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(Acts whose publication is obligatory)

COUNCIL REGULATION (EEC) No 2615/80

of 7 October 1980

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

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

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

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

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

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

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

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

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

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

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

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

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

(1) OJ No L 73, 21. 3. 1975, p. 1.
(2) OJ No L 35, 9. 2. 1979, p. 1.
(3) OJ No C 285, 15. 11. 1979, p. 3.
(4) OJ No C 85, 8. 4. 1980, p. 24.
(5) OJ No C 83, 2. 4. 1980, p. 4.

the Member States concerned by instituting a specific Community regional development measure on behalf of these regions;

Whereas measures have already been taken in the field of the common agricultural policy, and other assistance from Community funds, capable of being usefully combined, should be given in these regions;

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

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

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

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

Whereas the Community measure must be implemented in the form of special multiannual programmes; whereas it is for the Commission, in approving these programmes, to ensure that the operations planned thereunder comply with the provisions of this Regulation;

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

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

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

HAS ADOPTED THIS REGULATION:

Article 1

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

Article 2

The specific measures shall concern the regions of the Aquitaine, Languedoc-Roussillon and Midi-Pyrénées in France and the regions of the Mezzogiorno in Italy.

Article 3

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

2. The objective of the special programme shall be to reinforce economic structures and to create employment in the regions specified in Article 2. To this end, it shall aim at developing SMUs and craft industries, particularly by facilitating their access to markets, on the basis of market analyses, by adapting and developing both their production facilities and their surrounding infrastructures, and by improving their management. It shall also have the aim of promoting innovation and boosting the potential for tourism.

3. The special programme shall fall within the framework of the regional development programmes mentioned in Article 6 of the Fund Regulation.

4. The special programme must contain appropriate information, as specified in the Annex to this Regulation, analysing the situation and needs related to the objectives stated in paragraph 2, the operations proposed, the timetable for carrying them out, and, in general, all factors necessary to enable its consistency with regional development objectives to be assessed.

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

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

7. The Commission shall inform the European Parliament of the amounts adopted for the regions when the special programme is approved.

8. Once it has been approved by the Commission, the special programme shall be published for information in the *Official Journal of the European Communities.*

Article 4

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

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

(a) preparation of sectoral analyses intended to provide SMUs with information on the potential of national, Community and external markets and on the effects to be anticipated therefrom on the production and organization of SMUs;

(b) aids to investments in SMUs designed to assist the adaptation of their production to market potential when justified by the analyses mentioned under (a) or other market studies. Such investments may also concern common services provided for a number of undertakings;

(c) establishment or development of consultancy firms or other bodies for management or organization matters by means of direct or indirect aid. Activities of such firms or bodies may include temporary assistance to undertakings for implementing their recommendations;

(d) establishment or development of common services for a number of undertakings;

(e) provision or improvement of communications infrastructure, between undertakings and their economic environment, especially road access and the improvement of telecommunications and informatics networks; the provision or improvement of common services infrastructure;

(f) organization of information seminars designed to enable SMU management to adapt better to changes in production methods;

(g) better access for SMUs to risk capital.

2. Promotion of innovation in industry and services:

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

(b) encouragement of the implementation of product and technology innovation in SMUs.

3. Promotion of craft industries:

In addition to the operations provided for in point 1 from which craft industries may benefit, the following operations may receive assistance from the Fund:

(a) improvement of technical and economic information for craftworkers, in particular by introducing technical assistance officers;

(b) upgrading of craft industries: researching into techniques, disseminating and adapting them, including innovations and improving sales conditions.

4. Promotion of rural tourism:

(a) construction or conversion of small hotels, preparation of farm holiday accommodation, camping and caravanning sites;

(b) establishment and development of joint services or bodies responsible for promotion, publicity, stimulating tourist interest and co-ordinated management of tourist accommodation and facilities, including the organization of information seminars for the staff concerned.

In the case of regions on whose territory the level of tourist activity is unbalanced in favour of coastal zones, these bodies may also be responsible for measures to redress the balance, including studies of appropriate tourist itineraries. They may also have the task of organizing children's holiday centres and open-air school classes;

(c) provision of facilities and infrastructure directly linked to the development of tourism, including recreational activities and cultural activities;

(d) in the regions covered by point (b), second subparagraph, development of transport undertakings enabling tourists staying on the coast to have easier access to inland tourist zones and also to provide transport to children's holiday centres and open-air school classes.

Article 5

1. The special programme shall be the subject of joint financing between the Member State and the Community. The contributions from the Fund shall be provided within the framework of the appropriations entered for this purpose in the general budget of the European Communities. The Community contribution is laid down as follows:

(a) for SMUs:

(i) operations relating to sectoral analyses under point 1 (a) of Article 4: 70 % of the total expenditure;

(ii) operations relating to investments under point 1 (b) of Article 4: 50 % of the public expenditure resulting from the granting of aid to the investment, but not more than 30 % of the cost of the investment. Public aid may take the form of a capital grant or an interest rebate. The Community aid may be supplementary to the existing aid system;

(iii) operations relating to consultancy services under point 1 (c) of Article 4: aid covering part of the expenditure of undertakings relating to services provided by consultancy firms or bodies. The aid shall last for three years and shall be degressive. It shall cover 70 % of expenditure in the first year and shall not exceed 55 % of the total expenditure over the three-year period (indirect aid);

(iv) in respect of the operations referred to in (iii), the Member State may replace this system by an equivalent system of aid to consultancy firms or bodies (direct aid);

(v) operations relating to common services under point 1 (d) of Article 4: aid covering part of the expenditure of undertakings relating to the operation of these services. The aid shall last for three years and shall be degressive. It shall cover 70 % of expenditure in the first year and shall not exceed 55 % of the total expenditure over the three-year period;

(vi) operations relating to infrastructure under point 1 (e) of Article 4: 50 % of public expenditure;

(vii) operations relating to information seminars under point 1 (f) of Article 4: 70 % of the organization costs;

(viii) operations relating to risk capital under point 1 (g) of Article 4: contribution towards the operating costs of financial institutions providing risk capital for SMUs. The contribution shall be 70 % of the cost of the risk evaluation studies carried out by or on behalf of these financial institutions;

(b) for innovation:

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

(ii) operations for implementing innovation under point 2 (b) of Article 4: 70 % of the cost of feasibility studies that may concern all aspects, including commercial, of the implementation of innovation, and limited to 50 000 EUA per study. These studies must be undertaken by or on behalf of undertakings situated in the regions covered by Article 2;

(c) in respect of craft industries:

(i) for operations under point 1 of Article 4 for which craft undertakings may qualify the provisions of (a) above shall apply;

(ii) operations under points 3 (a) and (b) of Article 4: 70 % of public expenditure;

(d) for rural tourism:

(i) operations relating to accommodation under point 4 (a) of Article 4: where the investment

is linked to agricultural activity, 50 % of public expenditure resulting from the granting of aid to the investment; in other cases, 50 % of public expenditure resulting from the granting of aid to the investment, but no more than 30 % of the cost of the investment;

(ii) operations for promotion of tourism under point 4 (b) of Article 4: aid covering part of the operating costs of common services or bodies. These operating costs may include the cost of publicity campaigns and studies of tourist circuits. This aid shall last for three years and be degressive. It shall cover 70 % of the operating costs in the first year and shall not exceed 55 % of the total cost over the three-year period;

(iii) operations relating to facilities and infrastructure under point 4 (c) of Article 4: 50 % of public expenditure;

(iv) operations for development of transport undertakings under point 4 (d) of Article 4: the first year, 50 % of public expenditure resulting from a contribution to net operating costs of transport services. The aid shall last for three years and be degressive.

2. For the aid referred to in paragraph 1 (a) (ii) and (vi) and in paragraph 1 (d) (i) and (iii), the combination of aid from the Fund quota and non-quota sections is excluded.

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

4. The amount of the Fund's assistance in favour of the special programme may not exceed the amount fixed by the Commission at the time when the programme is approved under Article 3 (6).

5. Budgetary commitments related to the implementation of the special programme shall be decided by annual tranche in accordance with progress made.

Article 6

1. The amount of the Fund contribution in respect of the measures included in the special programme shall be paid to the Member State concerned (or in accordance with the instructions the latter communicates to this end to the Commission) according to the following rules:

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

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

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

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

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

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

(c) on production by the Member State concerned of written evidence that the special programme has already occasioned expenditure under an annual tranche, the Fund may, at the State's request, make an advance of 30 % of the appropriations committed. When the amount of this advance has been exhausted and when the Member State has forwarded to the Commission the certificate referred to in (b), further successive advance payments may be made, each of 30 % of the appropriations committed for each annual tranche.

2. At the end of each year, the Member State concerned shall present to the Commission a report on the progress made in carrying out the special programme by reference to the information required 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.

4. Where major amendments are made to a special programme during implementation, the procedure provided for in Article 3 (6) shall apply.

5. When each special programme has been implemented, a report shall be presented by the Commission to the Regional Policy Committee.

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

Article 7

This Regulation shall not prejudice the re-examination of the Fund Regulation provided for in Article 22 of that Regulation which is to take place before 1 January 1981, on a proposal from the Commission.

Article 8

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

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

Done at Luxembourg, 7 October 1980.

For the Council

The President

G. THORN

ANNEX

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

1. **In respect of SMUs:**

   (a) (i) analysis of the situation of the SMUs in the economic fabric of the region for each sector of activity concerned. Analysis of their situation and their needs, in particular details on the market situation, possibilities of adaptation to markets, management and organization consultancy services, communications infrastructure, management information and access to risk capital;

   (ii) description of aid systems for the SMUs and of the nature of existing services available showing, by categories of aids and services, the resultant annual average public expenditure involved;

   (b) in relation to the operations referred to in Article 4:

   (i) particulars of the nature of sectoral analyses bearing on production structures, market potential and measures to be implemented in order to adapt and develop production and make it commercial;

   (ii) description of rules governing investment aids set up within the programme framework;

   (iii) particulars of incentives for access to management and organization consultancy services and aids for provision of joint services to which the SMUs may have recourse;

   (iv) details and exact location of investments in communications infrastructure;

   (v) particulars of measures planned for management information;

   (vi) description of measures planned to allow SMUs easier access to risk capital.

2. **In respect of innovation:**

   (a) analysis of the needs of undertakings and of the means currently available to them for obtaining access to information on innovation and for implementing it, and assessment of related public expenditure;

   (b) in relation to the operations referred to in Article 4: description of measures designed on the one hand to ensure collection and dissemination of information on innovation and, on the other hand, to facilitate its implementation by SMUs.

3. **In respect of craft industries:**

   (a) (i) description of the situation and needs of craft industries as regards their means of access to technical and economic information and exploitation of craft techniques;

   (ii) in addition, where the aids provided for in point 1 of Article 4 are also granted to craft undertakings, the special programme shall include the information referred to in point 1 above;

   (b) in relation to the operations referred to in Article 4: description of measures or aid systems planned.

4. **In respect of rural tourism:**

   (a) (i) analysis of the situation and needs of rural tourism in its different forms, and an estimate of potential tourist demand for the period covered by the programme;

   (ii) description of existing aid systems for the benefit of rural tourism, and an assessment of relevant public expenditure;

   (b) in relation to the operations referred to in Article 4:

   (i) details of aid for the construction or conversion of accommodation;

(ii) details of aids to bodies responsible for providing tourism facilities and promotion;

(iii) description of facilities, infrastructure and recreational and cultural facilities planned;

(iv) name, address and details of transport undertakings which could participate in the implementation of the programme, with an indication of public service obligations.

5. **In respect of the totality of the special programme:**

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

(b) in so far as this information has not been identified with sufficient accuracy in the regional development programme, description of the existing or future public measures which it is intended to implement alongside the special programme and which will contribute towards improving the employment situation in the zones covered by Article 2;

(c) intentions of the national authorities regarding the use of other resources deriving from Community structural funds;

(d) the timetable for carrying it out;

(e) estimation of the volume of public expenditure connected with the programme's implementation, including an annual breakdown of such expenditure for each of the operations envisaged;

(f) designation of the bodies responsible for execution of the programme and the various operations;

(g) information measures planned to make the potential beneficiaries and the professional organizations aware of the possibilities offered by the special programme, and of the role played by the Community in this respect.