financed out of the 1982 budget, together with projects accepted at the last examination in 1981 but on which no decision had been taken owing to a shortfall in resources from the 1981 budget.

These facts explain why, within one calendar year, no direct comparison can be made between the figures for the stages of examination, referral to the Fund Committee and the decision, all described below.

24. This Chapter deals only with investment projects, not studies, even though they belong to the Fund's quota section. The Commission takes the grant decisions for studies without consulting the Fund Committee, but informs the Member State concerned by such decisions.

Consequently, the amounts relating to studies must be added to those for investment projects (see Annex Table 1).

However, in the chapter "Financial Management and Control", the aggregate amounts relating to the figures for commitments and payments cover both investment projects and studies financed by the ERDF.

¹³ Decisions are generally adopted in series (allocations of grants) four times a year, shortly after the Fund Committee meetings.

¹⁴ In fact, this period is more exactly determined by the deadline by which applications must be submitted for the last Fund Committee meeting of the year to be able to deliver an opinion on the projects concerned.

Table 1
ERDF quota section (excluding studies).
Number of projects, assistance applied for, investments concerned.
Investment projects examined for 1982.

(Mio ECU)

By Member State	Industry, craft ind. & services			Infrastructure				TOTAL
	Nber of projects (a) Assistance (b) Investments (c)	Invest. of 10 Mio ECU or more	Invest. of less than 10 Mio ECU	Total	Invest. of 10 Mio ECU or more	Invest. of less than 10 Mio ECU	Mountain or hill areas	
B (a)	1	4	5	1	20	9	30	35
B (b)	2.50	1.18	3.68	1.84	8.85	1.60	12.29	15.97
B (c)	23.95	11.11	35.06	15.02	33.60	5.61	54.23	89.29
DK (a)	-	43	43	2	109	-	111	154
DK (b)	-	2.76	2.76	5.72	9.38	-	15.10	17.86
DK (c)	-	32.91	32.91	34.53	27.07	-	61.60	94.51
D (a)	16	142	158	2	87	-	89	247
D (b)	14.72	16.29	31.01	3.73	26.83	-	30.56	61.57
D (c)	394.01	393.61	787.62	28.49	109.77	-	138.26	925.88
GR (a)	1	21	22	6	163	-	169	191
GR (b)	5.76	7.88	13.64	110.85	84.46	-	195.31	208.95
GR (c)	66.90	41.98	108.88	352.43	286.15	-	638.58	747.46
F (a)	3	180	183	28	1013	-	1041	1224
F (b)	5.51	15.72	21.23	311.77	78.44	-	390.21	411.44
F (c)	68.82	238.10	306.92	2733.44	321.95	-	3055.39	3362.31
IRL (a)	4	36	40	16	-	3	19	59
IRL (b)	8.12	21.69	29.81	88.27	-	0.32	88.59	118.40
IRL (c)	51.52	119.49	171.01	2021.63	-	1.00	2022.63	2193.64
I (a)	2	344	346	33	2093	26	2152	2498
I (b)	10.01	54.23	64.24	594.11	317.10	21.91	933.12	997.36
I (c)	50.68	287.80	338.48	2672.78	1004.77	77.69	3755.24	4093.72
L (a)	-	-	-	-	1	-	1	1
L (b)	-	-	-	-	2.23	-	2.23	2.23
L (c)	-	-	-	-	7.44	-	7.44	7.44
NL (a)	-	17	17	2	1	-	3	20
NL (b)	-	8.66	8.66	11.95	0.70	-	12.65	21.31
NL (c)	-	81.98	81.98	58.30	3.50	-	61.80	143.78
UK (a)	10	44	54	37	577	20	634	688
UK (b)	42.58	10.69	53.27	132.10	235.12	3.75	370.97	424.24
UK (c)	268.89	78.15	347.04	1412.28	846.29	12.12	2270.69	2617.73
EUR 10 (a)	37	831	868	127	4064	58	4249	5117
EUR 10 (b)	89.20	139.10	228.30	1260.34	763.11	27.58	2051.03	2279.33
EUR 10 (c)	924.77	1285.13	2209.90	9328.90	2640.54	96.42	12065.86	14275.76

SUBMISSION OF GRANT APPLICATIONS

25. Again this year Member States were too slow in the first months in submitting their grant applications to the Commission; this meant that Commission departments were required to deal with two thirds of the investment projects for 1982 in a very short space of time before the Fund Committee's last meeting of the year. The delaying of applications until the last date on which they can be accepted for examination throws the work of the Commission departments and of the Committee out of balance and means that almost 70% of the grants made for 1982 were decided and committed at the end of the year⁽¹⁵⁾. The Commission is considering what steps can be taken to improve this situation.

Table 2
ERDF quota section (excluding studies under Article 12).
Breakdown by investment category of assistance and
investment relating to applications examined in 1982.

Investment categories	Assist. requested Mio ECU	Invest.-ments Mio ECU	Assist. requested in %	Invest.-ments in %
- Industry, craft industry. and services. Projects costing 10 Mio ECU or more.	89.20	924.77	3.9	6.5
Projects costing less than 10 Mio ECU.	139.10	1285.13	6.1	9.0
Total.	228.30	2209.90	10.0	15.5
- Infrastructure. Projects costing 10 Mio ECU or more.	1260.34	9328.90	55.3	65.3
Projects costing less than 10 Mio ECU.	763.11	2640.54	33.5	18.5
Projects costing less than than 10 Mio ECU in mountain or hill areas(1).	27.58	96.42	1.2	0.7
Total.	2051.03	12065.86	90.0	84.5
TOTAL.	2279.33	14275.76	100.0	100.0
(1) Within the meaning of Directive 75/268/EEC of 28 April 1975 on mountain and hill farming in certain less-favoured areas.				

¹⁵ See Table 5.

26. The Commission, in the interests of making a better selection of projects, has for several years asked Member States to submit applications for grants totalling more than their quotas in the Fund. In 1982 Greece, Italy, Ireland and the United Kingdom did so and applied for amounts substantially larger than their entitlements for the year.
27. During the year, the Commission examined grant applications concerning 5,117 investment projects: 657 of them had been submitted before 1982 and 4,460 were submitted in 1982. Taken together, the projects examined for 1982 (broken down by Member State in Table 1) were the subject of applications for assistance totalling 2,279.33 Mio ECU (an increase of 11.6% over 1981) and represented investment totalling 14,275.76 Mio ECU. Table 2 gives a breakdown in nominal value and as a percentage of the assistance applied for and of the investment concerned by investment category within the meaning of the Fund Regulation.

OUTCOME OF EXAMINATION OF GRANT APPLICATIONS

28. Of the 5,117 investment projects examined, 3,185 projects were accepted on completion of the examination procedure. The 1,932 projects which failed to obtain a Commission grant decision in their favour did so for the following reasons:
- 1,284 Projects were not fully documented and the Commission requested further information; when the dossiers are complete, some of these projects may receive ERDF assistance;
 - 422 projects were rejected because they related to sensitive industries (e.g. where there are risks of structural overcapacity);
 - 194 projects failed to fulfil the formal conditions laid down by the Fund Regulation (location in an assisted area, minimum of 10 jobs to be created, investment to cost more than 50,000 ECU, investment not to be completed by the date on which the Commission receives the grant application) or did not respect certain Community procedures, e.g. with regard to public contracts;

- 18 projects were rejected because they made no clear contribution to the development of the region in question, or because the aid schemes from which they benefited were incompatible with the Community's competition rules, or because the nature of the investment did not conform to the guidelines adopted by the Commission;
- 14 projects were withdrawn at the request of the member States which had submitted them.

Table 3 gives a breakdown of the number of rejected projects by Member State and by investment category.

Table 3
ERDF quota section (excluding studies under Article 12).
Breakdown of the number of investment projects rejected
on completion of the examination procedure 1982.

Member State	Industry, handi-craft and services		Infrastructure			Total
	Invest. of 10 Mio ECU or more	Invest. of less than 10 Mio ECU	Invest. of 10 Mio ECU or more	Invest. of less than 10 Mio ECU	Mountain or hill areas	
B	-	1	-	3	2	6
DK	-	4	-	-	-	4
D	2	7	-	8	-	17
GR	-	-	1	2	-	3
F	1	56	-	858	-	915
IRL	-	-	1	-	-	1
I	-	183	8	772	-	963
L	-	-	-	-	-	-
NL	-	9	-	-	-	9
UK	1	4	1	7	1	14
EUR 10	4	264	11	1650	3	1932

29. Added to the 3,185 investment projects accepted on completion of the examination procedure for 1982 grant applications were a further 150 projects on which no decision could be taken after examination in earlier years. Table 4 gives a breakdown by Member State of the 3,335 investment projects which were the subject of "draft decisions" in 1982.

Table 4
ERDF quota section (excluding studies under Article 12).
Outcome of examination of investment projects in 1982.

Member State	Number of projects			
	for 1982		Carried forward from previous years and accepted in 1982	Accepted on completion of 1982 examination procedure
	examined	accepted		
B	35	29	8	37
DK	154	150	-	150
D	247	230	-	230
F	1224	309	9	318
GR	191	188	52	240
IRL	59	58	-	58
I	2498	1535	79	1614
L	1	1	-	1
NL	20	11	1	12
UK	688	674	1	675
EUR 10	5117	3185	150	3335

CONSULTATION OF THE FUND COMMITTEE

30. In accordance with the procedure under Article 16 of the ERDF Regulation, draft decisions were referred to the Fund Committee for its opinion on all large projects costing 10 Mio ECU or more, and on small projects costing less than 10 Mio ECU¹⁶) for which referral to the Committee was requested by a Member State¹⁷).

The Fund Committee held four meetings in 1982, in March, May, July and November. The March meeting dealt solely with a non-quota specific measure; at the other three meetings the Committee's opinion was obtained on draft grant decisions.

¹⁶ For infrastructure investments in this category, the Commission, before seeking the opinion of the Fund Committee, consults the Regional Policy Committee (see Article 5(2)(a) of the Fund Regulation).

¹⁷ Article 5(2)(a) and (b) of the Fund Regulation.

31. Of the 3,335 investment projects accepted by the Commission, 704 were discussed by the Fund Committee.

This year again, the Prior information procedure introduced in 1979 greatly simplified the work of the Committee, for, of 3,178 projects costing less than 10 Mio ECU, only 547 (17%) needed to be discussed at the meetings. The Committee also examined the 157 projects costing 10 Mio ECU or more. None of the projects referred to the ERDF Committee was rejected; six were withdrawn at this stage by Member States, on only one no opinion was delivered; all the rest were endorsed.

32. At the end of the day, of the 3,335 investment projects accepted on completion of the examination procedure, 3,329 projects were approved as qualifying for a grant decision by the Commission. However, owing to a shortfall in budget resources in 1982, 149 of these projects will have to wait until 1983 to be the subject of a grant decision.

Table 5
ERDF quota section (excluding studies under Article 12).
Grant decisions in 1982: number of investment projects,
investment, assistance granted under each allocation.

	Allocation of grants in				Total
	March	June	Sept.	Dec.	
Number of projects	89	770	333	2077	3269
Amount in Mio ECU					
- of investments	531.82	2981.54	2931.34	5727.94	12172.64
- of grants	78.38	299.74	205.81	1278.31	1862.24

GRANT DECISIONS

33. After having obtained the necessary opinions of the Regional Policy Committee and the Fund Committee in accordance with the Fund Regulation, the Commission in 1982 adopted decisions on grants to 3,269⁽¹⁸⁾ investment projects for a total of 1,862.24 Mio ECU⁽¹⁹⁾. As in previous years, there were four allocations of grants (see Table 5).

¹⁸ Out of the 3,329 projects finally accepted for 1982, 149 must wait until 1983 to be the subject of a grant decision (see point 32). To the 3,180 remaining projects must be added 89 accepted in 1981 but where to be financed in 1982 (see last paragraph in point 33).

¹⁹ This figure does not cover the ERDF financing of part of the cost of studies under Article 12 of the Fund Regulation (see point 46).

ERDF

Table 6
ERDF quota section (excluding studies under Article 12).
Number of projects, assistance applied for, investments concerned.
Investment projects examined for 1982.

(Mio ECU)

By Member State	Industry, craft ind. & services			Infrastructure				TOTAL	
	Nber of projects (a) Assistance (b) Investments (c)	Invest. of 10 Mio ECU or more	Invest. of less than 10 Mio ECU	Total	Invest. of 10 Mio ECU or more	Invest. of less than 10 Mio ECU	Mountain or hill areas		Total
B	(a) (b) (c)	2 3.46 46.46	10 3.49 33.07	12 6.95 79.53	1 1.84 15.02	17 8.21 32.47	7 1.53 5.87	25 11.58 53.36	37 18.53 132.89
DK	(a) (b) (c)	- - -	39 2.52 31.21	39 2.52 31.21	2 5.72 34.50	111 9.46 27.40	- - -	113 15.18 61.90	152 17.70 93.11
D	(a) (b) (c)	14 10.89 253.31	135 15.73 376.95	149 26.62 630.76	2 3.73 28.49	79 25.01 91.41	- - -	81 28.74 119.90	230 55.36 750.66
GR	(a) (b) (c)	1 5.76 63.00	23 8.56 47.83	24 14.32 110.83	12 113.12 458.31	176 97.09 472.52	- - -	188 210.21 930.83	212 224.53 1041.66
F	(a) (b) (c)	2 2.68 27.64	129 11.25 166.15	131 13.93 193.79	28 299.91 864.06	153 30.54 113.99	- - -	181 330.45 978.05	312 344.38 1171.84
IRL	(a) (b) (c)	5 9.10 69.39	43 23.71 151.27	48 32.81 220.66	15 81.17 2004.63	- - -	3 0.32 1.00	18 81.49 2005.68	66 114.30 2226.29
I	(a) (b) (c)	2 10.01 50.67	161 38.53 205.69	163 48.54 256.36	20 366.32 2015.97	1383 183.99 590.99	26 19.99 73.72	1429 570.30 2680.68	1592 618.86 2937.04
L	(a) (b) (c)	- - -	- - -	- - -	- - -	1 2.23 10.80	- - -	1 2.23 10.80	1 2.23 10.80
NL	(a) (b) (c)	- - -	8 4.81 41.38	8 4.81 41.38	2 11.95 40.85	1 0.70 3.50	- - -	3 12.65 44.35	11 17.46 85.73
UK	(a) (b) (c)	8 77.84 1439.35	39 9.44 68.28	47 87.28 1507.63	36 136.43 1401.25	554 2221.83 802.94	19 3.37 10.80	609 361.63 2214.99	656 448.91 3722.62
EUR 10	(a) (b) (c)	34 119.74 1950.32	587 118.04 1121.83	621 237.78 3072.15	118 1020.19 6863.08	2475 579.06 2146.02	55 25.21 91.39	2648 1624.46 9100.49	3269 1862.24 12172.64

The 89 projects in the first 1982 allocation had already been accepted in November 1981 as qualifying for grant decisions, but no decisions had been adopted for lack of funds.

Investment projects

34. Table 6 gives for each Member State and for each investment category within the meaning of the Fund Regulation:

- the number of investment projects having received grant aid
- the volume of investment assisted and
- the amount of grants.

Of the total amount of grants, 33% went to projects in Italy and almost 25% to the United Kingdom. France and Greece come next with 18.5% and 12% of the assistance granted. These percentages reflect the principle of the geographical concentration of ERDF operations and the quotas allocated to the Member States.

35. The discrepancies noted between the distribution of grants and the quotas for each Member State stem chiefly from the Member States' take-up of their quota in earlier years and the increase or decrease in the shares falling to each them in 1982 out of the initial budget allocation as a result of a positive or negative balance of appropriations at the end of 1981 (see Chapter III, Table 11). For the purposes of Fund management, the Commission takes the view that the quotas allocated to Member States need not be strictly adhered to within any one year - in which there may be too few grant applications to use up the quota or some may be rejected - but over a long period.

36. Table 7 gives a breakdown of the aggregate amount of grants and of investment by category of investment project for 1981 and 1982; it is discussed below.

37. The proportion of grants to projects involving an investment of 10 Mio ECU or more was 61.1%, which reflects the priority given to large projects pursuant to Article 7(5) of the ERDF Regulation. The projects concerned are for the most part large infrastructure projects absorbing almost 55% of ERDF grants and are particularly significant in France, Ireland and the Netherlands (87%, 71% and 68.5% of the amount of grants made in these countries).

Table 7
ERDF quota section (excluding studies under Article 12).
Breakdown (in % of grants
by investment category).

Member State	Industry, handi-craft and services			Infrastructure				TOTAL
	Invest 10 Mio ECU or more	Invest < 10 Mio ECU	Total	Invest 10 Mio ECU or more	Invest < 10 Mio ECU	Moun-tain/hill areas	Total	
In 1981								
B	-	34.8	34.8	-	34.1	31.1	65.2	100.0
DK	-	-	-	59.9	40.1	-	100.0	100.0
D	20.0	39.6	59.6	4.8	35.6	-	40.4	100.0
GR	-	3.3	3.3	38.3	58.4	-	96.7	100.0
F	14.8	15.4	30.2	50.6	19.2	-	69.8	100.0
IRL	6.5	10.5	17.0	80.2	2.7	0.1	83.0	100.0
I	0.3	3.5	3.8	71.1	25.1	-	96.2	100.0
L	-	-	-	-	100.0	-	100.0	100.0
NL	-	-	-	84.2	15.8	-	100.0	100.0
UK	13.0	4.5	17.5	27.2	53.1	2.2	82.5	100.0
EUR 10	5.4	6.5	11.9	52.9	34.7	0.5	88.1	100.0
In 1982								
B	18.7	18.8	37.5	9.9	44.3	8.3	62.5	100.0
DK	-	14.2	14.2	32.3	53.5	-	85.8	100.0
D	19.7	28.4	48.1	6.7	45.2	-	51.9	100.0
GR	2.6	3.8	6.4	50.4	43.2	-	93.6	100.0
F	0.8	3.3	4.1	87.0	8.9	-	95.9	100.0
IRL	8.0	20.7	28.7	71.0	-	0.3	71.3	100.0
I	1.6	6.2	7.8	59.3	29.7	3.2	92.2	100.0
L	-	-	-	-	100.0	-	100.0	100.0
NL	-	27.5	27.5	68.5	4.0	-	72.5	100.0
UK	17.3	2.1	19.4	30.4	49.4	0.8	80.6	100.0
EUR 10	6.4	6.4	12.8	54.7	31.1	1.4	87.2	100.0

38. Of the infrastructure projects costing 10 Mio ECU or more, 30% have benefited from grants of up to 40% of the expenditure incurred by the public authorities²⁰, a possibility introduced by the amended ERDF Regulation of February 1979, while 13% of these projects received grants of less than 30%.

²⁰ Projects which are of particular importance to the development of the region, Article 4(2)(b) of the ERDF Regulation.

39. The proportion of grants to industry, craft industry and services was only 12.8% of total grants in 1982, with substantial differences between Member States: the proportion was 48% in Germany, 38% in Belgium and some 28% in Ireland and the Netherlands, but only 19% in the United Kingdom, 14% in Denmark and under 8% in the other countries. Overall, this situation is a slight improvement on 1981, when the percentage of Fund resources devoted to the productive sectors (11.9%) was the lowest since the Fund's establishment, but is still very far from the target of 30%. Under Article 4(1)(b) of the ERDF Regulation, the 70% limit on the proportion of Fund assistance devoted to infrastructure investment does not apply to the individual Member States, but to all ERDF resources in the quota section and must be complied with over a period of three years.

While this slippage has not yet given rise to legal problems, it is still evidence of a trend to which the attention of Member States should once again be drawn.

In seven Member States, the proportion of grants to industry, craft industry and services was higher in 1982 than in 1981 - considerably higher in the Netherlands, Denmark and Ireland. By contrast, in France such grants accounted for only 4% of ERDF grants made in 1982 (compared with 30% in 1981), while in the Federal Republic of Germany the proportion fell by 12 points from 60% in 1981 to 48% in 1982.

40. At Annex B, Tables 2, 4 and 6 and a short summary show the categories of investment assisted by the Fund.

Transport, with 36%, and water engineering, with 29%, still take up nearly two thirds of the assistance granted by the Fund to infrastructure projects. However, the categories of infrastructure financed vary from one Member State to another, depending on national policies and regional priorities.

Studies

41. In 1982 the Commission decided to make grants totalling 2.07 Mio ECU to the following studies:
- a study on the use of hydroelectric energy in Greenland: 0.12 Mio ECU;
 - a study on the decentralization of transport services in Greece: 0.07 Mio ECU;
 - a study on the improvement and utilization of the Alifana rail network at Naples: 1.47 Mio ECU;
 - a study on the renovation of the petrochemical complex and the development of the Gela area in Sicily: 0.19 Mio ECU;

ERDF

- a feasibility study on the construction of a road between Newry in Northern Ireland and Dundalk in Ireland: 0.04 Mio ECU divided equally between the study in Ireland and the study in Northern Ireland;
- a study on the use of lignite in Northern Ireland: 0.12 Mio ECU;
- a technical study on the construction of a breakwater at the port of Mallaig, Scotland, 0.06 Mio ECU.

42. Table 8 shows that the Fund's expenditure on studies under Article 12 is rather unbalanced geographically and in the numbers of applications; but it should be remembered that for the Member States and the Commission alike this new type of co-financing has its experimental sides both as regards the selection⁽²¹⁾, on the basis of their features and usefulness of the study subjects submitted, and as regards their implementation and their monitoring by the Commission.

Table 8
ERDF quota section Studies under Article 12.
Situation at 31.12.82 - 1980-82(1)

Member	Number of applications				Number of studies assisted		Number of studies for which payment already made		Studies compl.	
	State	1980	1981	1982	Total	Number	Amount Mio ECU(2)	Number		Amount Mio ECU(3)
B	-	-	-	-	-	-	-	-	-	-
DK	1	1	1	3	3	2.604	2	1.069	1	
D	-	-	-	-	-	-	-	-	-	-
GR	-	2	1	3	3	0.180	-	-	-	
F	-	-	-	-	-	-	-	-	-	
IRL	1	-	1	2	2	0.613	-	-	-	
I	35	13	11	59	15	7.814	3	0.708	1	
L	-	-	-	-	-	-	-	-	-	
NL	-	-	-	-	-	-	-	-	-	
UK	2	2	5	9	5	0.365	1	0.110	-	
EUR 10	39	18	19	76	28	11.576	6	1.887	2	

(1) From 1975 to 1979, ERDF involvement in studies was limited to one operation in Ireland and the United Kingdom (2 studies in 1976), bringing the number of studies financed by the Fund since 1975 to 30).

(2) Converted into ECU at the rate obtaining in January of the year of the decision.

(3) Converted into ECU at the rate obtaining in the month of payment.

²¹ The principal criteria for selection were: a close link with investment projects, the importance of these projects for the development of the region and the complementary nature of the Fund aid.

To start with, the Commission's departments selected only 28 studies out of the 76 submitted; this meant that relatively few of the Italian applications received in 1980 were accepted. When the priorities were established, some studies were rejected on the following grounds:

- questionable eligibility; for example, studies that were too general in character or had no direct link with Fund operations;
 - the studies were in fields of applied research or were rather costly; for example, in mining or geothermal energy research.
43. The state of progress of the co-financed studies is unsatisfactory; payment claims have been put in for only six studies, with the result that less than one fifth of the total committed has been paid. In this regard Greece, Italy and United Kingdom are behindhand.

Generally speaking, the delays appear to be caused by postponement of the studies and the lack of experience among certain departments, particularly regional government, in launching and following up this type of project⁽²²⁾.

NON-QUOTA SECTION

IMPLEMENTATION OF SPECIFIC MEASURES

44. As provided for in Article 13 of the ERDF Regulation, specific Community regional development measures financed under the non-quota section are to include measures "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". On a proposal from the Commission, a first series of non-quota measures was adopted by the Council on 7 October 1980. These measures seek to promote the development of certain Mediterranean regions (the Mezzogiorno and South-West France - Regulation (EEC) N. 2615/80) in the context of the enlargement of the Community, the creation of new activities in certain areas seriously affected by the restructuring of steel industry (in Belgium, Italy and the United Kingdom - Regulation (EEC) N. 2618/80) and in similarly hard-hit shipbuilding areas (in the United Kingdom - Regulation (EEC) N. 2617/80), and an improvement in the security of energy supply in inland areas in the Mezzogiorno (Regulation (EEC) N. 2618/80). A measure to assist border areas in Ireland and Northern Ireland (Regulation (EEC) N. 2619/80) was also adopted.

²² During the first half of 1983 the Commission's departments approached the Member States concerned in an attempt to remedy this situation.

45. These non-quota measures differ from those under the quota section of the Fund as regards both the nature of operations assisted and the financing procedures⁽²³⁾:

- they combine a range of initiatives to improve the economic environment for firms and harness the indigenous development potential of the regions benefiting; they are designed to help small and medium-sized enterprises (SMEs) and craft industries and to promote innovation, rural tourism and alternative sources of energy;
- they are implemented in the form of special multiannual programmes presented by Member States and approved by the Commission;
- the contribution from the Fund's non-quota section to these programmes amounts to 220 Mio ECU for the period 1981-85; the commitments each year depend on the funds available in the budget and on the progress of the programmes;
- the grants made and annual commitments are expressed directly in ECU and not in national currency as is the case with grant decisions for projects assisted under the quota section of the Fund.

Table 9
Grants for non-quota programmes.

Programmes	Total allocations ov. 5 years Mio ECU	Commitments 1981 Mio ECU	Commitments 1982 Mio ECU	Commitments 1981 and 1982 as % of total allocation
France (Enlargement)	55	15.56	12.67	51.3
Italy (Energy)	16	5.03	-(1)	31.4
Italy (Enlargement)	65	16.13	-(1)	24.8
Ireland (Border areas)	16	3.22	-(1)	20.1
United Kingdom (Border areas)	8	0.47	-(1)	5.9
United Kingdom (steel-making areas)	33	-	12.76	38.7
United Kingdom (Shipbuilding)	17	-	6.51	38.3
Belgium (Steel-making areas)	6	0.17	0.80	16.2
TOTAL	216	40.58	32.74	33.9
(1) Since the first tranche of the 1981 grant for this programme was not exhausted, no commitments were made under the second tranche in 1982.				

²³ See Sixth ERDF Annual Report (1980), p. 4.

46. By the end of 1982, the Commission, after consulting the Fund Committee, had approved all the special programmes forming the first phase of the specific measures adopted by the Council, with the exception of that for the steel-making areas in Italy. (The assistance allocated to this programme amounts to 4 Mio ECU out of a total of 220 Mio ECU for the whole non-quota programme.) Table 9 provides details of the grants and commitments in 1981 and 1982 for each of the programmes so far adopted.

Although there was some delay in launching the specific measures (caused in some cases by the need to adopt special national rules and by the switch from "individual project" procedures to "multiannual programme" procedures), virtually all the measures are now under way. Their implementation is steadily approaching a normal level in that the commitments made in 1981 and 1982 account for one third of the total allocation for the five-year period (see chap. III, point 76).

In 1982, a first tranche of commitments was released for the shipbuilding and steel area programmes in the United Kingdom, while a second tranche for financing new measures was activated for the enlargement programme in France and for the steel area programme in Belgium.

The implementation of the specific regional development measures under the non-quota section is described below.

PROGRAMME IMPLEMENTATION

47. The enlargement measure: Regulation (EEC) N. 2615/80

Under this measure, Community assistance totalling 65 Mio ECU and 55 Mio ECU respectively has been granted to the special programme for the Mezzogiorno and to that for South-West France (Aquitaine, Midi-Pyrénées and Languedoc-Roussillon). These two programmes are designed to encourage economic activities outside agriculture and to diversify employment opportunities with a view to correcting the unfavourable effects of Community enlargement. They comprise measures to help small and medium-sized enterprises and craft industries, to promote innovation and to boost rural tourism.

Italy

The programme presented by Italy for implementing the enlargement measure was approved by the Commission on 3 December 1981. The wide range of operations provided for in the Regulation necessitated changes in national and regional laws, and this delayed commencement of the programme.

As a first step, the Italian authorities have decided to concentrate the available resources on aids to enterprise, to be followed by the financing of more conventional projects, notably infrastructure projects.

ERDF

The Cassa per il Mezzogiorno was made responsible for the programme on 28 May 1982 under Law N. 748/75 and the Ministerial Decree of 27 July 1976. Involved in its execution are the regional governments, numerous public agencies such as the Istituto d'Assistenza per lo Sviluppo del Mezzogiorno (IASM), the Finanziaria Meridionale Trading (FIME TRADING), the Centro di Formazione et Studi per il Mezzogiorno (FORMEZ) and Iniziative per il Sud (INSUD), various trade associations such as the Associazione Nazionale Agricoltura e Turismo (ANAGRITUR) and the Confederazione Italiana della Piccola e Media Industria (CONFAPI), and regional groupings of cooperatives.

In all, 120 projects under the non-quota measure were submitted, mainly by trade associations and semi-public agencies. Only 66 of these were approved; to finance them in full, the Community would need to allocate 96 Mio ECU to the special programme, much more than the actual allocation of 65 Mio ECU. Assistance will go mainly to SMEs and to innovation projects, taking up 76% of the Community's contribution, the balance going to craft industry and to rural tourism.

The breakdown of expenditure at 30 November 1982 was as follows (examples of projects assisted are given in brackets):

- For SMEs: 48%
 - sectoral analyses: 19.7% (mainly the agri-food and footwear industries);
 - management advisory services: 7% (a new technical assistance centre for SMEs, craft businesses and cooperatives in Sicily);
 - common services: 9.5% (a common service for several industries in Calabria);
 - information briefings: 11.5% (micro-electronics, energy conservation);
 - access to risk capital: 0.3%.
- For innovation: 9.5%
(feasibility studies on behalf of electronics companies);
- For the craft industry: 12.7%
(appointment of technical assistants in mountain areas);
- For rural tourism: 29.8%
 - tourist accommodation: 0.8%
 - promotion of tourism: 24.9% (including regional and provincial offices responsible for promoting farm holidays);
 - tourist facilities: 4.1%.

An information briefing on the opportunities offered by Regulation 2615/80 was held on 25 June 1982; and various information campaigns were launched by the agencies implementing the programme (e.g. by FORMEZ with regard to information on innovation).

France

The programme presented by France for implementing the enlargement measure was approved by the Commission on 10 June 1981.

The Délégation à l'Aménagement du Territoire et à l'Action Régionale (DATAR) - Mission du Grand Sud Ouest - is responsible for the programme. Involved in its implementation are numerous public and semi-public agencies such as the Agence Nationale pour la Valorisation de la Recherche (ANVAR) and the Agences Régionales d'Information Scientifique ou Technique (ARIST), and various trade associations (Chambres of Commerce and Industry, Chambres de Métiers).

The starting-up phase took longer than planned because of the need for changes to the legislation on tourism and for new special management procedures; for example a special commission involving locally elected representatives was set up to award innovation aids.

At 1 December 1982, the breakdown of expenditure was as follows:

- For SMEs: 55.5%
 - sectoral analyses: 2.4% (three market intelligence units - Centres d'Observation de Documentation et d'Information sur les marchés (CODIM) - to work in close association with the regional scientific and technical information agencies (ARIST) and provide information on the economic prospects for individual techniques and products);
 - investment: 32.9% (energy conservation, automation of production processes, modernization of sawmills in the Pyrénées, etc.);
 - management and common services: 7.3% (aid for SMEs calling in consultants);
 - infrastructures : 9.3% (communications with industrial and craft industry zones);
 - briefings: 2.4% (technology exchanges, energy conservation
 - access to risk capital: 1.2%;
- For innovation: 29.0%
 - information on innovation: 8.5% (meetings and events organized by ANVAR, a new network of technological advisers);
 - application of innovation: 13.5% (including two new procedures: consultancy contracts for calling in technological advisers and feasibility studies carried out on behalf of 40 companies);
- For the craft industry: 2.5%
 - information for craft workers: 0.8% (four new decentralized units of the Chambres de Métiers);
 - promotion of craft activities: 1.7% (enhancing the market value of pine furniture);

- For rural tourism: 20%
 - tourist accommodation: 13.9% (assistance for small country inns and restaurants and for farmhouse accommodation);
 - promotion of tourism: 1.2% (three new local booking offices);
 - tourist facilities: 4.9% (local museums, signposting of tourist routes, etc.);

The projects assisted under the non-quota section during the first year should eventually create 2,000 new jobs.

The public authorities are mounting a vigorous campaign to inform potential recipients and trade interests about the possibilities offered by the special programme. In particular, over 4,000 copies of a newsletter are sent out regularly by the DATAR - Mission du Grand Sud Ouest, the purpose being to keep firms informed of the arrangements for implementing the special programme.

In their first annual report, the French authorities say that, for investment aids among others, the financial resources available for SMEs or for tourist accommodation are already clearly inadequate.

48. The steel areas measure: Regulation (EEC) N. 2616/80

The purpose of this measure is to promote activity and employment in the areas adversely affected by the restructuring of the steel industry. It provides for the reclamation of rundown industrial sites and urban localities, the creation or expansion of consultancy firms and common services, the promotion of innovation in industry and the services sector and easier access to risk capital for SMEs.

Italy

At the end of 1982 the Italian authorities had not yet presented to the Commission the special steel areas programme for the province of Naples.

Belgium

The programme presented by Belgium was approved by the Commission on 17 December 1981. It covers the steel-making areas in the provinces of Luxembourg, Liège and Hainaut (except the districts of Ath and Tournai) and has been allocated Community assistance totalling 6 Mio ECU.

The programme is to be carried out by the Ministry of the Walloon Region as regards new technologies and the SMEs, and managed by the technological contracts unit (Cellule de Gestion des Contrats Technologiques, CGCT).

Because most of the planned measures are the first of their kind in Belgium, special implementing and budget management procedures have had to be introduced, and this has caused some delays.

Given the limited funds available, the Belgian authorities have decided to focus on the promotion of technological innovation. Four types of support measure are planned:

- financing of feasibility studies:
 - internal feasibility: innovation specialists ("technological development experts") to be placed at the disposal of SMEs in order to identify their internal technical potential for innovation;
 - external feasibility: appraisal from market surveys based on product and cost considerations of the way in which innovation potential identified should be exploited;
 - technological feasibility: taking over of responsibility for R&D projects, including prototype development, with a view to conducting the necessary innovation tests;
- circulation of a regular newsletter on innovation;
- a new specialized agency providing information on request;
- surveys of the market potential abroad for licensing agreements.

The "internal feasibility studies" have been allocated the largest share of the grant (around half of the total cost of the programme). The preparatory phase of the operation, which will involve 88 enterprises, has been completed; by the end of 1982, a group of 12 selected companies had recruited a "technological development expert".

The other measures in the programme will be launched in 1983.

A number of information campaigns, especially in the press, have been mounted by the Belgian authorities.

Widespread interest has been shown in the operation and it is already apparent that the funds available are inadequate.

United Kingdom

The special programme for the steel areas measure was approved by the Commission on 29 April 1982.

The programme covers the Strathclyde region, the counties of Cleveland, Clwyd, South Glamorgan, West Glamorgan and Gwent and the employment office area of Corby. It has been allocated Community assistance totalling 33 Mio ECU.

The Department of Industry and the Scottish Economic Planning Department are responsible for the programme and the local authorities are involved in its execution.

The UK authorities have decided to concentrate on the rehabilitation of industrial sites. However, among the aids to enterprise a special effort has been made in Scotland with the introduction by the Scottish Economic Planning Department of the Business Plan Service. Companies can call in this low-cost advisory service, which is independent of the private sector, to draw up their financing plans. Most of the financial institutions in Scotland use the Business Plan as a basis on which to take swift decisions on finance applications.

At 31 December 1982, the breakdown of expenditure was as follows:

- rehabilitation of industrial sites: 73% (59 projects are already under way);
- management advisory service: 17.1% (58 companies have taken advantage of this facility);
- common services: 3.7% (9 grant applications have been accepted);
- innovation promotion: 5.6%.
- business access to risk capital: 0.6%.

New activities on redeveloped sites are expected ultimately to provide jobs for 10,000 people.

The possibilities offered by the special programme have received very wide publicity:

- announcements in Parliament and in the regional and national press by the Department of Industry, the Scottish Economic Planning Department, the Welsh Office and the Department of the Environment;
- SMEs have been notified of the aids available in notices to banks, chambers of commerce and the local authorities;
- several briefings have been held, notably in Strathclyde at the inauguration of the Business Plan Service.

This information campaign has generated considerable interest among both local authorities (elimination of industrial decay) and SMEs (aids to enterprise). Several hundred companies submitted aid applications and in less than eight months close on half of the financial assistance available for the entire programme was committed. The UK authorities say in their annual report that aid applications will certainly outrun the money available.

49. The shipbuilding areas measure in the United Kingdom: Regulation (EEC) N. 2617/80

The United Kingdom special programme for the shipbuilding areas measure was approved by the Commission on 20 July 1982.

This programme, allocated Community assistance totalling 17 Mio ECU, concerns the Strathclyde region, the counties of Cleveland, Tyne and Wear, Merseyside and the Belfast urban area. It is designed to promote activities that will provide new jobs and, in particular, to encourage the creation and development of SMEs in the areas adversely affected by the restructuring of the shipbuilding industry. It comprises measures identical to those in the United Kingdom steel areas programme.

The Department of Industry, the Department of Economic Development (Northern Ireland) and the Scottish Economic Planning Department are responsible for the programme and the local authorities are involved in its execution.

As in their steel areas programme, the UK authorities have decided to concentrate on the elimination of industrial blight.

At 31 December 1982, the breakdown of expenditure was as follows:

- rehabilitation of industrial sites: 81% (43 projects have been started);
- management advisory service: 16% (30 companies have availed themselves of this service);
- innovation promotion: 3%.

New activities on the reclaimed sites are expected to create 5,000 new jobs.

An extensive information campaign has been launched by the Department of Industry, the Scottish Economic Planning Department, the Department of Economic Development (Northern Ireland) and the Department of the Environment. It is directed at Parliament, the press and SMEs (through notices to banks, chambers of commerce and the local authorities).

The local authorities (site reclamation) and SMEs (aids to promote innovation) have shown considerable interest. It is already apparent that grant applications will outrun the money available.

50. The energy measure in Italy under Regulation (EEC) N. 2618/80

The programme, which has been allocated Community assistance totalling 16 Mio ECU, was approved by the Commission on 10 June 1981.

It includes measures for improving the security of energy supply in mountain areas in the Mezzogiorno, including the construction or overhaul of small hydroelectric power stations, a survey of resources and of sites suitable for small hydro installations and the construction of small-scale wind-power and biomass-energy plants.

The Cassa per il Mezzogiorno was made responsible for the programme on 28 May 1982, under Law N. 748/75 and the Ministerial Decree of 27 July 1976. The Ente Nazionale per l'Energia Elettrica (ENEL) and the Istituto d'Assistenza per lo Sviluppo del Mezzogiorno (IASM) are involved in its execution.

In 1982, investment was concentrated on three mini power stations in Sardinia, Calabria and Campania. The projects concerned with the survey of hydro resources were completed and the authorities signed contracts with the firms that are to perform the work.

A wind-power plant was constructed in Sardinia.

The feasibility study on the use of biomass and the related projects were completed. Contracts are being negotiated with the farms where the trials will be conducted and with the industrial companies that will supply the equipment.

A briefing to publicize the possibilities offered by Regulation 2618/80 was held on 25 June 1982.

51. The border areas measure in Ireland and Northern Ireland: Regulation EEC N. 2619/80

This measure is designed to improve the economic and social situation in the border areas of the two countries, which are among the most disadvantaged areas of the Community. It involves measures to foster tourism, improve tourist facilities, develop communications and promote craft industry and small business.

Cross-border cooperation is a feature and regular meetings have been held between the Northern Ireland Tourist Board and its Irish counterpart (Bord Fáilte) with a view to improving coordination. One result of this cooperation has been the joint publication of two tourist brochures. In addition, one of the tourist information offices that is to receive non-quota assistance is financed jointly by the two boards.

Ireland

Ireland's programme for the border areas measure was approved by the Commission on 10 June 1981. It has been allocated Community assistance totalling 16 Mio ECU and covers the counties of Donegal, Leitrim, Cavan, Monaghan and Louth.

The Department of Finance is responsible for implementing the programme, and bodies such as the Irish Tourist Board (Bord Fáilte) and the Irish Export Board (Coras Trachtála Teo - CTT) as well as the local authorities are involved in its execution.

The information for 1982 is not yet available.

At the end of 1981, the breakdown of expenditure was as follows:

- tourist accommodation: 23.6% (extension or modernization of 22 hotels, construction of holiday accommodation on some 60 farms);
- promotion of tourism: 4.3% (financing of six tourist offices, printing of information brochures);
- tourist facilities: 35.0% (a national park, a museum, pathways and access areas to lakes or rivers);
- improvement in communications with tourist areas: 16% (improvements to several stretches of secondary roads);
- development of transport activities;
- development of and support for the activities of SMEs: 13.5% (a new craft centre, market analysis, trade promotion assistance);

In 1981, the special programme helped to provide or preserve over 200 jobs.

The public authorities publicize the scheme in various ways, notably at the time of the annual budget decisions relating to the financing of the Special Border Areas Programme Fund, set up in 1980.

It looks as though the money available under the special programme will be sufficient to meet the aid applications.

Northern Ireland

The United Kingdom's programme for the border areas measure was approved by the Commission on 10 June 1981. It concerns the areas of Londonderry, Strabane, Omagh, Fermanagh, Dungannon, Armagh, Newry and Mourne and has been allocated Community assistance totalling 8 Mio ECU.

Full information on the programme in 1982 has not yet reached the Commission.

The specific measure launched by the Community has highlighted the need to encourage local initiatives as a means of promoting and stimulating economic activity in the border areas, particularly the tourist trade.

Following the information campaign that accompanied the launching of the programme in June 1981, the district councils concerned have submitted proposals for tourist accommodation and facilities and the promotion of tourism and for improvements in communications.

NEW PROPOSALS FOR NON-QUOTA REGULATIONS

52. In their annual reports on the implementation of the non-quota specific measures, several Member States say that the resources available already fall short of covering all the applications received and satisfying the interest shown, particularly in the aids to enterprise. Some Member States make the point that similar measures are needed to assist other regions or sectors of the economy that are also experiencing serious difficulties.

The same view had been expressed by Parliament when it approved the Commission's proposals almost unanimously on 11 March 1980.

The Commission took account of these observations in its six proposals for a second series of non-quota measures, transmitted to the Council on 19 November 1982, for which it recommended assistance totalling 710 Mio ECU over five years.

The measures proposed concern the regions seriously affected by industrial decline and the southern regions of the Community. Their thrust is threefold:

1. Strengthening and extending measures currently being implemented

The Commission proposes that four of the five non-quota measures introduced in 1980 should be widened in scope, with the addition of 390 Mio ECU to the initial total of 196 Mio ECU. The measures in question are those for enlargement, energy, shipbuilding areas and steel areas.

The increased resources would be allocated as follows: a twofold increase for the enlargement measure (an extra 120 Mio ECU) and the shipbuilding measure (an extra 17 Mio ECU), the addition of 23 Mio to the initial total of 16 Mio ECU for the energy measure, and a very large increase for the steel areas measure, adding 230 Mio ECU to the initial 43 Mio ECU.

The Commission proposes that all except the energy measure should include the provision of business advisory services. This means identifying job-creating economic initiatives and advising existing or potential firms about access to financial aids and public services. For the steel and shipbuilding areas measures, the Commission also proposes aids to investment by SMEs based on the results of market research. These investment aids would be in the form of capital grants and, in the case of the steel areas measure, in the form of interest subsidies on Community global loans.

Steel-making areas

The Commission attaches special importance to the steel areas measure, as can be seen from the increase it is proposing - 230 Mio ECU. It is seeking to tie in this measure even more closely with the Community's policy of restoring the competitiveness of the Community steel industry, which means cutbacks in production capacities. Action under the non-quota section to create alternative activities in the areas concerned is planned in two stages:

- During the first stage, the current measure would be extended to take in a few more areas in the United Kingdom and in France where the recent sharp decline of the steel industry is aggravating existing regional disequilibria. An amount of 92 Mio ECU would be allocated to this stage;
- The second stage is to assist those areas that will have to contend with substantial job losses under the restructuring programmes for the steel industry that Member States are to submit to the Commission. An amount of 138 Mio ECU would be spent on this stage.

2. Extension of certain measures to include Greece

Under the Commission's proposals, Greece would benefit under two of the second series of non-quota measures. They would concern only the islands, whose remote location seriously impedes their development.

The first measure is aimed at reinforcing the economic fabric of the islands in view of the future enlargement of the Community to include Spain and Portugal. The operations planned are the same as those under the present enlargement measure now under way in certain areas of France and Italy. The islands would also benefit from projects to improve communications with the mainland, the construction of water desalination plants and protection of the environment.

The second measure is designed to improve the security of energy supplies by making better use of new techniques for hydroelectric power and alternative energy sources. The Greek islands would therefore be included in the existing measure for the Mezzogiorno, to which would be added a new geothermal energy operation. Planned assistance for the two measures totals 60 Mio ECU over five years, of which 40 Mio is for the enlargement measure and 20 Mio ECU for the energy measure.

3. New measure to assist textile and clothing areas

The Commission proposes that an amount of 260 Mio ECU be devoted to improving the physical environment, encouraging the development of SMEs and fostering industrial innovation in certain areas adversely affected by the restructuring of the textile and clothing industry. This measure is intended to benefit the main textile areas in Belgium, France, Ireland, Italy, the Netherlands and the United Kingdom, which have all sustained substantial job losses.

It is aimed at promoting new economic activities as alternatives to the textile and clothing industry and is similar in approach to the steel and shipbuilding areas measures (see (a) above).

CHAPTER III - FINANCIAL MANAGEMENT AND CONTROL

BUDGET RESOURCES AVAILABLE

53. This analysis of financial management concerns both the quota and non-quota sections of the Fund. The grant operations under the two sections are described in Chapter II.
54. In 1982, the Fund's total allocation of commitment appropriations adopted by the budgetary authority was 1,759.5 Mio ECU, of which 1,669 Mio ECU for the quota section (Chapter 50 of the budget) and 90.5 Mio ECU for the non-quota section (Chapter 51). This represented an increase in nominal terms of 14.3% over 1981 (1,540 Mio ECU). The total allocation amounted to 7.6% of the General Budget of the European Communities in 1982, against 7.3% in 1981.
55. The budgetary authority fixed the Fund's total allocation of payment appropriations at 1,075 Mio ECU, of which 1,015 Mio ECU for the quota section and 60 Mio ECU for the non-quota section, an increase of 31.2% in nominal terms over 1981 (819.20 Mio ECU).

UTILIZATION OF COMMITMENT APPROPRIATIONS

QUOTA SECTION

56. Operations for the adjustment, release and transfer of appropriations carried out during the year in connection with the financial settlement of Fund grants affected the total amount of commitments available for appropriation from the quota section. At the end of the day the appropriations available for 1982 amounted to 1,817.694 Mio ECU, compared with an initial allocation of 1,669 Mio ECU adopted by the budgetary authority (see Table 10.1).

(Mio ECU)

Commitment appropriations available for 1982					Use in 1982 Commitments made (2)	Appropriations available at 31.12.82
Appropriations entered in 1982 budget	Appropriations outstanding from 1981 (1) (a)	Appropriations made available by:				
		release of previous commitments	exch.-rate fluc- tuations affect- ing amounts prev. released	Total		
1669.000	58.349	48.653	41.692	1817.694	1812.131	5.564

2. Use of payment appropriations.

(Mio ECU)

Payment appropriations available in 1982			Payments made in 1982			Payment appropriations unused at 31.12.1982	
Carry-over 1981 (1)	Appropriations for 1982 (b)	Total	Out of carry- over from 1981	Out of appro- priations for 1982	Total	Out of carry-over from 1981	Out of appro- priations for 1982
33.629	1015.000	1048.629	33.629	917.045	950.674	-	97.955

3. Commitments made.

(Mio ECU)

Commitments 1975-1981 unpaid at 1.1.1982	Amounts released and adjustments	Commitments made in 1982			Unpaid commitments 1975-1981 + 1982 commitments	Commitments paid in 1982	Commitments still to be paid at 31.12.82
		Out of appropriations outstanding from 1981	Out of appropriations for 1982	Total			
2247.723	- 90.345	58.349	1723.782	1812.131	3969.509	950.674	3018.835

- (1) (a) Including transfer from the non-quota to the quota section of commitment appropriations totalling 39.370 Mio ECU.
 (1) (b) Including transfer to the non-quota section of payment appropriations totalling 17.771 Mio ECU.
 (2) Less amounts released from 1982 commitments (0.226 Mio ECU) and adjustments due to exchange-rate fluctuations (11.712 Mio ECU)

1. Use of commitment appropriations.

ERDF quota section.
Budgetary situation 1982.

Table 10

(Mio ECU)

Member State	Appropriations entered in 1982 budget allocation (a)	Appropriations outstanding from 1981(1) (b)	Appropriations made available through		Total appropriations available for commitment (e)=(a)+(b)+(c)+(d)	Commitment appropriations used up in 1982(2) (f)	Balance outstanding at year-end (g)=(e)-(f)	Rate of utilization of approp. (h)= (f)/(e)
			Release operations (c)	Fluctuations in ECU rate (d)				
B	18.526	25.164	1.063	1.434	46.187	16.965	29.222	36.7
DK	17.691	0.906	0.218	0.710	19.525	17.418	2.107	89.2
D	77.609	18.188	3.019	-4.864	93.952	58.312	35.640	62.1
GR	216.970	-53.030	0.012	5.489	169.441	213.297	-43.856	125.9
F	227.651	85.783	3.800	20.209	337.443	325.359	12.084	96.4
IRL	99.139	-12.052	14.385	0.170	101.641	114.037	-12.396	112.2
I	592.328	-47.602	22.936	18.690	586.352	604.899	-18.547	103.2
L	1.168	0.093	0.027	0.140	1.428	2.042	-0.614	143.0
NL	20.696	5.334	-	-1.994	24.036	18.323	5.713	76.2
UK	397.222	35.566	3.193	1.708	437.689	441.479	-3.790	100.9
EUR 10	1669.000	58.349	48.653	41.692	1817.694	1812.131	5.563	99.7

(1) Including 18.979 Mio ECU carried over from 1981 and 39.370 Mio ECU from the non-quota section.
(2) Including 1.984 Mio ECU for studies carried out under Article 12 of the Fund Regulation.

Table 11
 ERDF quota section,
 Use of commitment appropriations in 1982.

57. The difference of 148.694 Mio ECU is accounted for by:

- the carry-over of 18.979 Mio ECU outstanding from 1981,
- 39.370 Mio ECU, which was the balance of 1981 commitment appropriations from the non-quota section not taken up in 1982 and transferred to the quota section at the end of 1982 with the approval of the budgetary authority, as provided for in Article 2(3)(b) of the Fund Regulation, and

an additional 90.345 Mio ECU made up of:

- 41.692 Mio ECU from adjustments to take account of exchange-rate fluctuations within the European Monetary System⁽²⁴⁾, and
- 48.653 Mio ECU released through decommitment action by the Commission⁽²⁵⁾ following, particularly, the withdrawal of industrial projects (16.8 Mio ECU), the failure or partial failure to attain initial job-creation targets⁽²⁶⁾ (8.5 Mio ECU) and a change in the method of financing a major infrastructure project (11.4 Mio ECU).

58. The Fund's quota activities examined in Chapter II led to the commitment in 1982 of 1,812.131 Mio ECU, including 1.984 Mio ECU for eight studies carried out pursuant to Article 12 of the Fund Regulation. Out of the commitment appropriations available this left an unused year-end balance of 5,563 Mio ECU.

59. Table 11 gives for each Member State details of the financial operations concerning the commitment appropriations available under the budget. The balances shown in the penultimate column will be added to or deducted from Member States' shares for the 1983 financial year.

Some Member States (in particular Greece, Ireland, Italy, and the United Kingdom) took up in advance part of their 1983 quotas, while others did not use up all the appropriations allocated to them: Germany, which has the largest balance in nominal terms, Belgium, whose balance is the largest in relative terms, France, the Netherlands and Denmark. Under the circumstances and in the interest of sound financial management, the Commission used these budget appropriations to grant Greece, Ireland, Italy, and the United Kingdom assistance from the Fund over and above their 1982 quotas, the difference to be charged against their 1983 quotas.

²⁴ Commitments and payments within the quota section are calculated on the basis of national currencies and accounted for at the monthly exchange rate.

²⁵ Committed appropriations are released under Article 9(6) of the Fund Regulation where information supplied to the Commission by Member States, notably in support of their payment claims, or findings of on-the-spot checks show that a project has not been completed or has been implemented in such a way as to justify payment of only part of the intended grant. The unused amount resulting is made available for grants to other investments located in one of the eligible regions of the same Member State.

²⁶ This triggered among other things application of the limits to ERDF assistance laid down in Article 4(1)(a) and (2)(a) of the Fund Regulation.

60. The overall balance of 5.563 Mio ECU outstanding at the end of 1982 is in fact the total cumulative balance since the Fund's inception. It represents only 0.3% of the commitment appropriations available for the year and less than 0.8% of commitments made during the period 1975-82 (over 7,050 Mio ECU).

Table 12 provides a synopsis of the balance of commitment appropriations outstanding at each year-end since the Fund was set up. We find that available appropriations have been used up almost entirely since 1975.

Table 12
ERDF quota section.
Balances of commitment appropriations outstanding each year-end.

(Mio ECU)

Year	Budget appropriations	Appropriations available for commitment (1)	Appropriations used up (2)	Balance outstanding at year-end
75/77	1030.40(3)	1047.23(3)	1032.20(3)	15.03(3)
1978	581.00	599.84	556.36	43.48
1979	900.00	973.65	970.43	3.22
1980	1106.75	1169.64	1137.79	31.85
1981	1463.00	1615.17	1596.19	18.98
1982	1669.00	1817.69	1812.13	5.56

(1) Including appropriations carried over from the previous year and appropriations made available through release operations and through adjustments in respect of commitments remaining payable from previous years to take account of fluctuations in the ECU rate.

(2) Commitments for the respective years adjusted to take account of fluctuations in the ECU rate.

(3) Budget appropriations, 1,300 Mio u.a.; appropriations available for commitment, 1,312.33 Mio u.a.; and appropriations used, 1,301.64 Mio U.A. This leaves a balance of 10.69 Mio u.a. converted into ECU at the rate ruling in January 1978.

(Mio ECU)

Commitment appropriations available for 1982				Appropriations used in 1982 commitments made	Commitment appropriations available at 31.12.82
Appropriations entered in 1982 budget	Appropriations outstanding from 1981	Available from:			
		Transfer to quota section	Total		
90.500	60.689	39.370	111.819	32.739	79.080

2. Use of payment appropriations.

(Mio ECU)

Payment appropriations available in 1982				Payments made in 1982			Payment appropriations unused at 31.12.1982	
Carry- over from 1981	Appropriations for 1982	Transfer to quota-section	Total	Out of carry- over from 1981	Out of appropri- ations for 1982	Total	Out of carry- over from 1981	Out of appropri- ations for 1982
20.00	60.00	17.777	62.223	2.223	20.200	22.423	-	39.800

3. Commitments made.

(Mio ECU)

1981 commitments unpaid at 1.1.1982	Commitments made in 1982			1981 commitments unpaid at 31.12.81 + 1982 commitments	Commitments paid in 1982	Commitments still to be paid at 31.12.82
	Out of appropriations outstanding from 1981	Out of appropriations for 1982	Total			
33.305	21.319	11.420	32.739	66.044	22.423	43.621

1. Use of commitment appropriations.

Table 13
ERDF non-quota section.
Budgetary situation 1982.

NON-QUOTA SECTION

61. A maximum amount of 220 Mio ECU was set aside for the first five non-quota measures approved by the Council on 7 October 1980. The first eight special programmes approved by the Commission between June 1981 and July 1982 took up 216 Mio ECU⁽²⁷⁾, this being the Fund contribution for their duration.

The total amount of appropriations available for commitment in 1982, 151.189 Mio ECU, was made up of 90.500 Mio ECU entered in the 1982 budget and 60.689 Mio ECU outstanding from the 1981 budget. Of the latter amount, a balance of 39.370 Mio ECU was not used up in time and as a result was transferred at the end of 1982 to the quota section⁽²⁸⁾. While approving this transfer, the budgetary authority did however request that the appropriations so withdrawn from the non-quota section be restored to it during 1983 (see Table 13).

62. Decisions taken to grant aid under the non-quota section resulted in a commitment in 1982 of 32.739 Mio ECU, leaving, taking account of the transfer already mentioned, an unused balance of 79.080 Mio ECU to be carried into 1983.
63. Table 14 gives for the non-quota section the balances of commitment appropriations remaining available in previous years and the transfers so far made to the quota section.

The carry-overs and the transfers to the quota section shown in the table reflect delays in starting up the non-quota section which call for the following observations:

- the Commission's proposal for the establishment of a non-quota section dates back to June 1977; the section was set up in February 1979; although the first proposals under this section were made as early as October 1979, they were not adopted by the Council until October 1980;
- implementation of the specific measures has entailed a shift of emphasis at national level from "individual project" financing to "multiannual programme" financing and, since some of the measures have been the first of their kind, special rules have had to be introduced in a number of cases.

As a result, the Commission could not approve the first batch of special programmes drawn up for the first five specific Community measures until June 1981 and the first commitments could not be made until that year. Since then, an amount of 73.327 Mio ECU has been committed, representing 34% of the Fund's total five-year allocation of 216 Mio ECU for the first eight non-quota special programmes (see Table 19 at point 76).

²⁷ An extra 4 Mio ECU has been earmarked for the steel areas programme in Italy.

²⁸ As provided for in Article 2(3)(b) of the Fund Regulation.

Table 14
ERDF quota section.
Carry-overs and transfers to quota section.

(in Mio ECU)

Year	Budget appropriations	Appropriations available for commitment	Appropriations used up	Transfer to quota section	Balance outstanding at year-end
1978	29.05(1)	29.05(1)	-	-(1)	-(1)
1979	45.00	45.00	-	-	45.00
1980	58.25	103.25	-	45.00	58.25
1981	77.00	135.25	40.59	33.97	60.69
1982	90.50	151.19	32.74	39.37	79.08

(1) In 1978 the appropriations for the non-quota and quota sections were still combined in the budget.

SETTLEMENT OF COMMITMENTS (PAYMENTS)

64. For 1982, the Fund's total initial allocation of payment appropriations entered in Chapters 50 (quota section) and 51 (non-quota section) of the budget was 1,075 Mio ECU, including 125 Mio ECU originally entered in Chapter 100 (provisional appropriations) and transferred during the year to Chapter 50 (quota section). The allocation of payment appropriations thus represented 61% of the total initial allocation of commitment appropriations (1,759.5 Mio ECU), against 53% in 1981. In the previous financial year, payment and commitment appropriations amounted to 819.2 Mio ECU and 1,540 Mio ECU respectively.

QUOTA SECTION

65. The payment appropriations originally entered in the 1982 budget for the quota section stood at 1,015 Mio ECU, including the 125 Mio ECU in Chapter 100. With the carry-over to 1982 of the balance of 15.852 Mio ECU outstanding at the end of 1981, the appropriations initially available for payment in 1982 totalled 1,030.852 Mio ECU. At the end of the year, the unused balance of 17.777 Mio ECU from the non-quota section's 1981 payment appropriations was transferred to the quota section²⁹, giving a total of 1,048.629 Mio ECU for payment appropriations available for 1982 (see Table 10.2).

²⁹ As provided for in Article 2(3)(b) of the Fund Regulation.

66. Payments made in 1982 totalled 950.674 Mio ECU, of which 0.506 Mio ECU for studies carried out pursuant to Article 12 of the Fund Regulation, compared with 791.409 Mio ECU in 1981, an increase of 20%.

Although the flow of payments as a percentage of the total volume of commitments dipped slightly (53.9% in 1982 against 54.3% in 1981), over 90% of the appropriations available at the beginning of the year were used up, and this for the third year running: the rate of utilization for 1982 was 92.2%. Without the transfer of the 125 Mio ECU initially entered in Chapter 100, some of the payments charged to the 1982 budget would have had to come out of the 1983 budget.

67. Payment claims submitted by Member States during 1982 actually amounted to 974.552 Mio ECU, not 950.674 Mio ECU. The difference is due mainly to the amounts held back by the Commission from the payments claimed, pending notification by the Member State concerned of all the information required under Article 8(1)(b) of the Fund Regulation, and to the recovery of amounts released during the year.

Table 15
ERDF quota section
Payments made in 1982 - Commitments still to be paid at the end of 1982.

(in Mio ECU)

Member State	Commitments 1975-81 still to be paid at end 1981 (1)	Commitments 1982	Payments		Payments as % of commitments		Commitments to be paid at end 1982
			1981	1982	75/81	75/82	
B	14.249	16.965	9.170	10.558	68.0	66.6	20.656
DK	21.301	17.418	10.685	14.572	65.2	69.1	24.147
D	102.015	58.312	36.189	61.648	64.0	69.9	98.679
GR	120.836	213.297	122.001	152.346	49.1	59.4	181.787
F	337.266	325.359	62.159	126.177	52.4	48.3	536.448
IRL	79.667	114.037	79.322	91.550	69.7	72.4	102.154
I	1028.596	604.899	210.164	276.966	42.7	43.4	1356.529
L	1.405	2.042	0.962	0.063	67.6	48.6	3.384
NL	43.162	18.323	5.662	3.235	51.5	45.3	58.250
UK	408.881	441.479	255.096	213.559	67.7	62.7	636.801
EUR 10	2157.378	1812.131	791.409	950.674	54.3	53.9	3018.835

(1) Amounts adjusted to take account of commitments released and adjustments for fluctuations in the ECU rate.

68. Table 15 shows for each Member State and for the Community as a whole the situation with regard to payments. It also gives the flow of payments (commitments settled as a percentage of commitments made since the Fund's inception) and, for purposes of comparison, shows the pattern at the end of 1982 and at the end of 1981.

Table 16
ERDF quota section.

Settlement of commitments in each financial year.

Member State	Commitments unpaid at 31.12.1981(1)		Commitments 1982 (1)		Payments made in 1982 against commitments in						Total payments at end 1982	Commitments unpaid at 31.12.82	Payments against commitments at end 1982
	Mio ECU	%	Mio ECU	%	75-77	1978	1979	1980	1981	1982	Mio ECU	Mio ECU	in %
					Mio ECU								
B	14.249	0.7	16.965	0.9	0.954	0.498	0.960	3.008	1.680	3.458	10.558	20.656	66.6
DK	21.301	1.0	17.418	1.0	-	-	0.040	1.566	10.778	2.188	14.572	24.147	69.1
D	102.015	4.7	58.312	3.2	0.118	4.587	5.847	19.738	22.784	8.574	61.648	98.679	69.9
GR	120.836	5.6	213.297	11.8	-	-	-	-	63.607	88.740	152.347	181.788	59.4
F	337.266	15.6	325.359	18.0	1.237	0.516	6.679	29.671	28.186	59.888	126.177	536.448	48.3
IRL	79.677	4.0	114.037	6.3	0.424	0.637	1.077	6.409	35.486	47.518	91.551	102.154	72.4
I	1028.596	47.3	604.899	33.4	-1.314	13.405	54.268	87.199	102.110	21.296	276.964	1356.530	43.4
L	1.405	0.1	2.042	0.1	-	-	-	0.063	-	-	0.063	3.384	48.6
NL	43.162	2.0	18.323	1.0	-	-	-	2.701	0.309	0.225	3.235	58.249	45.3
UK	408.881	19.0	441.479	24.4	1.219	7.929	12.085	39.839	99.815	52.672	213.559	636.800	62.7
EUR 10	2157.378	100.0	1812.131	100.0	2.638	27.572	80.956	190.194	364.755	284.559	950.674	3018.835	53.9

(1) Amounts adjusted to take account of amounts released and fluctuations in the ECU rate.

69. Comparing the figure of 53.9% with those for 1981, 1980, 1979 and 1978 (54.3%, 56.4%, 53.2% and 53.3% respectively) reveals that, although the allocation has grown, the time-lag between the flow of commitments and the flow of payments has remained virtually unchanged. This time-lag stems inevitably from the Fund's rules: when a grant decision is taken, the total amount of the grant is committed immediately, whereas settlement of the commitment, i.e. the actual payment of the grant, is staggered over several years in step with the outlay by Member States and progress of the investment projects financed.
70. Table 16 gives the breakdown for each Member State of payments made in 1982 against the corresponding commitments made in previous years.
71. The overall rate of payment differs quite markedly between Member States. It improved in Denmark, Germany, Greece, Ireland and Italy, although Italy, with a rate of 43.4%, remains below the Community average. Italy is making strenuous efforts to make up the backlog accumulated in previous years. France (48.3%), Luxembourg (48.6%) and the Netherlands (45.3%) were also below the Community average, with a sharp drop in the rate of payments compared with 1981 in all three countries. The figure of 62.7% for the United Kingdom, although lower than that recorded in 1981 (67.7%), is still well above the Community average.

Table 17
ERDF quota section.
Breakdown of payments in each year by Member State.

Member State	% of payments made							
	1975	1976	1977	1978	1979	1980	1981	1982
B	0.0	1.7	0.8	2.3	0.6	0.9	1.2	1.1
DK	1.7	1.5	1.6	0.5	1.8	1.3	1.3	1.5
D	0.0	3.6	6.7	16.6	9.0	6.9	4.6	6.5
GR	-	-	-	-	-	-	15.4	16.0
F	17.8	12.1	12.3	16.0	20.2	13.7	7.9	13.3
IRL	7.7	6.8	5.9	8.0	6.4	9.6	10.0	9.6
I	48.9	42.7	40.1	30.8	28.0	34.3	26.6	29.1
L	0.2	0.2	0.1	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	0.3
UK	20.6	29.1	31.7	23.2	32.2	32.1	32.2	22.5
EUR 10	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

72. Table 17 gives the breakdown between Member States of payments from the Fund every year since 1975.

Although payment appropriations are not subject to quota arrangements, it will be seen from this Table that, compared with the quotas for commitment appropriations, there have been considerable delays in claiming payments in recent years, particularly in the case of Italy.

73. Table 18 summarizes the settlements of payment appropriations since the Fund was set up.

Since the Fund was set up, annual allocations of payment appropriations have totalled 3,897.585 Mio ECU. At 31 December 1982, 3,799.630 Mio ECU had been accounted for by payments made since 1975, representing a rate of utilization of 97.5%.

Table 18
ERDF quota section.
Payment appropriations since 1975.

Year	Budget appropriations		Payments made		Balance of credits remaining since 1975	
	Mio U.A.	Mio ECU	Mio U.A.	Mio ECU	Mio U.A.	Mio ECU
1975(1)	150.000	122.310	90.628	74.058	59.372	48.252
1976(1)	300.000	229.051	277.372	213.052	82.000	64.252
1977(1)	400.000	294.530	372.508	275.699	109.492	83.083(1)
1978		525.000		254.892		353.191
1979		483.000		513.148		323.043
1980		392.375		726.698		0.0
		(2)+16.000				4.720
1981		799.200		791.409		
		(2)+ 3.342				15.852
1982		1015.000		950.674		
		(2)+17.777				97.955
Total		3897.585		3799.630		97.955

(1) Units of account converted into ECU at the average rate for the year.

(2) Transfer from the non-quota (chap. 51) to the quota section (chap. 50).

74. In 1982, the amounts involved in the settlement of commitments through application of the accelerated payments procedure⁽³⁰⁾ can be put at 268 Mio ECU, against 230 Mio ECU in 1981. Accelerated payments thus accounted for 28% of total payments made in 1982, against 29% in 1981.

³⁰ ERDF Sixth Annual Report (1980), point 140.

NON-QUOTA SECTION

75. An appropriation of 60 Mio ECU was entered in the 1982 budget for the settlement of commitments made under the non-quota section. Including the carry-over to 1982 of 20 Mio ECU of payment appropriations outstanding at the end of 1981, appropriations available for payment at the beginning of the year stood at 80 Mio ECU. At the end of the year, an amount of 17.777 Mio ECU, representing the balance of 1981 payment appropriations unused in 1982, was transferred to the quota section³¹.
76. Payments made in 1982 in respect of all the non-quota special programmes approved to date totalled 22.423 Mio ECU. At the end of the year, and taking into account the transfer mentioned, the balance of payment appropriations outstanding stood at 39.8 Mio ECU.

Table 19
ERDF non-quota section.
Commitments and payments in respect of special programmes.

(in Mio ECU)

Special programmes	Total allocation over 5 yrs	Commitments		Payments	
		Date	Amount	Date	Amount
France - enlargement	55.000	13/10/81	15.563	15/10/81	4.669
		22/09/82	12.666	03/12/82	3.800
United Kingdom - border areas	8.000	02/10/81	0.473	22/12/81	0.142
				02/12/82	0.284
United Kingdom - steel areas	33.000	24/05/82	5.280	15/12/82	5.280
		13/12/82	7.480	15/12/82	2.244
United Kingdom - shipbuilding areas	17.000	16/09/82	2.570	15/12/82	2.570
		03/12/82	3.940	15/12/82	1.182
Ireland - border areas	16.000	02/10/81	3.216	15/10/81	0.965
				31/03/82	0.965
				09/10/82	0.965
Italy - energy	16.000	16/10/81	5.026	30/12/81	1.508
Italy - enlargement	65.000	23/12/81	16.135	02/12/82	4.841
Belgium - steel areas	6.000	23/12/81	0.175	27/09/82	0.053
		22/09/82	0.803	27/09/82	0.241
Total	216.000		73.327		29.709

³¹ As provided for in Article 2(3) (b) of the Fund Regulation.

Table 19 gives for each special programme the situation with regard to the settlement of commitments resulting from the payments made. Overall, the balance of commitments made in 1981 and 1982 and still to be paid amounts to 43.621 Mio ECU (see Table 13.3).

Although the start-up of the eight special programmes proved difficult³² and while a number of them are still running somewhat behind schedule, they are steadily moving into a normal pattern of execution. In spite of the fact that the Commission did not approve the last of the eight programmes until July 1982 (the first having been approved in June 1981), 34% of the total of 216 Mio ECU had been taken up and 40.5% of the commitments made had been settled by 31 December 1982.

CONTROLS

INSPECTIONS

77. Pursuant to Article 8 of the Fund Regulation, grants are paid out upon presentation by the Member State concerned of statements certifying the public expenditure incurred (the basis for Fund assistance) and the existence of detailed supporting documents. The latter do not, however, have to accompany payment claims: the conformity of the statements presented to the Commission with the supporting documents is verified on the occasion of on-the-spot checks carried out pursuant to Article 9(3) of the Fund Regulation on a sample of projects aided by the Fund.

As provided for in Article 9(4), on-the-spot inspections are also made in order to verify the conformity of completed projects with the proposals as originally presented to the Fund and that of administrative practices with Community rules, particularly as regards public tendering. Assessment of the conformity of projects implemented with the operations financed also involves verifying the degree of success in achieving specific employment and production targets in the case of industrial projects and utilization targets in the case of infrastructure projects, where they had been indicated in the grant applications, a practice which is generally followed only for projects costing 10 Mio ECU or more.

78. Since in 1982 statements of expenditure relating to non-quota specific measures were not presented by Member States in time for a schedule of checks to be drawn up, on-the-spot inspections were confined to projects financed under the quota section. During the year the Commission did, however, carry out in two Member States its first examination of Fund operations under the non-quota section in preparation for future on-the-spot checks. It was primarily concerned with how these operations were being financed and administered.
79. During 1982, the Court of Auditors was associated with three on-the-spot inspections by the Commission.
80. In 1982, on-the-spot checks were made by the Commission (involving officials from the Directorates-General for Regional Policy

³² See point 63 of this Report.

and for Financial Control) in respect of 204 projects, compared with 223 in 1981 and 202 in 1980. This brought the number of projects inspected on-site since the Fund was established to 1,268. The projects inspected in 1982 accounted for Fund assistance totalling 338 Mio ECU, against 355 Mio ECU in 1981 and 140 Mio ECU in 1980. This figure can be compared with the commitments of some 5,250 Mio ECU for the period 1975-81 and with the payments made of 2,850 Mio ECU in the same period. It should also be noted that the total number of projects inspected in 1982 involved investment amounting to around 2,375 Mio ECU.

81. During the year, the Commission continued its action to deal with "dormant" projects⁽³³⁾. Alongside the general examination that the Commission carries out periodically in conjunction with the Member States, it continued its enquiries, introduced on a regional basis in 1981, using on-the-spot checks to identify, in association with the administering authorities, projects where payments had fallen behind schedule. The purpose is to discover the causes of such delays and to speed up the processing or closure of files, either by final payment if the projects have been completed or by releasing the appropriations allocated if they have not been carried out. In 1982, 359 "dormant projects" were inspected (as against 236 in 1981 and 209 in 1980). Following these inspections, 14 projects have lost their grants (the appropriations being released), 27 have been the subject of further payment claims and 22 the subject of a final claim to close the file.

ASSESSMENTS

82. In 1982, France withdrew its objection to Commission officials joining in inspection visits to industrial concerns. The checks were therefore carried out in accordance with Article 9 of the Fund Regulation, on the basis of the arrangements already applied in the other Member States. As a result, the Commission terminated the measures withholding payments from the industrial projects that Commission officials had not been authorized to inspect.
83. On-the-spot checks in 1982 did not reveal any operation of a fraudulent nature, i.e. no case of undue financial benefit being obtained by way of an illegal procedure.
84. Generally speaking, on-the-spot inspections carried out during the year revealed occasional flaws in the information supplied by Member States in grant applications and in payment claims. They also brought to light some tardiness in informing the Commission of the completion of projects, delaying the closure of files.
85. In response to this situation, the Commission took the action it had announced in 1981⁽³⁴⁾ for clearing files on projects dating back to 1975, 1976 and 1977. As a result, appropriations committed for projects which have far overrun their original schedule will be released automatically. The Commission will gradually extend this procedure to files from subsequent years that have not yet been closed.

³³ Projects for which no payment claim has been received for some 18 months.

³⁴ ERDF Seventh Annual Report, point 163.

CHAPTER IV : PUBLICITY FOR FUND ACTIVITY

86. The Commission takes the view that the Fund's activities should be given the widest possible coverage. First, the public has the right to be informed about how the Community administers the resources for which taxpayers in Member States foot the bill. Second, Fund operations, being in support of practical projects with a fixed location, are a particularly apt advertisement for the direct benefit the public derives from the Community; this point is even more important in the run-up to the second direct election of the European Parliament.

The Fund Regulation stipulates⁽³⁵⁾ that investors must be informed that part of the aid granted to them has been provided by the Community. It also requires that grants for infrastructure projects be given suitable publicity. In addition, a list of projects assisted by the Fund must be published in the Official Journal of the European Communities. As before, the actual information to be published is specified in agreements with the individual Member States.

87. The Commission continued and expanded the information campaigns it has mounted since the Fund's inception. It has found that, among the publicity measures taken, information supplied to the press and on-site signboards still have the greatest public impact, particularly in countries where individual projects can be identified and where Fund assistance is highest (Ireland, Italy and the United Kingdom).

PRESS INFORMATION

88. After each series of grant decisions, the Commission published a press release, regional grant statistics and lists of aided projects, the content of which varies according to the agreement with each Member State. All this information is very widely circulated by the Commission's information offices in the Member States, and some countries also conduct their own press campaigns every time an allocation of grants is announced.

In addition to the general press releases covering all the grant allocation decisions, the Commission has provided separate information on grants in each recipient country since the end of 1981.

³⁵ Article 10 of the Fund Regulation.

Press releases have also been issued whenever the Commission has adopted programmes for implementing the non-quota specific measures. A special effort was made to publicize the Commission's proposals for the second series of non-quota measures. In addition to the accompanying press release, the Commission Member responsible for regional policy gave a press conference on 21 October for representatives of the world press accredited to the European Communities.

89. By and large, such information is given more prominence in the regional and local press than in the national press. There are frequent reports in Irish, Italian and United Kingdom newspapers, but less press coverage in France and Germany. The information released for the latter two countries does not make it easy for journalists or newspaper readers to identify the individual projects aided by the Fund, whereas the lists for Ireland, Italy and the United Kingdom are fairly detailed and name each project, which certainly makes the information more useful to journalists and more interesting to readers. The relatively higher level of Fund assistance in these three countries may also explain the greater public interest shown there in Fund activities.

The Commission is studying ways of keeping the general public in all Member States more closely informed, notably through the regional and local press, of the practical aspects of Community policies, especially ERDF activities.

SIGNBOARDS

90. Member States are required to ensure that signboards are erected at the sites of major infrastructure projects to show that they are being financed in part by the Fund³⁶).

Many signboards have now been erected in Italy and the United Kingdom. More often than not, however, the Commission does not receive enough details on the number of signboards put up, and the reports which the national authorities are required to present to the Commission each year arrive very late and in many cases are incomplete.

According to the Commission's present information, signboards have been erected for some 2,050 projects since the Fund was set up, including around 600 projects in 1982. The table below shows the numbers of signboards put up in each country.

³⁶ Article 10 of the Fund Regulation.

Table 20
ERDF quota section.
On-site signboards.

Member State	Number of projects with signs	Situation at year-end:
B	38	1981(1)
DK	7	1982
D	57	1982
GR	347	1982
F	40	1981(1)
IRL	94	1982
I	841	1982
L	4	1982
NL	14	1982
UK	611	1982
EUR 10	2053	
(1) No information sent in on the number of signboards erected in 1982.		

NON-QUOTA MEASURES: INFORMATION ACTIVITY BY NATIONAL AUTHORITIES

91. The Regulations concerning the non-quota measures impose certain publicity requirements on the national authorities. The special programmes must among other things indicate how trade interests and the general public are to be informed of the possibilities offered by the programmes and how the Community's contribution is to be publicized. In addition, in their annual reports on the implementation of the programmes the authorities in the Member States are required to inform the Commission of their information activity³⁷).

³⁷ See points 47 to 51 for the information campaigns conducted for each special programme under the non-quota section.

PUBLICATION IN THE OFFICIAL JOURNAL

QUOTA SECTION

92. The list of projects receiving grants from the Fund must be published every six months in the Official Journal. Since 1978 it has not been possible to keep to this timetable, and occasionally the lists have been published only once a year and with considerable delay. The list of projects approved in 1980 was not published until July 1982⁽³⁸⁾.

These delays are due mainly to staff shortages. The technical and translation workload involved in preparing the lists has increased significantly: in 1982, 3,273 projects were listed, compared with 1,183 in 1975. In spite of these constraints, the time-lags have been shortened recently - the projects covered by the first three grant allocations of 1981 were published in September 1982⁽³⁹⁾ and those covered by the fourth allocation in December 1982⁽⁴⁰⁾ while those covered by the first two allocations of 1982 were published in March 1983⁽⁴¹⁾.

Unfortunately, these lists provide little information since they are not allowed to identify projects; some Member States do not permit this identification. The lists published in the Official Journal are therefore standardized on the basis of the lowest common denominator. The Commission is endeavouring to improve this situation.

NON-QUOTA SECTION

93. Under the Regulations adopted by the Council in October 1980, the special programmes presented to the Commission by the Member States for the non-quota specific measures must be published in the Official Journal. Of the nine programmes, eight were transmitted to the Commission and adopted by the end of 1982 (six of them in 1981 and two in 1982). However, none of them was published in the Official Journal in 1982, publication being expected in 1983. This serious delay is due first and foremost to staff shortages for translation and typing. As a result the first set of non-quota programmes will be published in the Official Journal so late that the public will lose interest in them. Since such delays are virtually inevitable, the Commission has decided that, for the second series of non-quota measures proposed in November 1982, the programmes will simply be published "by the Commission", and this does not necessarily entail publication in the Official Journal or translation into all the official languages of the Community.

³⁸ O.J. N. C 191, 26.7.1982.

³⁹ O.J. N. C 246, 7.9.1982.

⁴⁰ O.J. N. C 347, 31.12.1982.

⁴¹ O.J. N. C 85, 28.03.83.

INFORMING INVESTORS

94. The Commission has continued to write to investors informing them of grant decisions in their favour. The letters are sent direct or, in the case of investors in France, through the responsible national authorities. Without these letters, investors, and especially private investors, would in many cases probably have no idea that the Community was helping finance their projects. In 1982, the Commission sent out over 3,000 such letters.

A BRIEF REVIEW

QUOTA SECTION

95. Between 1975 and 1982, the Commission's departments examined 22,500 investment projects costing more than 65,634 Mio ECU for which applications for ERDF aid totalling more than 8,761 Mio ECU had been submitted.

Following the Commission departments' examination of the grant applications, 17,838 investment projects were referred to the ERDF Committee (after the infrastructure projects costing 10 Mio ECU or more had been submitted to the Regional Policy Committee).

At the end, 17,771 investment projects received grants totalling 7,187 Mio ECU.

96. Up to 1978, all projects were referred to the Fund Committee for its opinion after debate (a total of 6,611 projects from 1975 to 1978). From 1979, the prior information procedure enabled discussion to be limited to 3,479 projects, i.e. only 20% of the 11,383 investment projects referred by the Commission to the Fund Committee between 1979 and 1982 (Table 21).

It should also be pointed out that a great many projects were not formally submitted to the Commission, following close contacts and discussions between its competent departments and the national authorities concerned.

Table 21
ERDF quota section (excluding studies under Article 12).
Number of projects submitted to the Commission, referred to the
ERDF Committee and granted aid(1).

	Period 1975-78				Period 1979-82				Total
	1975	1976	1977	1978	1979	1980	1981	1982	
Number of projects - received by Commission	1492	1788	2246	2070	3427	3127	3768	4582	22500
- referred to Fund Committee	1249	1630	1991	1741	2925	2502	2465	3335	17838
- of which discussed by Fund Committee since introduction of prior information procedure					656	1214	905	704	
Number of projects covered by an ERDF grant decision	1182	1545	2020	1600	2835	2561	2759	3269	17771

(1) The data relates to calendar years and, for the reasons given in Chapter II, point 23, do not provide a basis for a direct comparison as regards the Fund's administration within any one year.

97. After eight years of Fund activity, it is interesting to take an overall look at the Member States' reactions to the large number of decisions before the Commission. In all, 3,192 draft decisions grouping together 17,838 investment projects were discussed. The Commission itself adopted 816 draft decisions for which no Member State had sought referral to the Fund Committee. It referred 236 draft decisions to the Committee under the procedure set out in Article 16 of the Fund Regulation; of these, 17 were negative proposals and 10 were withdrawn following discussion with the Committee. Of the remaining 2,349 draft decisions, 2,329 were endorsed by the Committee (see Table 22).

It will be seen from Table 22 that in the vast majority of cases all the national delegations endorsed the draft decisions referred to the Committee by the Commission. Only in a very few cases did some of the delegations reject a draft decision or abstain from voting.

Generally speaking, therefore, the Member States approved the projects selected by the Commission.

This selection is also apparent from the large number of projects not granted ERDF assistance by the Commission (see point 28, Table 3). decisions were disapproved by more than two delegations, although a negative qualified majority was not reached (Table 22).

Table 22
ERDF quota-free section.
Draft decisions submitted for the opinion of the Fund Committee.

	1975-1978	1979-1982	Total
Total number of draft decisions requiring an opinion	1242	1107	2349
- decision rejected	0	0	0
- no opinion given	1	19	20
- decision endorsed	1241	1088	2329

In most cases, the votes against or abstentions by one or more delegations did not relate to the grant decision as a whole but only to some, or even one, of the investment projects covered.

98. Of the 17,771 projects that were the subject of grant decisions 4,723 were investment projects in the industrial, craft industry and services sectors, and 13,048 were infrastructure projects (Table 23).

- The projects financed since 1975 represent a total investment of some 60,025 Mio ECU, while the aid granted totalled almost 7,187 Mio ECU (i.e. 12.0% of the total investments aided). Of this aid, 78.5% went to infrastructure projects and 21.5% to projects in the industrial, craft industry and service sectors⁴²; 56% of the aid was allocated to 752 projects costing more than 10 Mio ECU each and 44% to 17,019 projects costing less than 10 Mio ECU each.
- According to the estimates given by the national authorities, the projects financed in the industrial and service sectors should create or preserve more than 500,000 jobs.
- The main industries receiving assistance from the Fund were, in descending order, motor vehicle and components manufacture (24% of aid granted), the chemicals industry (7%) and the agri-food industries (7%). These industries also received the largest amounts of assistance for projects costing more than 10 Mio ECU each. However, the electrical engineering, electronics and metalworking industries benefited most (see Annex Table 3).
- The transport and water-engineering sectors received the most aid from the ERDF in respect of infrastructure investments: 33% and 24% respectively (see Annex Table 5).

⁴² As early as 1975, however, the Fund Regulation had provided for assistance for these branches of the economy (Article 4(1)(a)), and as from 1981 a ceiling of 70% was laid down in the Regulation for assistance for infrastructure projects (Article 4(1)(b)).

Table 23
ERDF quota section.
Grant decisions 1975-1982.

(Mio ECU)

By Member State	Industry, craft ind. & services			Infrastructure				TOTAL
	Nber of projects (a) Assistance (b) Investments (c)	Invest. of 10 Mio ECU or more	Invest. of less than 10 Mio ECU	Total	Invest. of 10 Mio ECU or more	Invest. of less than 10 Mio ECU	Mountain or hill areas	
B (a)	9	53	62	1	204	37	242	304
B (b)	12.03	13.99	26.02	1.84	36.78	6.29	44.91	70.93
B (c)	188.69	180.91	369.60	15.02	141.69	22.58	179.29	548.89
DK (a)	1	127	128	9	421	-	430	558
DK (b)	0.73	8.23	8.96	25.51	45.55	-	71.05	80.02
DK (c)	11.30	113.12	124.42	110.86	170.92	-	281.78	406.20
D (a)	67	1161	1228	10	557	-	567	1795
D (b)	79.76	128.75	208.51	36.07	142.05	-	178.11	386.62
D (c)	2295.69	2880.87	5176.56	298.19	524.99	-	823.18	5999.74
GR (a)	1	47	48	26	411	-	437	485
GR (b)	5.76	16.71	22.48	208.30	242.37	-	450.67	473.15
GR (c)	63.00	105.42	168.42	875.79	1118.33	-	1994.12	2162.54
F (a)	63	1231	1294	90	1172	130	1392	2686
F (b)	128.75	144.85	273.60	623.68	224.81	13.87	862.36	1135.96
F (c)	2718.48	2129.05	4847.53	2290.14	839.59	46.24	3175.97	8023.50
IRL (a)	25	208	233	51	336	72	459	692
IRL (b)	53.73	78.57	132.29	244.77	62.51	13.07	320.35	452.64
IRL (c)	1511.91	521.93	2033.84	5876.49	226.90	45.02	6148.41	8182.25
I (a)	20	1108	1128	134	4618	1080	5832	6960
I (b)	112.43	229.29	341.72	1599.25	740.64	65.67	2405.56	2747.28
I (c)	897.33	1270.21	2167.54	13797.33	2400.52	240.49	16438.34	18605.88
L (a)	-	-	-	-	9	-	9	9
L (b)	-	-	-	-	7.12	-	7.12	7.12
L (c)	-	-	-	-	39.93	-	39.93	39.93
NL (a)	3	8	11	11	29	-	40	51
NL (b)	12.41	4.81	17.22	51.63	29.79	-	81.42	98.64
NL (c)	132.41	41.38	173.79	291.91	118.79	-	410.70	584.49
UK (a)	86	505	591	145	3357	138	3640	4231
UK (b)	416.88	100.43	517.31	418.79	773.63	24.80	1217.22	1734.53
UK (c)	5290.82	782.02	6072.84	6120.57	3188.13	90.72	9399.42	15472.26
EUR 10 (a)	275	4448	4723	477	11114	1457	13048	17771
EUR 10 (b)	822.48	725.63	1548.11	3209.82	2305.25	123.71	5638.78	7186.89
EUR 10 (c)	13109.64	8024.91	21134.5	29676.30	8769.79	445.05	38891.14	60025.69

ERDF

NON-QUOTA SECTION

99. The first specific measures instituted under the non-quota section were adopted in 1980 but were not actually implemented until 1981 or 1982 (see point 46). While it is still too early to establish an overall picture of the ERDF's activities in this field, the first annual implementing reports provide a number of pointers (see point 47).
100. It is already clear that the non-quota section has paved the way for major innovations in the Community's approach to regional development.

Firstly, the reasons given for the non-quota measures and the choice of areas based on Community criteria help to highlight the Community regional policy's own identity.

Secondly, the "multiannual programmes" approach goes some way to ensuring that the measures applied to a particular area are coordinated and that their aims are consistent with the wider aims set out in the regional development programmes. In addition, the preparation and implementation of non-quota programmes should encourage a closer association between the parties and interests involved at local and regional levels. The measures themselves, which are for the most part new, enable the most to be made of the regions' own development resources.

Finally, the non-quota measures provide for the joint financing, by the Community and the Member State concerned, of Community aid schemes. The Regulations adopted in 1980 describe these schemes in detail, covering the territory eligible, the categories of recipient, the basis and duration of aid and the level of the Community's contribution. The first experiences of operating the non-quota section show that in many cases these schemes have led Member States to introduce aid arrangements which did not exist before and which Community financial assistance has made possible.

APPLICATION OF THE PRINCIPLE OF GEOGRAPHICAL CONCENTRATION

101. The Fund Regulation stipulates that the only regions and areas which may benefit from the Fund are those assisted areas designated by Member States for the purposes of their regional aid schemes. In order to give the greatest effect to ERDF assistance, however, priority is given to investment projects in national priority areas, with account being taken of the principles for the coordination at Community level of regional aids.

Table 24
ERDF quota section.
ERDF's budget allocation.

	Amount of the ERDF's allocation in Mio ECU	Share of total Community budget in %
1975	257.6(1)	4.8
1976	394.3(1)	5.6
1977	378.5(1)	4.9
1978	581.0	4.6
1979	945.0	6.1
1980	1165.0	6.7
1981	1540.0	7.3
1982	1759.5	7.6

(1) Original amounts in Mio U.A. converted into Mio ECU.

102. Parallel with the growth in the total volume of ERDF assistance between 1975 and 1982 (from 257.6 Mio ECU in 1975 to 1,929.5 Mio ECU in 1982, see Table 24), there has been a marked geographical concentration of the aid granted: the share taken by Ireland, Italy and the United Kingdom was almost 60% in 1977, 72% in 1980 and 63.5% in 1982 (following Greece's accession). It should also be noted that, overall, the aid granted in 1981 and 1982 was equivalent in nominal terms to the amounts of assistance granted between 1975 and 1980 (Table 25).

Member State	1975-1978			1979-1980			1981-1982			1975-1982
	(a) (1)	(b)	(c)	(a) (2)	(b)	(c)	(a) (3)	(b)	(c)	(c)
B	1.49	28.8	1.83	1.39	20.7	0.99	1.11	19.6	0.58	0.98
DK	1.29	23.9	1.51	1.20	23.1	1.10	1.06	36.8	1.08	1.18
D	6.34	145.6	9.23	6.00	128.1	6.10	4.65	115.9	3.40	5.50
GR	-	-	-	-	-	-	13.00	461.6	13.54	6.51
F	14.87	276.8	17.54	16.86	354.2	16.87	13.64	476.6	13.98	15.63
IRL	6.46	92.5	5.86	6.46	139.2	6.63	5.94	219.2	6.43	6.36
I	40.00	572.6	36.29	39.39	861.9	41.04	35.49	1254.3	36.80	37.95
L	0.10	2.0	0.13	0.09	1.3	0.06	0.07	3.6	0.11	0.10
NL	1.69	35.0	2.22	1.58	33.6	1.60	1.24	31.3	0.92	1.41
UK	27.76	400.7	25.39	27.03	537.8	25.61	23.80	789.3	23.16	24.38
EUR 10	100.00	1577.9	100.00	100.00	2099.9	100.00	100.00	3408.2	100.00	100.00

(a) quota for the Member State.

(b) amounts in Mio ECU.

(c) the Member State's actual share of assistance.

(1) Under the 1975 Fund Regulation and taking into account the 6 Mio ECU added to Ireland's quota and deducted from the quotas of the other Member States except Italy.

(2) According to the amended Fund Regulation which came into force on 1 January 1979 to take account of the 2% increase granted to France for its overseas departments.

(3) According to the amended Fund Regulation which came into force on 1 January 1981 following Greece's accession and the continuation, according to the decision of the Commission, of these quotas for 1982 in the absence of a Council decision on the revision of the Fund Regulation.

103. The most striking feature, however, is that the share allocated to the regions given top priority (Greece, Mezzogiorno, Ireland, Northern Ireland, Greenland, French Overseas Departments) increased from 35% in 1977 (excluding Greece) to more than 58% in 1982, when Greece received 12.05% of the assistance given (see Table 26 and Annex Tables 8 and 9).

This concentration also indicates that the amounts of ERDF assistance per head in these regions are the highest in the Community (see Table 27 and Annex Table 10).

Table 26
ERDF quota section.
Grants to the most disadvantaged regions as % of
total ERDF aid granted each year.

Region	1975	1977	1980	1982
Grønland	0.46	1.52	0.68	0.67
D.O.M.	1.74	0.53	2.74	7.29
Ireland	5.99	4.99	6.84	6.13
Northern Ireland	5.59	3.70	2.84	2.22
Mezzogiorno	31.25	24.26	31.13	30.20
of which				
Abruzzi	1.78	3.84	3.75	1.51
Molise	0.30	0.67	0.33	0.41
Campania	9.33	5.44	9.14	16.00
Puglia	8.26	5.52	2.89	2.86
Basilicata	0.52	0.70	1.10	0.55
Calabria	0.67	1.62	5.96	3.54
Sicilia	5.64	4.58	6.11	3.60
Sardegna	4.75	1.89	1.85	1.73
Ellas	-	-	-	12.05
of which				
Ana. Ster. Kai Nisoi	-	-	-	1.11
Kentr.Dyt. Makedonia	-	-	-	1.41
Pelop. Dyt. Ste. Ellas	-	-	-	2.38
Thessalia	-	-	-	1.36
Anatoliki Makedonia	-	-	-	1.02
Kriti	-	-	-	1.40
Ipiros	-	-	-	0.69
Thraki	-	-	-	0.98
Nisoi Anat. Agaiou	-	-	-	0.98
TOTAL	45.03	35.00	44.23	58.56

ERDF

Table 27
ERDF quota section.
ERDF assistance by region and per capita for the most
disadvantaged regions.

Region	Assistance per capita 1982	Assistance per capita 1975-1982
Grønland	264.04	1272.24
D.O.M.. of which		
Guadeloupe	145.34	197.23
Guyane	188.77	346.85
Martinique	141.47	193.59
Réunion	54.83	112.43
Ireland	33.62	132.56
Northern Ireland	26.81	144.98
Mezzogiorno, of which :	27.74	116.45
Abruzzi	22.70	110.01
Molise	23.14	106.80
Campania	54.48	143.13
Puglia	13.59	58.08
Basilicata	16.48	88.64
Calabria	31.65	125.65
Sicilia	13.44	129.52
Sardegna	20.03	123.99
Ellas :	23.29	49.25(1)
Ana. Ster. Kai Nisoi	5.22	16.25(1)
Kentr. Dyt. Makedonia	15.60	40.85(1)
Pelop. Dyt. Ste. Ellas	34.52	56.50(1)
Thessalia	36.35	71.34(1)
Anatoliki Makedonia	44.77	70.99(1)
Kriti	52.16	77.05(1)
Ipiros	29.07	75.67(1)
Thraki	52.95	120.20(1)
Nisoi Anat. Agaiou	52.56	133.71(1)
(1) The figures of course relate only to 1981 and 1982 in the case of Greece.		

104. As regards the treatment of priority regions or areas within each Member State, the situation in 1982 was as follows:

- in Belgium, Fund assistance was confined to the areas defined by the Commission Decisions of 26 April 1972⁽⁴³⁾ and 22 July 1982⁽⁴⁴⁾ on aid granted under Article 11 of the Belgian Economic Expansion Law of 30 December 1970;
- in Denmark, 70.0% of Fund grants went to Greenland;

⁴³ O.J. L 105 du 4.05.1972, p. 13.

⁴⁴ O.J. L 312 du 9.11.1982, p. 18.

- in Germany, 62.4% of Fund assistance was granted to the Zonenrandgebiet (eastern border areas) and the top priority development zones;
- in Greece, Fund assistance was spread over the whole country with the exception of almost all of the prefectures of Athens and Thessaloniki;
- in France, 88.4% of assistance went to the regions of Nord-Pas-de-Calais, Lorraine, the West and South West, Corsica and the Overseas Departments;
- in Ireland, 33.0% of assistance went to the designated areas situated mainly in the west of the country;
- in Italy, all the Fund assistance was allocated to the Mezzogiorno;
- in the Netherlands, Fund assistance was restricted entirely to the two priority areas in the north and south of the country;
- in the United Kingdom, some 86% of grants went to projects in priority areas, i.e. Northern Ireland, the Special Development Areas and the Development Areas.

105. Generally speaking, the Commission, while it is aware that establishing regional priorities may occasionally cause, for national authorities, difficult problems of balance between regions, considers that the drive to concentrate assistance should be continued and stepped up.

THE IMPACT OF FUND ASSISTANCE ON EMPLOYMENT

106. One of the main objectives of the Fund is to create and safeguard jobs in predominantly agricultural regions and in regions undergoing industrial change or with structural underemployment. In recent years, the fall-off in industrial investment due to the economic crisis and the increase in unemployment in all the Member States have given greater prominence to the role which the ERDF can play in this sphere.

107. The number of jobs created is not the only criterion for choosing projects; the desire to strengthen the competitiveness of the regional economy through the development of high-productivity industries is also important. Balanced regional development requires infrastructure and sufficiently developed capital-intensive as well as labour-intensive investment projects.

Infrastructures promote employment. They are the necessary basis for growth and for the development of industrial and service activities which generate jobs. Their construction means extensive work in the building and public works sectors, which, although temporary, frequently extends over several years, and their upkeep and maintenance means not inconsiderable numbers of permanent jobs. Some infrastructure projects are so large that they directly generate or maintain a large number of long-term jobs.

In the industrial and service sectors, capital-intensive firms may under certain conditions help to create a large number of jobs through the development of sub-contracting and by generally increasing purchasing power, which in turn generates new activities. In addition, with their injection of high technology, firms in the sunrise industries frequently have a favourable impact on the general level of regional development.

108. According to the information contained in the Member States grant applications, the projects subsidized by the Fund's quota section in 1982 in the industrial and service sectors should create 42,432 jobs and preserve 5,716 jobs, 70% of these as a result of projects costing less than 10 Mio ECU each.

For the employment impact of assistance under the Fund's non-quota section, see points 47, 48, 49 and 51).

Table 28
ERDF quota section.
Annual forecasts of jobs created and preserved, 1975-1982.

Jobs	B	DK	D	GR	F	IRL	I	L	NL	UK	EUR 10
1975 created	1195	592	2059*	0	24571	5795	12819	0	0	13183	60214
preserved	0	37	0	0	720	60	270	0	0	0	1087
1976 created	666	479	5577	0	19209	2538	3674	0	0	21350	53493
preserved	0	100	0	0	609	194	0	0	0	371	1274
1977 created	935	283	14548	0	14688	6163	14826	0	0	9970	61413
preserved	0	0	4093	0	1558	140	0	0	0	6992	12783
1978 created	799	0	7029**	0	18774	5181	7453	0	420	14423	54079
preserved	0	0	3318	0	1983	0	0	0	0	11930	17231
1979 created	495	991	8229	0	22639	11598	9795	0	0	10370	64117
preserved	102	0	0	0	2725	55	66	0	0	12152	15100
1980 created	1014	820	9093	0	18730	3359	9259	0	50	9307	51632
preserved	0	0	575	0	2000	0	0	0	685	3294	6554
1981 created	170	0	9234	1958	19757	7717	3924	0	0	10484	53244
preserved	0	0	1259	0	1429	0	277	0	0	3143	6108
1982 created	701	1291	6784	1663	6998	9601	6541	0	287	8566	42432
preserved	0	0	102	67	884	0	0	0	0	4663	5716
1975-1982 created	5975	4456	62553	3621	145366	51952	68291	0	757	97653	440624
preserved	102	137	9347	67	11908	449	613	0	685	42545	65853
TOTAL	6077	4593	71900	3688	157274	52401	68904	0	1442	140198	506477

(*) Including 242 jobs created by an infrastructure project of 10 Mio ECU or more.

(**) Including 24 jobs created by an infrastructure project of less than 10 Mio ECU.

ERDF

109. The fact that the proportion of industrial and service sector investment projects financed by the Fund was very low in 1981 and 1982 led to an appreciable reduction in the Member States' estimates of jobs created or preserved in those two years (Table 28). The slight drop in the number of jobs created in 1982 compared with the previous year, despite an increase in total grants to industrial and service sector projects (237.8 Mio ECU as opposed to 198.2 Mio ECU), may be due to the fact that in 1982 a larger proportion of aid in the industrial, craft industry and service sectors went to large-scale projects (50.5% as against 45.7% in 1981). Large-scale projects create fewer jobs in proportion to the amount of Fund assistance and/or investment involved than small projects.

The highest forecasts for jobs created or preserved through Fund aid in 1982 were in Ireland (9,601 jobs) and in the United Kingdom (13,229 jobs).

110. The estimates given in Table 28 show that since 1975 assistance from the quota section has helped to create the largest number of jobs in those Member States which have received most aid in the industrial, craft industry and service sectors (France and the United Kingdom). There are quite wide discrepancies between the figures for the different Member States, which may be due in part to differences in the sectoral breakdown of the industrial projects receiving Fund aid and in the economic situation of the Member States. In the case of large-scale projects, Fund aid per job created has been highest in Greece, Belgium and the United Kingdom, and lowest in Ireland, Denmark and France; in the case of small-scale projects, aid per job created was highest in the Netherlands and Belgium and lowest in France and Denmark.

111. It should not be concluded from this, however, that Fund aid should be reserved exclusively for small and medium-sized investment projects. Many experts agree that the best regional development impact can be obtained by decentralizing "activity clusters" comprising investment projects of varying size and type in the secondary and tertiary sectors. Large-scale industrial projects can play a leading role in generating spillover activities and by helping to raise the general scientific and technological level.

112. At any rate, any assessment of the impact of ERDF assistance on employment must be based on a review of the results of regional development programmes and on statistical surveys rather than on the above figures, which are merely forecasts. Apart from the uncertainty inherent in any assessment of the influence of investment on employment even at individual firm level⁴⁵, it is very difficult to estimate the number of jobs created, particularly under present circumstances. The impact of the recession on European regions means that it will take time for the new jobs planned actually to become available. Furthermore, the fact that over 87% of ERDF aid in 1982 was allocated to infrastructure projects, for which job creation figures are not supplied by the Member States, emphasizes the difficulty of fully possessing the impact of Fund assistance in this field.
113. These figures should therefore be treated with the utmost caution, since they are merely the sum of national estimates which are not fully comparable. They may also change radically after a project has been completed.

Some jobs may have been eliminated when new jobs were created or announced; new jobs have been or may have been given to workers from other sectors.

An investment project may generate jobs of varying duration, with various combinations as to staff skills and conditions of employment in the firm, and it may appreciably alter the division of tasks.

Then again, in many cases, the desire to create or maintain jobs must give way to the need to keep the company in business, since the dictates of technological and economic development may mean that a firm can find or recover a competitive position only by shedding jobs.

THE PRINCIPLES OF COMPLEMENTARITY AND ADDITIONALITY AND THE POSSIBILITY OF COMBINING NATIONAL AND COMMUNITY AIDS

114. In order to clear up a number of misunderstandings about how the principles of complementarity and additionality are to be interpreted, it may be useful to repeat the basic thinking set out in the previous ERDF annual reports.
115. The eleventh recital to the Fund Regulation states that "the Fund's assistance should not lead Member States to reduce their own regional development efforts but should complement these efforts".

The principle of complementarity is justified by the need to speed up the restructuring and development of Member States' economies in order to rectify the main structural and regional imbalances in the Community and, in so doing, to further the integration process by bringing the national economies into closer convergence.

As a rule, the notion of complementarity is associated with that of the effectiveness of Community action, in the sense of a larger number of beneficiaries, more generous financing aids, new measures, a different or wider scope for a particular measure, and so on.

⁴⁵ See the Court of Auditors' report on the granting of aid to regional investments (O.J. C 345, 31.12.1982).

It is more than the simple summation of the financial resources available at national and Community levels for regional development, even though this quantitative aspect is without doubt important. That some Member States have introduced new regional policy measures that did not exist before or would not have come into being but for the non-quota specific measures is an example of the qualitative dimension of complementarity. "Complementarity" thus means a quantitative and qualitative improvement in Member States' regional development measures made possible as a result of Community intervention.

116. "Additionality" will be used below to mean more specifically the quantitative aspect of using Community aids to top up the resources made available by Member States (overall additionality) or to add directly to the resources of the individual public or private investor (individual additionality). Such additionality may thus pose the problem of combining national and Community aids for investment projects in the productive sector.

On this definition, additionality is almost always a necessary but not sufficient condition for complementarity.

117. It is difficult to frame and apply the right arrangements for ensuring that the concept of overall additionality is put into practice in the different Member States in ways consistent with institutional and administrative set-up peculiar to each of them. However, the Commission has sought to secure transparency in the national budget systems with regard to amounts received from the ERDF and their allocation (Article 19 of the Fund Regulation).

With regard to the use of financial resources made over by the Community, most Member States indicate as a rule that they have already taken overall account of Fund assistance when deciding on the budget appropriations for regional development. Even so, it is extremely difficult, particularly at a time of general budget retrenchment, to gauge whether Fund resources are being used on top of national expenditure, in other words whether or not national budget commitments for regional development would have been lower in the absence of repayments from the ERDF. The answer to a question so broadly framed is bound to be hypothetical.

The budget rules in force in Member States can be summed up as follows:

Belgium: There is no special budget heading for payments from the Fund. A special article in the budget (Ways and Means Budget) stipulates inter alia that Fund assistance is to be applied to expenditure of the Economic Expansion and Conversion Fund. Fund grants are allocated to the regions on the basis of predetermined quotas. In some cases though, they are applied without reference to the regional allocation, being used to top up the financing of certain infrastructure projects (rural infrastructures).

Denmark: Assistance expected from the Fund appears under a special budget heading. On the expenditure side, it is lumped together with the regional aids for industry administered by the Ministry of Trade. In the case of infrastructure projects, there is a heading entitled "Ministry for Greenland - Capital investments financed by the ERDF". (In two particular cases, full transparency and additionality have been achieved.)

Germany: The budget has a special heading for amounts received from the Fund. On the expenditure side, 5% of Fund contributions goes direct to the Land of Berlin; of the balance, part remains credited to the Federal budget and part is used to defray expenditure under the heading "Federal transfers to the Länder in respect of industrial and infrastructure investments". These transfers are made on the basis of an apportionment formula agreed in advance with the Länder.

Greece: A special budget heading exists for payments from the Fund. The appropriations are not broken down by item of expenditure.

France: The Finance Law includes a budget heading for Fund assistance entitled "Other payments from the budget of the Communities". However, the appropriations are not earmarked for the different ministries.

Ireland: Assistance from the Fund is clearly identified in the national budget. Infrastructure grants are allocated to investment programmes, in which additional resources from the Fund are identified separately. Fund assistance for investments in the productive sector are included in the overall amount of State aids earmarked for industry, services and tourism.

Italy: Special budget headings exist for both revenue and expenditure operations. Grants received from the Fund are transferred to the Cassa per il Mezzogiorno either as complementary financing or for onward transfer to other agencies.

Luxembourg: State aids to productive investment have no ERDF component. Fund grants to infrastructure investment are paid direct to the agency responsible for carrying out the projects.

Netherlands: Revenue and expenditure in respect of Fund assistance are shown under special budget headings. The budget report contains details on the application of Fund assistance, including a list of projects aided.

United Kingdom: In the case of productive investments, the budget estimates show expected revenue from the Fund. These payments are assigned to the headings for regional development premiums or regional selective assistance or are allocated to the department responsible for tourism. Special budget headings exist for infrastructure project grants. Appropriations voted by Parliament are net of revenue from the Fund. Most infrastructure grants are transferred to the agencies responsible for the projects. However, for infrastructure projects financed with the help of central government, the monies received from the Fund are deducted from the amount eligible for central government financing.

118. It is apparent from this cursory look at Member states' arrangements for guaranteeing budget transparency of the use of payments from the Fund's quota section that the situation in the Community is far from uniform.
119. Budget transparency must not, however, be taken to mean that complementarity is necessarily the order of the day. Indeed, perfect budget transparency, implying the availability of all statistical data, does not constitute automatic proof of compliance with the principle of complementarity. Nevertheless, since budget transparency is one of the factors implying that the principle of additionality has been complied with, it is conducive to its attainment.

ERDF

This was the background to the Commission's proposal of 26 October 1981 introducing, in addition to Article 19, the provisions of which have been retained, new arrangements⁽⁴⁶⁾ for promoting implementation of the additionality principle.

120. Overall additionality as discussed in the foregoing paragraphs has occasionally been confused with individual additionality, where Fund contributions to individual projects would be passed on direct to investors by national governments, thereby constituting an additional source of financing for investors. With regard to investments in industrial and service activities, Article 4(2)(a) of the Fund Regulation does in fact stipulate that the Fund's contribution may either supplement aid granted to the investment by public authorities or remain credited to those authorities and considered as a partial repayment of such aid. Until now, Member States have virtually always opted for the latter arrangement and none of them has used appropriations from the Fund to introduce a system of combined aid for industrial, craft industry or service activities, although some of them may do so at a later date.

Among the arguments militating against the combination of national and Community aids for investments of this kind are the discrimination it produces in favour of a relatively limited number of investors whose projects would qualify for Fund assistance, and the need to take account of the principles of Community coordination and to abide by the rules on competition as they apply to regional aid schemes. Even though in some cases the combination of national and Community aids might act as an additional incentive in channelling investment to the regions suffering the most serious difficulties, it is not always feasible on account of the ceilings laid down by the principles of coordination of regional aid systems. In any event, topping up the funds for an individual project does not necessarily imply that without Fund assistance that project would not have been carried out and so does not necessarily ensure complementarity. Individual additionality (i.e. the use of Community resources to top up national aids for a particular investment project) is a different matter in the case of infrastructure grants.

121. For infrastructure investment projects, part or all of the assistance received from the Fund is in some cases transferred to the local or regional authorities concerned, thereby highlighting the direct contribution made by the Fund to the development of the regions in question.

Some Member States transfer direct to the parties concerned grants received from the Fund for infrastructure projects. Fund contributions to infrastructure projects in several regions of the Mezzogiorno, for instance, are paid direct to the investor or to the regional or local authorities. The Luxembourg Government transmits Fund grants to the local authorities responsible for the investment projects singled out for Fund assistance. In the United Kingdom, the Government transfers to the local authorities, which are entities separate from central government, grants awarded by the Fund for infrastructure projects carried out by them. This reduces local authority borrowing for such projects. However, because of its policy of strict budget austerity, the Government does not, as a rule, authorize the authorities in question to use the savings thus generated to promote other projects.

⁴⁶ New Article 8(3)(f).

In Northern Ireland, where the port infrastructure projects granted Fund assistance are normally carried out by central government or by agencies that are a direct offshoot of it, agreements have been reached whereby Fund grants are distributed, for example, among the different authorities in the province to enable them to meet future needs.

Even so, transfer of Fund resources to the local authorities responsible for carrying out infrastructure projects does not mean that complementarity or even additionality has necessarily been achieved, since in the final analysis it may have had no effect on the total amount of aid and the finance that the Member State would have released in the absence of Fund intervention.

122. Consequently, if we wish to establish that "topping up" has taken place and to measure and assess its impact, we need to be in possession of information on a very wide range of highly complex facts and data, including the institutional and administrative structures in each Member State, its budget and public finance set-up and practices, national policies and their execution over time and in each region, identification of the measures under those policies that are in keeping with Community initiatives, and statistics on the application and development of those measures.
123. However, this assessment can be based only on the knowledge acquired by the administering departments in devising, framing and hammering out Community initiatives and from their implementation and day-to-day management. Not all this knowledge can be backed up by proof or statistical data.

IMPACT OF THE ERDF ON REGIONAL DEVELOPMENT

124. Much is said of the need to ensure that ERDF resources have maximum impact on the regions concerned.

It should not be forgotten that the ERDF has a two-fold impact, political and economic. At the political level, the ERDF represents for the regions concerned, and in particular for the public agencies and regional and local authorities receiving assistance, the tangible expression of Community solidarity. This is particularly true in the United Kingdom and Italy, which together account for some 60% of ERDF grants.

Nor is there any denying the economic impact of the ERDF's contribution to investment projects, infrastructure investment projects, in particular, especially those financed by regional and local authorities.

But it would be a delusion to try to measure these effects in statistical terms. The volume of ERDF resources is much too small to produce changes that can be measured in macroeconomic terms.

Nevertheless, in certain spheres of activity and in certain regions, the impact of ERDF assistance is beginning to show. For example, ERDF grants are partly responsible for the current improvement of telecommunications in Ireland and of natural gas and water supply in the Mezzogiorno.

ERDF

125. Even a tentative assessment of the impact of Fund intervention on a region's economic and social development would be a highly complex exercise dependent on the scope for evaluating the quantitative and qualitative aspects of regional development policy and on the definition of the Fund's role.

Beyond the accounting aspects and conformity with the rules, the checks carried out at microeconomic level (i.e. on individual projects) permit no more than an appraisal of the degree of success in achieving specific project objectives, where they had been defined at the outset. At macroeconomic level, any attempt to measure the Fund's role by statistical means will invariably remain highly problematic.

126. The Commission takes the view that the actual impact of investment aid depends ultimately on the economic and financial environment of the firms concerned and on the range of measures taken by the authorities to promote development.

Fund initiatives, or at least those under its quota section, only provide a back-up to regional policy measures decided at national level and are superimposed on national regional aid schemes. Since the prime responsibility for regional policy lies with the Member States, the Commission's role is to help coordinate and steer their regional policies.

127. Firmer coordination of regional policy objectives, which is essential to any eventual convergence of Member States' economies, is a feature of the proposed amendment of the Fund Regulation which the Commission sent to the Council in 1981. In its proposal for a recasting of the Fund Regulation, the Commission has not only redefined the objectives of Community regional policy but also suggested fundamental changes in the arrangements governing Fund intervention designed to enhance its impact, notably in the field of job creation, and to augment its effectiveness:

- The Commission has proposed that (with the exception of investment projects costing more than 40 Mio ECU) the system of individual project financing be replaced in due course by a system of programme co-financing, particularly for State aid schemes covering industrial, craft industry and service activities. This should ensure that aid schemes are more closely tailored to the regions' priority needs.
- The report on the implementation of regional development programmes which Member States would be required to submit to the Commission each year would therefore include quantified information on the impact of regional measures in terms of investment and jobs.
- By the same token, the requirement that Member States notify the Commission, within three years of completion of measures financed by the Fund, of the number of jobs actually created as a result of Fund-aided investments in industrial, craft industry and service activities should enable the Commission not only to direct Fund operations more effectively but also to gain a better overall idea of their regional impact, particularly on employment.

ANNEX SHEET N. 1

REGIONAL DEVELOPMENT PROGRAMMES

By the end of 1982, new (second generation) regional development programmes from all ten Member States⁽⁴⁷⁾ had been notified to the Commission. These new programmes were based on the Common Outline of 1975⁽⁴⁸⁾ and the Commission Recommendation of 1979⁽⁴⁹⁾.

1. BELGIUM

A new Programme for Flanders was notified to the Commission in 1981, and after additional information had been received in 1982, it was approved by the Regional Policy Committee. In 1982 a new programme for Wallonia was notified, and at the end of the year it was under examination by the Commission's departments.

The programme for Flanders, which covers the period 1981-85, has been worked out for the same development "clusters" as the first programme. The main objective is the creation of new jobs, as a total of 115,000 extra jobs will be needed in the period 1981-85 in the sectors chosen (for Flanders as a whole, 230,000 jobs). Other important objectives concern transport infrastructure, tourism, housing, urban development and the environment. Supporting measures include regional aid, job schemes, export promotion schemes, R&D, industrial estates, ports and waterway systems, roads and environmental protection.

The programme for Wallonia (1982-85) covers the development zones in conformity with the Commission Decision of 22 July 1982. Top priority goes to the renovation of the industrial structure and the creation of new jobs, as in the development and conversion zones about 190,000 additional jobs will be needed by 1985 (340,000 in Wallonia as a whole). Apart from regional aid, other measures include the restructuring of the industrial sectors experiencing difficulties and the development of agriculture, forestry, and tourist and communications infrastructures.

⁴⁷ The only exception is Berlin(West) for which a new programme has not yet been received.

⁴⁸ O.J. n. C 69, 24.3.1976.

⁴⁹ O.J. n. L 143, 12.6.1979.

2. DENMARK

New programmes for Denmark and Greenland were notified to the Commission in 1981 and 1982. The Regional Policy Committee approved both of them. The programme for Denmark (1981-85) covers the same four regions as the previous one; the main objectives are a more even regional distribution of economic activities and the creation of new jobs. The job shortfall in the four regions is estimated at more than 50,000 for 1985. Apart from regional aid, the key development measures will be investments in ports, roads, industrial estates, communications and education. The total cost of infrastructure investments having a direct impact on the development of the four regions is put at over DKR 2,000 Mio in the period 1981-84.

The main objectives in the programme for Greenland are the creation of a more diversified economy and the replacement of foreign workers by local people. Planned measures include loans and guarantees for private enterprise and infrastructure investment projects in priority areas such as energy, airports and telecommunications. Housing, vocational training and warehousing facilities also feature prominently. In the years 1982-84, the State is expected to spend about DKR 600 Mio a year on investments (budget estimates).

3. FEDERAL REPUBLIC OF GERMANY

The 18 new programmes notified to the Commission in 1981 have been approved by the Regional Policy Committee. These programmes, which come under the Tenth Outline Plan (1981-85), cover 29.8% of the total population, as against the previous figure of 36%. The aim is to create 270,900 new jobs in the programme period and to preserve 208,500 jobs. In addition, 269 key locations and a number of tourist development areas have been selected for special development measures. Apart from regional aid to industry and tourism, aid will be available for the development of economic infrastructures linked to industrial and tourist development. In the programme period, a total of DM 6,273 Mio will be available for aid to industry and tourism (corresponding to total investments of DM 53,816 Mio). Assistance for infrastructure projects is expected to total DM 796 Mio, for investments totalling DM 1,719 Mio.

4. GREECE

The regional development programme for Greece was notified in 1980 and additional information was supplied in 1981 and in 1982, mainly on the regional aid schemes. The Regional Policy Committee has approved the programme.

The programme covers the period 1981-85 and takes in all the regions of Greece except the Athens metropolitan area. Its main objectives are to stem internal migration to the large urban centres and to ensure that every region keeps a demographically and economically viable population through the creation of new jobs and a reduction in regional imbalances. Apart from generous regional aid for industry and tourism, mainly investment grants, major infrastructure projects will be carried out in a variety of fields: industrial estates, transport and telecommunications, power supply and distribution, environmental protection and education. Total investment at 1980 prices in the regions by central government and public-service enterprises is put at DR 357,000 Mio and DR 304,000 Mio respectively.

This programme is now under review in the context of the new Five-year Economic and Social Development Plan.

ERDF

5. FRANCE

New programmes covering the period 1982-83 were notified to the Commission in 1982 and were still being examined by the Commission's departments at the end of the year. These programmes, which are intended to bridge the gap until a new five-year plan (1984-88) is drawn up, will be filled out and amplified once the regions have worked out their own programmes and these have been coordinated at national level as provided for in the new arrangements for regionalization. They are concerned primarily with stabilizing and then reducing unemployment and with overhauling industry. Important measures include aid to industry and tourism, vocational training and communications infrastructures.

6. IRELAND

The 1981-85 programme covering the whole of Ireland was notified to the Commission in 1981 and has been approved by the Regional Policy Committee.

The main objective is the creation of new permanent jobs. It is estimated that the programme measures will generate 8,000 extra jobs every year. Special emphasis will be placed on the manufacturing (export oriented) and private service sectors. Important measures include a diversified regional aid scheme and infrastructure programmes for energy, telecommunications, transport, water and public sanitation. Total public expenditure on directly productive investment projects⁵⁰ in the period 1981-85 is put at some IRL 2,200 Mio (at 1981 prices), and about IRL 3,900 Mio (at 1982 prices) will be spent under the infrastructure programmes (excluding social infrastructures) in the same period.

7. ITALY

The new 1981-85 programmes for the Mezzogiorno were notified to the Commission in 1981 and additional information was provided in 1982. The Regional Policy Committee has since approved these programmes.

The main problems in the Mezzogiorno are an inadequate industrial fabric, the vulnerability of the agricultural and tertiary sectors and especially the imbalance between labour supply and demand. This imbalance, already very serious, will grow even worse during the programme period as the demand for jobs is expected to grow by some 500,000.

The prime development objectives for the Mezzogiorno, which is a key component of the medium-term development strategy for the Italian economy, are to strengthen the productive system, assist the large metropolitan areas experiencing difficulties and the declining areas, and remedy the most serious infrastructure deficiencies. There is a wide and varied array of incentives for industry, tourism and services together with infrastructure and vocational training programmes and programmes for developing agriculture and the main sectors of industry.

⁵⁰ The estimates for tourism relate to the period 1981-82.

8. LUXEMBOURG

A new 1981-85 development programme for Luxembourg was notified to the Commission in 1982 and was still being examined at the end of the year.

The creation of 7,500 new jobs is a priority objective, since a loss of 4,000-10,000 jobs is expected in the steel industry alone in the period 1980-90, at the same time as a substantial growth in the workforce. Other important objectives are harmonious regional development and infrastructure improvements in the transport, water supply, energy, environment, health and education sectors. A comprehensive package of anti-crisis measures has been approved, along with measures to diversify industrial structures, promote tourism and modernize agriculture. The cost of the major infrastructure investment projects will be some LFR 10,000 Mio in the period 1981-85.

9. THE NETHERLANDS

New development programmes for 1982-85 were notified to the Commission in 1982 and were still under examination at the end of the year. The programmes concern the North and the South Limburg regions of the country.

In the North, the main objectives are to reduce unemployment in the region by creating at least 14,000-18,000 new jobs, improve economic and social infrastructures, decentralize administrative departments and bring order into the labour market. In South Limburg too, the main objective is to reduce regional unemployment. South-Limburg the main objective too is the reduction or elimination of the regional component of unemployment.

The planned measures include regional aids and specific infrastructure programmes. A total of HFL 840 Mio has been earmarked for the North region for the period 1982-85 (HFL 280 Mio for improvements in the economic structure, HFL 240 Mio for infrastructures and HFL 320 Mio for labour market measures).

10. UNITED KINGDOM

New programmes for 1981-85 were notified to the Commission in 1981, but the Regional Policy Committee deferred consideration pending the submission of further information. The United Kingdom Government has undertaken to submit new revised programmes.

INTEGRATED OPERATIONS UNDER THE COMMUNITY'S STRUCTURAL FUNDS

Integrated regional development operations

1. In 1979, the Commission's departments adopted guidelines⁽⁵¹⁾ for encouraging integrated regional development operations.

These integrated operations consist of a coherent programme of measures and public and private investments relating to a limited geographical area, to which the Member States' national and local authorities and the Community contribute on a complementary basis, the latter through its financial instruments for structural policy purposes⁽⁵²⁾.

2. In 1982 the Commission continued its efforts in connection with the projects for integrated operations in Naples and Belfast.
3. In the General Budget for 1982, the Community had for the first time budget resources specifically earmarked for the preparation of integrated operations: 2 Mio ECU were assigned under Item 5410, "Preparatory studies for integrated operations".
4. Item 5410 enables the Commission to participate in financing the studies necessary for the preparation of integrated operations: the preparation of a new integrated operation, or the acceleration or launching of a new stage of an operation already under way. In this context the Commission gives priority to the following:
 - studies with the greatest likelihood of producing operational results which could directly and immediately be applied by the national public authorities and by the Commission of the European Communities;
 - studies aimed at clarifying problems causing bottle-necks in the launching or progress of integrated operations;
 - studies relating to parts of integrated operations which, because of their nature and complexity, require special preparation within an integrated operation;
 - studies which may be of methodological value to the integrated approach to development.

These preparatory studies must be at the initiative of, or at least receive the support of, the competent authorities in the Member State concerned.

⁵¹ COM(79) Min 509 of 21.3.1979, item XXIV, p. 85.

⁵² See Points 61 to 64 of the Fifth Annual Report (1979) on the European Regional Development Fund.

5. In 1982 the Commission committed an amount of 0.41 Mio ECU for four studies (under Item 5410) on:
- the preparation of a new stage of the integrated operation in Naples;
 - the improvement of two historical quarters in the centre of Naples;
 - a feasibility study of an integrated operation based on the introduction of a multi-modal transport system, linking Western Europe to the Middle East via the Salentina Peninsula, Epirus and Thessaly (two studies).

As these studies were approved by the Commission only at the end of 1982, no payments have yet been made for them. These commitments leave a balance of 1.59 Mio ECU out of the 2 Mio ECU entered in the 1982 budget. The Commission did not seek the transfer of this balance for the 1983 exercise - an amount of 2 Mio ECU being again assigned in the budget for preparatory studies for integrated operations.

6. Item 5411 "Community measures in the framework of integrated operations" was allocated 16 Mio ECU in 1982. These appropriations are for the financing of specific measures in the framework of integrated operations, in conjunction with the national or local authorities, where such measures are not covered by the Community's financial instruments.

The Commission had hoped to use the funds from this budget Item in 1982 to implement a Council Regulation (EEC) instituting a specific measure to promote housing in Northern Ireland within the framework of an integrated operation in Belfast. The Commission had presented this proposal to the Council in November 1981. Unfortunately, the Council was unable to reach agreement on it⁵³.

⁵³ The Commission then set about preparing an alternative solution and came up with a new proposal, sent to the Council in April 1983, for a specific measure to promote urban renewal in Belfast. The Council adopted the Regulation in June 1983.

Table 29

ERDF

Integrated operation in Naples: Projects financed by the Fund in 1982.

(Mio ECU)

Investment	ERDF contribution	Number of projects	Description of projects
5.016	1.003	6	Various industries
9.009	2.703	1	Distribution centre for fruit and vegetables at Nocera Pagani
29.101	11.641	1	Purification of Alto Sarno area
23.505	9.175	1	Purification of Foce dei Regi Laghi area
101.860	40.744	1	Depolluting the Bay of Naples (North Naples)
177.834	71.127	1	Depolluting the Bay of Naples (East Naples)
6.553	2.621	1	Depolluting the Bay of Naples (Afragola and Casoria) 2e instalment
46.353	18.416	1	Aqueduct in West Campania
16.118	6.447	1	Supply to the reservoirs of Scudillo and Capodimonte
4.104	1.642	1	Enlargement of reservoir at S. Clemente
4.244	1.273	1	Sewerage network at Casoria
4.132	1.239	1	Roads at Casoria
0.353	0.141	1	Drinking and industrial water supply network at Giugliano
1.824	0.466	1	Electric cable at Foce Sarno
7.745	3.098	2	Water supply to the area of Flegrea Napoli-1e and 2e instalments
5.904	1.771	1	Extension of breakwater at the port of Torre Annunziata
2.597	0.779	1	Rough road at Naples (Pomigliano d'Arco)
6.649	1.995	1	Tangential road East-West of Naples and hospital area
3.731	0.935	1	Modernization of railway line Benevento-Napoli
2.985	1.435	1	Study Project for strenghtening & modernizing Alifana railway line
459.617	178.651	26	Total
3.466	0.788	1	Restoration of the "Villa Campolieto" monument
2.440	0.714	6	Restoration of monuments in various municipalities
5.329	1.599	33	Port works in various municipalities
10.969	3.291	11	Port works in various municipalities
5.108	1.648	24	Water and sewerage works in various municipalities
27.312	8.040	75	Total
29.384	11.754	1	Railway line East-West Naples and industrial area
54.340	21.736	1	Railway in urban area of Naples and Alifana line
55.229	22.091	1	Railway in urban area of Naples and Alifana line (stretch between Colli Aminei-Secondigliano) 3rd instalment
138.953	55.581	3	Total
625.882	242.272	104	Grand total

Appendix A. Sheets.

Integrated operation in the Naples area

7. In Naples, a preparatory study part-funded by the Community has identified guidelines for the conduct of the integrated operation. In particular, this study has thrown further light on the implications of the major problems to be addressed by the integrated operation, namely:
 - overcrowding, which creates conflicts concerning the designation of residential areas and industrial areas;
 - unemployment and a poorly skilled workforce, together with an over-bloated services sector;
 - the lack of basic infrastructure (transport, water supply, public hygiene and health).
8. The basic dossier, updated at the end of March 1982, provides for measures at a total cost of around 7,462 Mio ECU, 68% of which could be funded from the resources currently available.

A permanent office responsible for monitoring the integrated operation has been set up in Naples. This office, which has no decision-making power, has the task of monitoring progress of the integrated operation on the spot, centralizing all useful information, warning of any delays or problems, and preparing the ground for meetings of the technical working group⁵⁴).
9. In 1982, the ERDF contribution to projects in the area covered by the integrated operation amounted to 242 Mio ECU. The breakdown is shown in Table 29.

Integrated operation in Belfast

10. In 1982, aid from the ERDF for projects in the area covered by the integrated operation amounted to 5.76 Mio ECU, broken down as follows:

• Industrial infrastructure	0.07 Mio ECU
• Internal urban transport and linked projects	3.43 Mio ECU
• Port of Belfast	2.13 Mio ECU
• Drainage system from the River Lagan	0.14 Mio ECU

⁵⁴ The technical working group is composed of the persons mainly responsible for the practical application of the resources provided by Community, national, regional and local funds. This working group is intended to be the hub of the integrated operation. It must, firstly, monitor closely the preparation and implementation of the various parts of the integrated operation and, secondly, brief policymakers on the choices to be made and the decisions to be taken.

Integrated development programmes

11. The integrated development programmes (IDP) place emphasis on development planning for an area or small region in which natural handicaps and existing agricultural structures account for the low level of productivity and in which there is very little scope for alternative activities. To ameliorate the difficult situations the idea is to draw up programmes for promoting simultaneously the development both of agriculture and of the non-agricultural sector, starting from the situation and specific resources of the area.
12. The basic IDP regulations provide that the EAGGF Guidance Section, over and above its commitments under existing directives and regulations, is to make an additional financial contribution, to fund "new" measures or to facilitate and speed up implementation of the measures already provided for. These operations must be supported by measures financed under the Community's other structural funds: aids for training-development under the European Social Fund and ERDF measures to promote infrastructures and productive activities, including aids for SMEs, the craft industry and rural tourism.

Three IDPs were adopted in 1981, for:

- the Western Isles in the United Kingdom⁽⁵⁵⁾;
- the Department of Lozère in France⁽⁵⁶⁾;
- the South East of Belgium⁽⁵⁷⁾.

A start has been made on the IDPs for the Western Isles and for Lozère, but the IDP for the South East of Belgium has not yet been notified to the Commission.

The Western Isles Integrated Development Programme

13. The Western Isles have to contend with severe natural handicaps. Apart from agriculture, the main activities are fishing and craft activities. Communications and transport infrastructures are crucial to the development of the Western Isles.

ERDF assistance will go primarily to transport infrastructures (sea, air and land links), rural infrastructures (water, electricity, alternative sources of energy, industrial buildings), tourism and the craft industry (weaving, knitting, and processing of seaweed).

In 1982, assistance under the ERDF quota section for the Western Isles amounted to 0.87 Mio ECU.

⁵⁵ Council Regulation (EEC) N. 1939/81 (Western Isles of Scotland).
O.J. N. L 197, 20.7.1981.

⁵⁶ Council Regulation (EEC) N. 1940/81 (Lozère).
O.J. N. L 197, 20.7.1981.

⁵⁷ Council Regulation (EEC) N. 1941/81 (Belgium).
O.J. N. L 197, 20.7.1981.

The Lozère Integrated Development Programme

14. The Lozère IDP places emphasis on developing the region's main resources (stockfarming and forestry) and is designed to speed up implementation of the development plans provided for in Directive 72/159/EEC on the modernization of farms.

The ERDF's participation in the programme is two-fold: under the quota section, financing of projects designed primarily to improve road links with the rest of the country; under the non-quota section co-financing of development measures to assist the craft industry, SMEs, the distributive trades and rural tourism within the framework of the specific "enlargement" measure. As initially submitted, the IDP envisaged assistance from the non-quota section of just under FF 49 Mio (or some 7.5 Mio ECU). At the moment, the Lozère departmental authorities have proposed that the non-quota section provide assistance totalling 1.49 Mio ECU.

Expenditure on non-agricultural activities under this section is expected to have totalled 0.27 Mio ECU in 1982.

In 1982, grants totalling 0.05 Mio ECU were granted to Lozère under the quota section.

APPENDIX B. STATISTICS

Appendix B. Statistics

(Mio ECU)

Member State	1982					1975-1982				
	Investment projects	Studies	Total	Quota-free section (1)	Total Fund	Investment projects	Studies	Total	Quota-free section 81-82(1)	Total Fund
B	18.53	-	18.53	0.80	19.33	70.93	-	70.93	0.98	71.91
DK	17.70	0.12	17.82	-	17.82	80.02	2.60	82.62	-	82.62
D	55.36	-	55.36	-	55.36	386.62	-	386.62	-	386.62
GR	224.53	0.07	224.60	-	224.60	473.15	0.19	473.34	-	473.34
F	344.38	-	344.38	12.67	357.05	1135.96	-	1135.96	28.23	1164.19
IRL	114.30	0.02	114.32	-	114.32	452.64	0.79	453.43	3.22	456.65
I	618.84	1.66	620.50	-	620.50	2747.27	7.81	2755.09	21.16	2776.25
L	2.23	-	2.23	-	2.23	7.12	-	7.12	-	7.12
NL	17.46	-	17.46	-	17.46	98.64	-	98.64	-	98.64
UK	448.91	0.20	449.10	19.27	468.37	1734.53	0.37	1734.90	19.74	1754.64
EUR 10	1862.24	2.07	1864.30	32.74	1897.04	7186.88	11.76	7198.65	73.33	7271.98

(1) Amounts committed by way of annual allocations of aid granted to quota free programmes.
The aid decisions for the quota free section are made in ECU and not in national currency.

Annex Table 1
Summary of Fund aid decisions,
Aid granted to Member States.

MAIN TYPES OF PROJECT FINANCED

Comments on Annex Tables 2, 4 and 6

Industry, craft industry and services

1. The assistance granted in 1982 to 621 industrial, craft industry and service projects amounted to 237.767 Mio ECU (40.7% of the 583.65 Mio ECU in national aids taken into account); the grants went to investments of a total cost of more than 3,072 Mio ECU which, according to estimates sent to the Commission, should mean the creation or preservation of about 48,000 jobs.
2. The Fund contributed nearly 120 Mio ECU to 34 projects costing more than 10 Mio ECU each and representing a total investment of 1,950 Mio ECU which are expected to create or preserve about 14,100 jobs. In addition, 587 projects costing less than 10 Mio ECU and representing an investment totalling 1,122 Mio ECU received aid amounting to 118 Mio ECU and according to the estimates should create or preserve 34,000 jobs.

For the projects costing more than 10 Mio ECU, there is a sharp increase in the average cost of the investments assisted by the Fund to 57.4 Mio ECU in 1982, against 32.1 Mio ECU³⁰ in 1981 and 47.7 Mio ECU over the period 1975-82, though it is true that one project alone received over 50 Mio ECU in 1982, for an investment of over 1,246 Mio ECU. The ERDF grants to these projects represent only 6.1% of total investment and 37.2% of national aids (the 1981 percentages being 6.6% and 48.2% respectively). The average grant per project was 3.5 Mio ECU, compared with 2.1 Mio ECU in 1981 and 3.0 Mio ECU over the period 1975-82.

3. For projects costing less than 10 Mio ECU, the average investment involved and the average grant per project remained much the same as in 1981, at 1.9 Mio ECU and 0.2 Mio ECU respectively, and fairly close to the averages for the period 1975-82 (1.8 Mio ECU and 0.16 Mio ECU). The Fund's contribution to these projects stood at 10.5% of total investment and 45.1% of total national aids (8.7% and 45.9% in 1981).
4. These figures show that in 1982 the Community's contribution as a proportion of national aids was lower, especially for large projects. At the same time, national aids to investments costing less than 10 Mio ECU seem to have been increased because, despite a larger contribution from the ERDF as a proportion of the investments, its share as a proportion of national aids declined.

³⁰ In 1981, the average size of investments (and therefore aid granted) for projects of more than 10 Mio ECU was relatively small (see point 56 of the Seventh Annual Report (1981) of the ERDF).

Appendix B. Statistics

Infrastructure

5. During the year 2,648 infrastructure projects for a total investment of 9,100 Mio ECU received ERDF assistance amounting to 1,624.4 Mio ECU, 17.85% of the investment calculation basis.

Almost 63% of this assistance was granted to 118 infrastructure projects costing more than 10 Mio ECU (1,020.19 Mio ECU), making an ERDF contribution of 33.6% of eligible public expenditure (31.2% in 1982) and an average grant per project of 8.6 Mio ECU compared with 8.2 Mio ECU in 1981 and 6.7 Mio ECU over the period 1975-82.

The 2,530 infrastructure projects costing less than 10 Mio ECU received Fund assistance amounting to 604.27 Mio ECU, which is about 27% of total investment and 30% of national aids. The average grant has been 0.24 Mio ECU per project for the average investment of 0.88 Mio ECU in 1982, compared with 0.30 and 1.09 in 1981 and 0.19 Mio ECU and 0.73 Mio ECU over the period 1975-82. The 55 small mountain and hill area infrastructure projects submitted under Article 4(1)(c) of the Fund Regulation received assistance totalling 25.2 Mio ECU, an average grant per project of 0.46 Mio ECU for an average investment of 1.66 Mio ECU (compared with 0.23 Mio ECU in average grant and 0.86 Mio ECU in average investment per project for the other small infrastructure projects).

6. For major projects, the assistance granted breaks down as follows: 32% (329.6 Mio ECU) for water supply projects; 31% (312.5 Mio ECU) for transport; 24% (250.1 Mio ECU) for energy projects; 10% for telecommunications. To take the analysis a step further, 85% of grants in the transport sector went to infrastructure projects in France (98.66 Mio ECU), the United Kingdom (98.30 Mio ECU) and Italy (69.93 Mio ECU), 77% (254.17 Mio ECU) of grants to water supply projects went to Italy; and 72% of grants to energy, projects and telecommunications projects went mainly to France (179.17 Mio ECU) and to Greece (72.49 Mio ECU).

For the smaller projects (including mountain and hill area infrastructures), the tables show that the main sectors to benefit were transport (268.7 Mio ECU, or 45% of grants), water supply (143.1 Mio ECU, or 24%) and infrastructures for productive activities and telecommunications (68.6 Mio ECU and 66.7 Mio ECU respectively, or 11% of grants to infrastructure projects costing less than 10 Mio ECU). Nearly 97% (259.59 Mio ECU) of assistance to the transport sector went to the United Kingdom (103.67 Mio ECU), Italy (100.7 Mio ECU) and Greece (55.22 Mio ECU); 76% of grants to water supply projects went to Italy (71.26 Mio ECU) and the United Kingdom 36.93 Mio ECU; and 57% of assistance for telecommunications projects also went to the United Kingdom (38.43 Mio ECU). The bulk of assistance to infrastructures connected with productive activities went to projects in the United Kingdom and Italy, and a smaller amount to Germany.

Annex Table 2
Investment projects financed from the Fund in 1982.
Breakdown by investment category:
Industry, craft industry and services.

Main sectors of activity		= or > 10 Mio ECU			< 10 Mio ECU			Total		
NACE		(a)	(b)	(c)	(a)	(b)	(c)	(a)	(b)	(c)
15	Nuclear fuels	1	50.4	4000	-	-	-	1	50.4	4000
22	Production and 1st processing of metals	4	13.7	1125	12	3.7	451	16	17.4	1576
23	Extraction of minerals other than metal and energy products	-	-	-	3	0.3	53	3	0.3	53
24	Non-metallic mineral products	1	0.8	50	56	10.2	2235	57	11.0	2285
25	Chemicals	3	4.1	261	35	7.9	1196	38	12.0	1457
31	Metal products	-	-	-	80	12.8	3928	80	12.8	3928
32	Mechanical engineering	4	5.9	1015	58	10.1	3215	62	16.0	4230
33	Office and data processing machines	4	13.6	2363	12	4.8	1418	16	18.4	3781
34	Electrical and electronic engineering	3	9.8	1805	50	17.3	5485	53	27.1	7290
35	Motor vehicles and accessories	3	8.6	1329	22	6.4	1856	25	15.0	3185
36	Other transport equipment	2	3.8	835	13	3.1	831	15	6.9	1666
37	Precision and optical instruments	2	2.4	276	19	4.4	1651	21	6.8	1927
41/42	Food, drink and tobacco	2	1.8	348	44	6.9	1765	46	8.7	2113
43	Textiles	-	-	-	12	1.6	697	12	1.6	697
44	Leather	-	-	-	3	0.8	248	3	0.8	248
45	Footwear and clothing	-	-	-	21	4.8	2733	21	4.8	2733
46	Timber and wooden furniture	1	0.5	90	41	5.1	1613	42	5.6	1703
47	Paper and paper products; printing, publishing	-	-	-	22	3.5	896	22	3.5	896
48	Rubber and plastics	1	1.1	60	61	11.7	2301	62	12.8	2361
49	Other manufacturing products	-	-	-	11	1.3	934	11	1.3	934
61	Wholesale distribution except recovery serv.	1	0.5	60	3	0.2	85	4	0.7	145
66	Hotels and catering	1	1.0	126	5	0.5	157	6	1.5	283
81	Credit institutions	1	1.7	400	-	-	-	1	1.7	400
Total number of projects		34			587			621		
Total investment (in Mio ECU)		1950.32			1121.83			3072.15		
Amount of national aids taken into consideration (in Mio ECU)		321.86			261.79			583.65		
Total assistance (in Mio ECU)		119.74			118.04			237.78		
Total number of jobs announced		14143			34005			48148		
(a) number of projects										
(b) amount of assistance (in Mio ECU)										
(c) number of jobs announced										

Appendix B. Statistics

Annex Table 3
Investment projects financed from the Fund 1975-1982.
Breakdown by investment category:
Industry, craft industry and services.

Main sectors of activity		= or > 10 Mio ECU			< 10 Mio ECU			Total		
		(a)	(b)	(c)	(a)	(b)	(c)	(a)	(b)	(c)
15	Nuclear fuels	4	72.4	5993	3	0.8	167	7	73.2	61
16	Production and distribution of electric power, gas, steam and hot water	-	-	-	7	1.9	354	7	1.9	354
21	Extraction and preparation of metal ores	1	3.0	800	4	1.2	304	5	4.2	1104
22	Production and 1st processing of metals	16	44.7	6901	98	22.5	6991	114	67.2	13892
23	Extraction of minerals other than metal and energy products	1	0.2	65	37	5.4	1480	38	5.6	1545
24	Non-metallic mineral products	14	23.4	6822	362	64.1	18166	376	87.5	24988
25	Chemicals	46	69.8	9836	215	43.8	11613	261	113.6	21449
26	Man-made fibres	2	1.9	560	6	1.7	461	8	3.6	1021
31	Metal products	8	9.2	2515	652	88.4	42710	660	97.6	45225
32	Mechanical engineering	27	42.7	11944	423	65.2	35369	450	107.9	47313
33	Office and data processing machines	6	18.3	5376	31	10.7	4490	37	29.0	9866
34	Electrical and electronic engineering	25	58.1	16172	390	89.7	53519	415	147.8	69691
35	Motor vehicles and accessories	49	332.0	73413	162	37.0	20450	211	369.0	93863
36	Other transport equipment	8	19.5	3754	79	14.0	7511	87	33.5	11265
37	Precision and optical instruments	4	10.9	2610	102	19.1	11758	106	30.0	14368
41/42	Food, drink and tobacco	25	55.5	8392	380	57.7	20916	405	113.2	29308
43	Textiles	2	3.2	313	107	13.5	7755	109	16.7	8068
44	Leather	-	-	-	27	3.7	1996	27	3.7	1996
45	Footwear and clothing	2	12.1	3020	161	18.0	16492	163	30.1	19512
46	Timber and wooden furniture	4	5.6	1446	361	41.9	19087	365	47.5	20533
47	Paper and paper products; printing, publishing	9	11.8	1285	213	30.0	13104	222	41.8	14389
48	Rubber and plastics	17	23.0	4371	372	61.8	25881	389	84.8	30252
49	Other manufacturing products	-	-	-	66	9.6	6783	66	9.6	6783
50	Building and construction	-	-	-	3	0.1	95	3	0.1	95
61	Wholesale distribution except recovery serv.	1	0.5	60	14	1.6	846	15	2.1	906
66	Hotels and catering	1	1.0	126	115	10.4	4228	116	11.4	4354
81	Credit institutions	2	2.4	1603	2	1.3	630	4	3.7	2233
83	Financial and insurance auxiliaires;real estate;services supplied to enterprises	1	0.7	400	7	0.5	326	8	1.2	726
Total number of projects		275			4448			4723		
Total investment (in Mio ECU)		13109.64			8024.91			21134.55		
Amount of national aids taken into consideration (in Mio ECU)		2065.63			1570.16			3635.79		
Total assistance (in Mio ECU)		822.48			725.63			1548.11		
Total number of jobs announced		167777			338434			506211		
(a) number of projects										
(b) amount of assistance (in Mio ECU)										
(c) number of jobs announced										

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Annex Table 4
Investment projects financed by the Fund in 1982.
Breakdown by investment category:
Infrastructure.

Main sectors of activity	= or > 10 Mio ECU		< 10 Mio ECU		Mountain or hillfarming area		Total	
	(a)	(b)	(a)	(b)	(a)	(b)	(a)	(b)
Infrastructure linked to productive activities	4	13.1	207	68.6	-	-	211	81.7
Transport infrastructure	53	312.5	1226	246.6	37	22.2	1316	581.3
Telecommunication infrastructure	9	100.3	179	66.2	1	0.5	189	167.0
Energy infrastructure	12	250.1	132	26.7	-	-	144	276.8
Water supply infrastructure	36	239.6	615	140.7	16	2.4	667	472.7
Infrastructure protecting the environment	4	14.6	50	9.0	1	0.1	55	23.7
Educational, social, medical, cultural, sports and leisure infrastructure	-	-	66	21.3	-	-	66	21.3
Total number of projects	118		2475		55		2648	
Total investment (in Mio ECU)	6863.08		2146.02		91.39		9100.49	
Amount of national aids taken into consideration (in Mio ECU)	3040.35		1972.64		81.65		5094.64	
Total assistance (in Mio ECU)	1020.19		579.06		25.21		1624.46	
(a) number of projects								
(b) amount of assistance (in Mio ECU)								

Annex Table 5
Investment projects financed by the Fund 1975-1982.
Breakdown by investment category:
Infrastructure.

Main sectors of activity	= or > 10 Mio ECU		< 10 Mio ECU		Mountain or hillfarming area		Total	
	(a)	(b)	(a)	(b)	(a)	(b)	(a)	(b)
Infrastructure linked to productive activities	105	453.0	2985	481.3	4	0.6	3094	935.0
Transport infrastructure	188	1009.0	3792	810.6	233	37.6	4213	1857.2
Telecommunication infrastructure	30	320.1	860	219.1	133	14.1	1023	553.3
Energy infrastructure	28	496.0	500	97.8	58	5.2	586	599.0
Water supply infrastructure	104	804.3	2151	522.6	99	15.6	2354	1342.5
Infrastructure protecting the environment	11	77.1	95	28.2	2	0.2	108	105.5
Educational, social, medical, cultural, sports and leisure infrastructure	5	26.9	352	92.6	1	0.1	358	119.6
Miscellaneous	6	23.4	379	53.1	927	50.3	1312	126.8
Total number of projects	477		11114		1457		13048	
Total investment (in Mio ECU)	29676.30		8769.79		445.05		38891.14	
Amount of national aids taken into consideration (in Mio ECU)	11604.57		7795.38		392.14		19792.09	
Total assistance (in Mio ECU)	3209.82		2305.25		123.71		5638.78	
(a) number of projects								
(b) amount of assistance (in Mio ECU)								

Appendix B. Statistics

(Mio ECU)

	Country	Productive activities		Transport		Telecommunications		Energy		Water-supply		Environment		Social infrastr.	
		Nber	Ass.	Nber	Ass.	Nber	Ass.	Nber	Ass.	Nber	Ass.	Nber	Ass.	Nber	Ass.
Invest. costing 10 Mio ECU or more	B	-	-	-	-	-	-	-	-	-	-	1	1.84	-	-
	DK	-	-	2	5.72	-	-	-	-	-	-	-	-	-	-
	D	2	3.73	-	-	-	-	-	-	-	-	-	-	-	-
	GR	-	-	2	10.88	8	72.49	1	18.27	1	11.48	-	-	-	-
	F	-	-	17	98.66	-	-	7	179.17	4	22.08	-	-	-	-
	IRL	1	4.42	2	17.02	1	27.81	-	-	9	20.66	2	11.28	-	-
	I	1	4.96	6	69.93	-	-	1	37.25	12	254.17	-	-	-	-
	L	-	-	-	-	-	-	-	-	-	-	-	-	-	-
NL	-	-	2	11.95	-	-	-	-	-	-	-	-	-	-	
UK	-	-	22	98.30	-	-	3	15.38	10	21.22	1	1.52	-	-	
Invest. costing less than 10 Mio ECU	B	4	1.28	1	0.20	-	-	-	-	10	4.11	-	-	2	2.63
	DK	-	-	31	3.39	1	0.16	53	3.90	26	2.01	-	-	-	-
	D	56	15.75	7	2.31	-	-	2	1.93	11	2.20	-	-	3	2.80
	GR	7	6.84	102	55.22	2	0.14	14	7.10	48	25.65	-	-	3	2.14
	F	-	-	5	1.65	140	27.93	1	0.61	-	-	-	-	7	0.35
	IRL	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	I	30	20.56	826	81.03	-	-	39	4.16	418	71.09	37	3.00	33	4.15
	L	1	2.23	-	-	-	-	-	-	-	-	-	-	-	-
NL	-	-	1	0.70	-	-	-	-	-	-	-	-	-	-	
UK	109	21.98	253	102.07	36	37.93	23	9.00	102	35.66	13	5.98	18	9.22	
Invest. in mountain & in hill farming areas	B	-	-	4	0.54	-	-	-	-	3	0.99	-	-	-	-
	DK	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	D	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	GR	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	F	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	IRL	-	-	3	0.33	-	-	-	-	-	-	-	-	-	-
	I	-	-	24	19.68	-	-	-	-	1	0.17	1	0.15	-	-
	L	-	-	-	-	-	-	-	-	-	-	-	-	-	-
NL	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
UK	-	-	6	1.60	1	0.50	-	-	5	1.27	-	-	-	-	

Annex Table 6
Infrastructure projects 1982.
Number of projects. Assistance granted.

Annex Table 7
Investment projects inspected in 1982 and
since the establishment of the Fund (by region).

Country and Member States	Number of projects inspected			
	1975-1982		of which in 1982	
	Industry, craft ind., services	Infra- structure	Industry, craft ind., services	Infra- structure
Vlaanderen	2	13	2	-
Wallonie	3	6	-	-
BELGIQUE/BELGIË	5	19	2	-
Grønland	-	35	-	1
Nordjylland	7	-	-	-
Viborg	1	-	-	-
DANMARK	8	35	-	1
Schleswig-Holstein	8	10	-	-
Niedersachsen	12	14	-	6
Nordrhein-Westfalen	15	2	-	-
Hessen	8	5	-	-
Rheinland-Pfalz	9	3	-	-
Saarland	12	4	8	1
Bayern	15	10	-	-
Baden-Württemberg	5	6	-	-
DEUTSCHLAND	84	54	12	7
Ana. Ster.Kai Nisoi	-	6	-	6
Kriti	-	9	-	-
Makedonia	1	4	1	4
Peloponissos	-	8	-	8
Thraki	1	9	1	9
ELLAS	2	36	2	27

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Annex Table 7
Investment projects inspected in 1982 and
since the establishment of the Fund (by region).
(continued)

Country and Member States	Number of projects inspected			
	1975-1982		of which in 1982	
	Industry, craft ind., services	Infra- structure	Industry, craft ind., services	Infra- structure
Alsace	10	-	-	-
Aquitaine	11	1	-	-
Auvergne	14	7	9	3
Basse-Normandie	8	5	-	-
Bretagne	6	5	-	-
Champagne-Ardenne	9	-	9	-
Corse	-	11	-	-
Languedoc-Roussillon	10	2	-	-
Limousin	5	4	-	-
Lorraine	17	1	11	1
Midi-Pyrénées	8	3	-	-
Nord-Pas-de-Calais	10	-	-	-
Pays de la Loire	7	6	-	-
Poitou-Charente	9	3	-	-
Rhône-Alpes	9	1	-	-
D.O.M.	19	12	-	-
FRANCE	152	61	29	4
Donegal	5	9	5	5
North West	1	1	-	-
West	3	3	-	-
Mid West	5	10	4	5
South West	6	10	-	-
South East	6	2	-	-
Midlands	2	2	-	-
East	2	7	-	-
North East	2	1	-	-
Multi-regional	-	3	-	-
IRELAND	32	48	9	10

Annex Table 7
Investment projects inspected in 1982 and
since the establishment of the Fund (by region).
(continued)

Country and Member States	Number of projects inspected			
	1975-1982		of which in 1982	
	Industry, craft ind., services	Infra- structure	Industry, craft ind., services	Infra- structure
Abruzzi	13	8	7	-
Basilicata	15	26	-	-
Calabria	14	37	-	-
Campania	13	25	-	11
Friuli-Venezia Giulia	-	32	-	-
Lazio	16	15	4	8
Marche	8	7	-	-
Molise	6	10	-	-
Puglia	21	17	6	6
Sardegna	11	27	1	7
Sicilia	11	22	-	8
Multi-regional	-	4	-	2
ITALIA	128	230	18	42
LUXEMBOURG	-	2	-	-
Groningen	1	3	-	-
Limburg	-	1	-	-
Friesland	-	1	-	-
NEDERLAND	1	5	-	-
Northern England	17	51	3	7
North West England	13	49	-	-
Yorkshire & Humberside	14	24	4	4
Midlands	2	5	-	-
South West England	14	23	8	4
Scotland	14	50	3	8
Wales	18	40	-	-
Northern Ireland	16	15	-	-
Multi-regional	1	-	-	-
UNITED KINGDOM	109	257	18	23
EUR 10, per category	521	747	90	114
EUR 10, total	1268		204	

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Annex Table B
Regional distribution of assistance from the Fund in 1982.

Member State	Assistance 1982 in Mio ECU in () number of projects or studies				
	Industry & services	Infra-structure	Mountain infras-structure	Studies	Total
Vlaanderen	6.93(12)	1.53(1)	-	-	8.46(13)
Wallonie	-	8.51(17)	1.53(7)	-	10.04(24)
BELGIQUE/BELGIË	6.93(12)	10.04(18)	1.53(7)	-	18.50(37)
Grønland	-	12.34(111)	-	0.12(1)	12.46(112)
Other regions	2.51(39)	2.84(2)	-	-	5.35(41)
DANMARK	2.51(39)	15.18(113)	-	0.12(1)	17.81(153)
Schleswig-Holstein	3.52(21)	0.85(7)	-	-	4.37(28)
Bremen	0.13(3)	0.42(2)	-	-	0.55(5)
Nordrhein-Westfalen	2.48(8)	2.48(2)	-	-	4.96(10)
Hessen	2.38(30)	0.69(2)	-	-	3.07(32)
Rheinland-Pfalz	-	-	-	-	-
Baden-Württemberg	0.56(5)	0.12(1)	-	-	0.68(6)
Bayern	5.64(23)	12.52(36)	-	-	18.16(59)
Saarland	8.17(29)	3.93(2)	-	-	12.10(31)
Berlin	-	-	-	-	-
Niedersachsen	3.70(30)	7.72(29)	-	-	11.42(59)
DEUTSCHLAND	26.58(149)	28.73(81)	-	-	55.31(230)
Ana. Ster. Kai Nisoi	0.16(1)	20.61(29)	-	-	20.77(30)
Kentr.Dyt. Makedonia	1.26(5)	24.94(25)	-	-	26.20(30)
Pelop. Dyt. Ste. Ellas	0.69(4)	43.74(28)	-	-	44.43(32)
Thessalia	0.43(1)	24.83(17)	-	-	25.26(18)
Anatoliki Makedonia	0.21(2)	18.86(17)	-	-	19.07(19)
Kriti	0.53(2)	25.60(30)	-	-	26.13(32)
Ipiros	2.35(4)	10.53(8)	-	-	12.88(12)
Thraki	2.93(4)	15.39(16)	-	-	18.32(20)
Nisoi Anat. Agaiou	-	18.29(17)	-	-	18.29(17)
Multireg. projects	5.76(1)	7.42(1)	-	0.07(1)	13.25(3)
ELLAS	14.32(24)	210.21(188)	-	0.07(1)	224.60(213)

Appendix B. Statistics

Annex Table 8
Regional distribution of assistance from the Fund in 1982.
(continued)

Member State	Assistance 1982 in Mio ECU in () number of projects or studies				
	Industry & services	Infra- structure	Mountain infras- tructure	Studies	Total
Haute-Normandie	-	-	-	-	-
Basse-Normandie	0.40(6)	3.39(2)	-	-	3.79(8)
Picardie	0.13(2)	-	-	-	0.13(2)
Champagne-Ardenne	-	-	-	-	-
Bourgogne	0.12(1)	-	-	-	0.12(1)
Centre	0.18(3)	-	-	-	0.18(3)
Nord-Pas-de-Calais	1.81(16)	6.91(2)	-	-	8.72(18)
Bretagne	0.69(11)	63.24(91)	-	-	63.93(102)
Pays de la Loire	1.22(9)	6.40(6)	-	-	7.62(15)
Poitou-Charentes	1.21(14)	3.51(1)	-	-	4.72(15)
Lorraine	1.19(11)	1.39(2)	-	-	2.58(13)
Alsace	0.30(5)	-	-	-	0.30(5)
Franche-Comté	0.04(1)	-	-	-	0.04(1)
Limousin	0.26(3)	5.19(1)	-	-	5.45(4)
Aquitaine	0.69(11)	10.98(22)	-	-	11.67(33)
Midi-Pyrénées	1.76(22)	32.14(14)	-	-	33.90(36)
Auvergne	0.13(3)	10.31(6)	-	-	10.44(9)
Rhône-Alpes	2.68(2)	-	-	-	2.68(2)
Languedoc-Roussillon	0.09(2)	9.22(27)	-	-	9.31(29)
Provence-Côte-d'Azur	-	-	-	-	-
Corse	-	29.94(2)	-	-	29.94(2)
Guadeloupe	0.15(1)	47.61(1)	-	-	47.76(2)
Guyane	0.22(3)	13.56(1)	-	-	13.78(4)
Martinique	0.37(2)	45.75(1)	-	-	46.12(3)
Réunion	0.28(3)	27.96(1)	-	-	28.24(4)
Multireg. projects	-	12.92(1)	-	-	12.92(1)
FRANCE	13.92(131)	330.42(181)	-	-	334.34(312)
IRELAND	32.82(48)	81.18(15)	0.32(3)	0.02(1)	114.34(67)

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Annex Table 8
Regional distribution of assistance of the Fund in 1982.
(continued)

Member State	Assistance 1982 in Mio ECU in () number of projects or studies				
	Industry & services	Infra- structure	Mountain infras- tructure	Studies	Total
Friuli-Venezia Giulia	-	-	-	-	-
Toscana	-	-	-	-	-
Marche	-	5.74(47)	-	-	5.74(47)
Lazio	10.11(39)	4.13(37)	-	-	14.24(76)
Abruzzi	9.96(26)	21.23(29)	-	-	28.19(55)
Molise	-	7.73(1)	-	-	7.73(1)
Campania	16.99(36)	279.82(353)	-	1.47(1)	298.28(390)
Puglia	8.16(29)	45.23(398)	-	-	53.39(427)
Basilicata	0.56(3)	9.64(55)	-	-	10.20(58)
Calabria	1.44(6)	44.49(273)	19.99(26)	-	65.92(305)
Sicilia	4.32(24)	62.86(30)	-	0.19(1)	67.37(55)
Sardegna	-	32.17(179)	-	-	32.17(179)
Multireg. projects	-	37.25(1)	-	-	37.25(1)
ITALIA	48.54(163)	550.29(1403)	19.99(26)	1.66(2)	620.48(1594)
LUXEMBOURG	-	2.23(1)	-	-	2.23(1)
Noord Nederland	3.00(5)	5.98(1)	-	-	8.98(6)
Limburg	1.81(3)	6.67(2)	-	-	8.48(5)
NEDERLAND	4.81(8)	12.65(3)	-	-	17.46(11)
North	50.73(3)	54.44(88)	-	-	105.17(91)
Yorkshire/Humberside	0.69(4)	34.59(66)	-	-	35.28(70)
East Midlands	-	2.49(4)	-	-	2.49(4)
South-West	-	12.93(30)	-	-	12.93(30)
West Midlands	-	-	-	-	-
North-West	0.44(3)	49.57(96)	-	-	50.01(99)
Wales	26.07(12)	63.33(86)	-	-	89.40(98)
Scotland	3.42(7)	105.46(139)	3.36(19)	0.06(1)	112.30(166)
Northern Ireland	5.91(18)	35.46(81)	-	0.11(1)	41.48(100)
Multireg. projects	-	-	-	0.02(1)	0.02(1)
UNITED KINGDOM	87.26(47)	358.27(590)	3.36(19)	0.19(3)	499.08(659)

Appendix B. Statistics

Annex Table 9
Regional distribution of assistance from the Fund 1975-82.

Member State	Assistance 1982 in Mio ECU in () number of projects or studies				
	Industry & services	Infra-structure	Mountain infras-structure	Studies	Total
Vlaanderen	14.64(37)	20.92(131)	-	-	35.56(168)
Wallonie	11.67(25)	18.71(74)	6.32(37)	-	36.70(136)
BELGIQUE/BELGIË	26.31(62)	37.63(205)	6.32(37)	-	70.26(304)
Grønland	-	61.83(425)	-	2.60(3)	64.43(428)
Other regions	8.79(128)	11.26(5)	-	-	20.05(133)
DANMARK	8.79(128)	73.09(430)	-	2.60(3)	84.48(561)
Schleswig-Holstein	30.80(134)	24.25(93)	-	-	55.05(227)
Bremen	0.95(11)	0.65(4)	-	-	1.60(15)
Nordrhein-Westfalen	19.26(134)	10.37(15)	-	-	29.63(149)
Hessen	13.43(109)	11.34(41)	-	-	24.77(150)
Rheinland-Pfalz	19.48(119)	2.35(23)	-	-	21.83(142)
Baden-Württemberg	9.01(79)	5.46(41)	-	-	14.47(120)
Bayern	32.24(156)	51.48(168)	-	-	83.72(324)
Saarland	42.25(192)	13.00(23)	-	-	55.25(215)
Berlin	-	21.86(4)	-	-	21.86(4)
Niedersachsen	42.92(294)	40.98(155)	-	-	83.90(449)
DEUTSCHLAND	210.34(1228)	181.74(567)	-	-	392.08(1795)
Ana. Ster. Kai Nisoi	0.16(1)	64.49(51)	-	0.05(1)	64.70(53)
Kentr. Dyt. Makedonia	1.26(5)	67.37(52)	-	-	68.63(57)
Pelop. Dyt. Ste. Ellas	0.75(5)	71.96(75)	-	-	72.71(80)
Thessalia	0.43(1)	49.15(48)	-	-	49.58(49)
Anatoliki Makedonia	0.29(3)	29.95(27)	-	-	30.24(30)
Kriti	0.53(2)	38.07(54)	-	-	38.60(56)
Ipiros	3.77(5)	29.75(40)	-	-	33.52(45)
Thraki	7.95(19)	33.64(41)	-	-	41.59(60)
Nisoi Anat. Agaiou	1.62(6)	44.91(44)	-	-	46.53(50)
Multireg. projects	5.76(1)	22.85(5)	-	0.14(2)	28.75(8)
ELLAS(*)	22.52(48)	452.14(437)	-	0.19(3)	474.85(488)

(*) Ellas assistance 1981-82.

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Annex Table 9
Regional distribution of assistance from the Fund 1975-82.
(continued)

Member State	Assistance 1982 in Mio ECU in () number of projects or studies				
	Industry & services	Infra- structure	Mountain infras- tructure	Studies	Total
Haute-Normandie	0.27(2)	-	-	-	0.27(2)
Basse-Normandie	5.50(34)	11.58(32)	-	-	17.08(66)
Picardie	0.89(12)	-	-	-	0.89(12)
Champagne-Ardenne	6.05(22)	-	-	-	6.05(22)
Bourgogne	0.71(10)	-	-	-	0.71(10)
Centre	1.31(12)	0.17(2)	-	-	1.48(14)
Nord-Pas-de-Calais	71.15(117)	8.54(15)	-	-	79.69(132)
Bretagne	15.25(129)	191.77(155)	-	-	207.02(284)
Pays de la Loire	24.49(119)	46.85(84)	-	-	71.34(203)
Poitou-Charentes	11.56(76)	32.52(147)	-	-	44.08(223)
Lorraine	46.27(145)	14.88(8)	-	-	61.15(153)
Alsace	5.41(51)	-	0.05(1)	-	5.46(52)
France-Comté	0.08(3)	-	-	-	0.08(3)
Limousin	3.82(35)	43.56(71)	3.06(32)	-	50.44(138)
Aquitaine	16.86(83)	48.47(98)	0.29(11)	-	65.62(192)
Midi-Pyrénées	12.07(98)	78.14(184)	2.30(17)	-	92.51(299)
Auvergne	6.51(41)	71.06(122)	1.43(13)	-	79.00(176)
Rhône-Alpes	18.36(70)	0.94(11)	0.70(3)	-	20.00(84)
Languedoc-Roussillon	8.28(47)	45.86(166)	1.06(22)	-	55.20(235)
Provence-Côte-d'Azur	1.61(18)	-	-	-	1.61(18)
Corse	0.15(2)	44.71(54)	-	-	44.86(56)
Guadeloupe	3.95(61)	59.72(30)	1.02(9)	-	64.69(100)
Guyane	3.86(23)	21.14(26)	0.32(4)	-	25.32(53)
Martinique	3.23(33)	57.55(29)	2.33(11)	-	63.11(73)
Réunion	2.80(52)	54.15(27)	0.95(7)	-	57.90(86)
Multireg. projects	-	12.92(1)	-	-	12.92(1)
FRANCE	270.44(1295)	844.53(1262)	13.51(130)	-	1128.48(2687)
IRELAND	130.59(233)	306.45(387)	12.99(72)	0.79(3)	450.82(695)

Appendix B. Statistics

Annex Table 9
Regional distribution of assistance from the Fund 1975-82.
(continued)

Member State	Assistance 1982 in Mio ECU in () number of projects or studies				
	Industry & services	Infra- structure	Mountain infras- tructure	Studies	Total
Friuli-Venezia Giulia	-	42.14(282)	3.09(72)	-	45.23(354)
Toscana	1.00(5)	2.19(1)	-	-	3.19(6)
Marche	11.92(48)	35.99(252)	0.37(8)	-	48.28(308)
Lazio	61.14(242)	61.08(215)	1.77(38)	-	123.99(495)
Abruzzi	60.18(164)	76.03(130)	0.42(14)	-	136.63(308)
Molise	4.66(14)	28.42(181)	2.59(75)	-	35.67(270)
Campania	63.36(234)	710.01(796)	4.62(191)	5.62(8)	783.61(1229)
Puglia	76.55(175)	146.26(555)	5.46(104)	-	228.27(834)
Basilicata	8.15(31)	43.36(513)	3.36(117)	-	54.87(661)
Calabria	7.86(38)	227.41(948)	26.46(261)	-	261.73(1247)
Sicilia	25.79(127)	446.89(229)	11.28(115)	0.19(1)	484.15(472)
Sardegna	8.79(50)	184.97(635)	3.36(85)	2.00(6)	199.12(776)
Multireg. projects	-	355.29(15)	-	-	335.29(15)
ITALIA	329.40(1128)	2340.04(4752)	62.78(1080)	7.81(15)	2740.03(6975)
LUXEMBOURG	-	7.23(9)	-	-	7.23(9)
Noord Nederland	9.99(6)	58.59(28)	-	-	68.58(34)
Limburg	7.33(5)	24.49(12)	-	-	31.82(17)
NEDERLAND	17.32(11)	83.08(40)	-	-	100.40(51)
North	124.32(112)	229.36(695)	-	-	353.68(807)
Yorkshire/Humberside	9.14(39)	99.63(392)	-	0.13(1)	108.90(432)
East Midlands	2.13(11)	13.60(56)	-	-	15.73(67)
South-West	4.84(30)	39.94(148)	-	-	44.78(178)
West Midlands	-	0.54(8)	-	-	0.54(8)
North-West	103.40(62)	126.13(501)	-	-	229.53(563)
Wales	87.85(93)	198.18(711)	-	0.05(1)	286.08(805)
Scotland	87.31(132)	355.11(746)	21.20(111)	0.06(1)	443.68(990)
Northern Ireland	84.48(111)	136.46(247)	3.20(27)	0.14(2)	224.28(387)
Multireg. projects	-	-	-	0.02(1)	0.02(1)
UNITED KINGDOM	503.47(590)	1178.95(3504)	24.40(138)	0.37(6)	1707.19(4238)

ERDF

Annex Table 10
Main social and economic indicators.

Member State	Population 1980		Assist./cap.		Unempl.	GDP/cap.
	1000	pop/km2	1982 ECU	1975/82 ECU	index 1981	(PPS) ind.1979
BELGIQUE/BELGIË						
Vlaanderen	5627	416	1.50	6.32	137.1	104.5
Wallonie	3228	192	3.11	11.37	164.6	86.4
DANMARK						
Grønland	51	0	264.04	1272.24	-	-
Other regions	3332	83	1.61	6.02	-	-
DEUTSCHLAND						
Schleswig-Holstein	2605	166	1.68	21.13	60.6	96.3
Bremen	695	1720	0.79	2.30	76.1	147.7
Nordrhein-Westfalen	17044	500	0.29	1.74	47.3	113.6
Hessen	5589	265	0.55	4.43	40.2	119.8
Rheinland-Pfalz	3639	183	-	6.00	46.4	103.4
Baden-Württemberg	9233	258	0.07	1.57	33.4	120.3
Bayern	10899	154	1.67	7.68	36.7	108.8
Saarland	1068	416	11.33	51.73	68.8	102.8
Berlin	1899	3956	-	11.51	74.4	133.2
Niedersachsen	7246	153	1.58	11.58	53.6	98.5
			1982	1981/82		ind.1978
ELLAS						
Ana. Ster. Kai Nisoi	3982	181	5.22	16.25	(*)	(*)
Kentr.Dyt. Makedonia	1680	68	15.60	40.85	-	96.2
Pelop. Dyt. Ste. Ellas	1287	46	34.52	56.50	-	93.5
Thessalia	695	50	36.35	71.34	-	77.8
Anatoliki Makedonia	426	45	44.77	70.99	-	73.1
Kriti	501	60	52.16	77.05	-	66.7
Ipiros	443	44	29.07	75.67	-	72.5
Thraki	346	40	52.95	120.20	-	62.5
Nisoi Anat. Agaiou	348	53	52.56	133.71	-	52.5
					-	60.9
(*) Index for Greece: - unemployment 1981 = 53.6 - GDP/cap (PPS) 1979 = 57.6						

Annex Table 10
Main social and economic indicators.
(continued)

Member State	Population 1980		Assist./cap.		Unempl. index 1981	GDP/cap. (PPS) ind.1979
	1000	pop/km2	1982 ECU	1975/82 ECU		
FRANCE						
Haute-Normandie	1645	134	-	0.16	125.2	128.0
Basse-Normandie	1316	75	2.88	12.98	102.9	91.3
Picardie	1719	89	0.08	0.52	110.6	104.4
Champagne-Ardenne	1348	53	-	4.49	132.0	112.3
Bourgogne	1592	50	0.08	0.45	94.5	97.0
Centre	2232	57	0.08	0.66	95.0	98.7
Nord-Pas-de-Calais	3923	316	2.22	20.31	137.0	95.5
Bretagne	2660	98	24.03	77.83	89.4	84.1
Pays de la Loire	2872	90	2.65	24.84	102.1	94.9
Poitou-Charentes	1539	60	3.07	28.64	101.5	82.9
Lorraine	2312	98	1.12	26.45	96.4	99.7
Alsace	1565	189	0.19	3.49	72.3	107.2
Franche-Comté	1089	67	0.04	0.07	94.8	98.5
Limousin	733	43	7.44	68.81	92.6	81.4
Aquitaine	2581	62	4.52	25.42	109.2	96.1
Midi-Pyrénées	2272	50	14.92	40.72	108.0	81.5
Auvergne	1319	51	7.92	59.89	104.9	86.6
Rhône-Alpes	4947	113	0.54	4.04	100.2	108.6
Languedoc-Roussillon	1838	67	5.07	30.03	131.0	95.8
Provence-Côte-d'Azur	3892	124	-	0.41	128.7	106.5
Corse	230	27	130.17	195.04	111.7	-
Guadeloupe	328*	193*	145.34	197.23	-	-
Guyane	73*	1*	188.77	346.85	-	-
Martinique	326*	296*	141.47	193.59	-	-
Réunion	515*	205*	54.83	112.43	-	-
IRELAND	3401	48	33.62	132.56	135.1	62.3
(*) number 1982						

Annex Table 10
Main social and economic indicators.
(continued)

Member State	Population 1980		Assist./cap.		Unempl. index 1981	GDP/cap. (PPS) ind. 1979
	1000	pop/km2	1982 ECU	1975/82 ECU		
ITALIA						
Friuli-Venezia Giulia	1245	159	-	36.33	80.5	94.6
Toscana	3601	157	-	0.89	95.6	96.1
Marche	1418	146	4.05	34.05	71.5	84.2
Lazio	5074	295	2.81	24.44	130.5	84.5
Abruzzi	1242	115	22.70	110.01	136.3	68.4
Molise	334	75	23.14	106.80	113.6	59.9
Campania	5475	403	54.48	139.47	182.1	57.3
Puglia	3930	203	13.59	58.08	129.3	60.8
Basilicata	619	62	16.48	88.64	222.8	61.2
Calabria	2083	138	31.65	125.65	184.4	47.9
Sicilia	5012	195	13.44	129.52	159.9	57.5
Sardegna	1606	67	20.03	123.99	223.4	66.5
LUXEMBOURG						
	365	141	6.11	19.81	39.8	124.3
NEDERLAND						
Noord Nederland	1562	173	5.75	43.91	140.0	123.1
Limburg	1071	485	7.92	29.71	138.5	86.4
UNITED KINGDOM						
North	3082	200	34.12	114.76	167.6	89.7
Yorkshire/Humberside	4884	317	7.22	22.30	136.2	87.4
East Midlands	3779	242	0.66	4.16	117.9	88.7
South-West	4343	182	2.98	10.31	100.8	85.3
West Midlands	5154	396	-	0.10	137.7	86.6
North-West	6450	880	7.75	35.59	160.7	89.1
Wales	2778	134	32.18	102.98	158.8	91.1
Scotland	5153	65	21.79	86.10	164.3	94.1
Northern Ireland	1547	110	26.81	144.98	204.0	70.2

APPENDIX C. 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
PPS	Purchasing Power Standard
EC	European Communities
ECSC	European Coal and Steel Community
EUR 9	All member countries of the EC, except Greece
EUR 10	All member countries of the EC

Appendix C. Symbols and abbreviations used

TABLE OF CONTENTS

Chapter I - Introduction	1
Preliminary remarks	1
Summary of Fund activity in 1982	2
Chapter II - Fund activities	7
Quota section	7
Introduction and method of work	7
Submission of grant applications	10
Outcome of examination of grant applications	11
Consultation of the Fund Committee	13
Grant decisions	14
Investment projects	16
Studies	18
Non-quota section	20
Implementation of specific measures	20
Programme implementation	22
New proposals for non-quota regulations	30
Chapter III - Financial Management and Control	33
Budget Resources Available	33
Utilization of Commitment Appropriations	33
Quota section	33
Non-quota section	39
Settlement of Commitments (Payments)	40
Quota section	40
Non-quota section	45
Controls	46
Inspections	46
Assessments	47
Chapter IV : Publicity for Fund Activity	49
Press Information	49
Signboards	50
Non-quota measures: Information activity by national authorities	51
Publication in the Official Journal	52
Quota section	52
Non-quota section	52
Informing Investors	53
Chapter V : The ERDF's activities from 1975 to 1982	55
A brief review	55
Quota section	55
Non-quota section	59
Application of the principle of geographical concentration	60
The impact of Fund assistance on employment	64
The principles of complementarity and additionality and the possibility of combining national and Community aids	68
Impact of the ERDF on regional development	72
Appendix A. Sheets.	75

Table of Contents

Annex Sheet N. 1	75
Regional Development Programmes	75
Annex Sheet N. 2	79
Integrated operations under the Community's structural funds	79
Integrated regional development operations	79
Integrated development programmes	83
Appendix B. Statistics	85
Main types of project financed	87
Industry, craft industry and services	87
Infrastructure	88
Appendix C. Symbols and abbreviations used	107

LIST OF TABLES

Table 1	Investment projects examined for 1982.	9
Table 2	Breakdown by investment category of assistance and investment relating to applications examined in 1982.	10
Table 3	Breakdown of the number of investment projects rejected on completion of the examination procedure 1982.	12
Table 4	Outcome of examination of investment projects in 1982.	13
Table 5	Grant decisions in 1982: number of investment projects, investment, assistance granted under each allocation.	14
Table 6	Investment projects examined for 1982.	15
Table 7	Breakdown (in % of grants by investment category).	17
Table 8	ERDF quota section Studies under Article 12. Situation at 31.12.82 - 1980-82.	19
Table 9	Grants for non-quota programmes.	21
Table 10	Budgetary situation 1982 (ERDF quota section).	34
Table 11	Use of commitment appropriations in 1982.	35
Table 12	Balances of commitment appropriations outstanding each year-end.	37
Table 13	Budgetary situation 1982. (ERDF non-quota section).	38
Table 14	Carry-overs and transfers to quota section.	40
Table 15	Payments made in 1982 - Commitments still to be paid at the end of 1982.	41
Table 16	Settlement of commitments in each financial year.	42
Table 17	Breakdown of payments in each year by Member State.	43
Table 18	Payment appropriations since 1975.	44
Table 19	Commitments and payments in respect of special programmes.	45
Table 20	On-site signboards.	51
Table 21	Number of projects submitted to the Commission, referred to the ERDF Committee and granted aid.	56
Table 22	Draft decisions submitted for the opinion of the Fund Committee.	57
Table 23	Grant decisions 1975-1982.	58
Table 24	ERDF's budget allocation.	60
Table 25	Breakdown of commitments by Member State, 1975-1982.	61
Table 26	Grants to the most disadvantaged regions as % of total ERDF aid granted each year.	62
Table 27	ERDF assistance by region and per capita for the most disadvantaged regions.	63
Table 28	Annual forecasts of jobs created and preserved, 1975-1982.	66
Table 29	Integrated Operation in Naples: Projects financed by the Fund in 1982	81
Annex table 1	Summary of Fund aid decisions, aid granted to Member States.	86
Annex table 2	Investment projects financed from the Fund in 1982, industry, craft industry and services.	89
Annex table 3	Investment projects financed from the Fund 1975-1982, industry, craft industry and services.	90
Annex table 4	Investment projects financed by the Fund in 1982, infrastructure.	91
Annex table 5	Investment projects financed by the Fund 1975-1982, infrastructure.	92

ERDF

Annex table 6 Infrastructure projects 1982, assistance granted. .	93
Annex table 7 Investment projects inspected in 1982 and since the establishment of the Fund (by region).	94
Annex table 8 Regional distribution of assistance from the Fund in 1982.	97
Annex table 9 Regional distribution of assistance from the Fund 1975-82.	100
Annex table 10 Main social and economic indicators.	103

List of Tables

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In 1982, as discussions continued on the proposed amendment of the ERDF Regulation presented in October 1981, a start was made with the specific regional development measures, known as 'non-quota measures', which had been adopted in October 1980 by the Council, and in November proposals for a second series of non-quota measures were unveiled.

The endowment for the Fund's quota section was increased in 1982 by only 14.25% and available commitment appropriations amounted to 1 817 million ECU, 12.5% up on 1981; virtually all these appropriations were committed (1 812 million ECU). Payments made in 1982 totalled 950 million ECU, or 92.2% of available budget appropriations.

For the non-quota section, available commitment appropriations totalled 151 million ECU. Just under 33 million ECU were committed during the year, bringing to 73 million ECU the total committed since 1981 (close on 34% of the amount set aside for the five-year period covered by the specific Community measures). Payments amounted to 22 million ECU.