COUNCIL REGULATION (EEC) No 2744/80

of 27 October 1980

establishing supplementary measures in favour of the United Kingdom

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 235 thereof,

Having regard to the proposal from the Commission (1),

Having regard to the opinion of the European Parliament (2),

Having regard to the opinion of the Court of Auditors (3),

Whereas, in accordance with the Council conclusions of 30 May 1980 (4), payments in favour of the United Kingdom relating to the period 1980 to 1982 should be made by means of the adapted financial mechanism and the supplementary measures proposed by the Commission ;

Whereas the supplementary measures must aim at the realization of certain categories of investments in the framework of special programmes lasting several years drawn up by the United Kingdom ;

Whereas, in accordance with the Council conclusions of 30 May 1980, the Community is pledged to resolve the problem for 1982 by means of structural changes ; whereas the Commission was entrusted with the mandate, to be fulfilled by the end of June 1981, of carrying out an examination of the development of Community policies without calling into question the common financial responsibility for these policies which are financed from the Community's own resources, or the basic principles of the common agricultural policy ; whereas, taking account of the situations and interests of all Member States, this examination will aim to prevent the recurrence of unacceptable situations for any of them ; whereas, if this objective is not achieved, the Commission will make proposals along the lines of the 1980 to 1981 solution and the Council will act accordingly ;

Whereas the Treaty has not provided the specific powers for the adoption of such supplementary measures ; whereas it is therefore necessary to have recourse to Article 235,

(1) OJ No C 169, 9. 7. 1980, p. 10.
(2) OJ No C 265, 13. 10. 1980, p. 47.
(3) OJ No C 233, 11. 9. 1980, p. 6.
(4) OJ No C 158, 27. 6. 1980, p. 1.

HAS ADOPTED THIS REGULATION :

Article 1

In addition to the amounts which will be transferred to the United Kingdom in application of Council Regulation (EEC) No 1172/76 of 17 May 1976 establishing a financial mechanism (5), as amended by Regulation (EEC) No 2743/80 (6), this Regulation provides for supplementary Community measures relating to the years 1980 and 1981.

Article 2

1. The supplementary measures referred to in Article 1 shall be implemented by means of financial assistance for the realization of certain categories of investments in the framework of special programmes lasting several years drawn up by the United Kingdom.

2. The special programmes, which shall contain the information referred to in Annex I, shall be broken down into sub-programmes corresponding to categories of investments. These programmes shall as a general rule relate to regions covered, on 1 January 1980, wholly or in part, by areas eligible for State regional aid.

3. The Commission may request any additional information necessary for the examination and assessment of the special programmes.

Article 3

Investments are eligible for financial participation by the Community within the framework of the special programmes referred to in Article 2 provided that they are undertaken by public authorities in the form of capital expenditure and that they fulfil the following criteria :

(a) they must contribute to the economic and social development of the United Kingdom ;

(b) they must contribute to Community integration ;

(c) they must ensure in a diversified manner the development of economic and social infrastructures ;

(d) they must not be incompatible with a Community policy ;

(e) they must not give rise to distortions of competition.

(5) OJ No L 131, 20. 5. 1976, p. 7.
(6) See p. 1 of this Official Journal.

Article 4

1. The Commission shall examine the special programmes submitted to it by the United Kingdom and forward them for information to the committee referred to in Article 7.

2. In accordance with the procedure laid down in Article 8, the Commission shall decide on

(a) the sub-programmes meriting Community intervention in accordance with the criteria defined in Article 3 ;

(b) the amount of the Community's financial contribution, for the financial year in question, to the annual tranche of expenditure on each sub-programme adopted, within the limits of the appropriations available.

3. The amount of the Community's financial contribution to a sub-programme corresponding to a category of investments may not exceed 70 % of the annual expenditure estimated for its execution. In calculating this amount, the Commission shall take into consideration, as regards the supplementary measures relating to 1980, the payments made and estimated by the public authorities in the United Kingdom as from 1 April 1980 and, as regards the supplementary measures relating to 1981, the payments made and estimated by the public authorities in the United Kingdom as from 1 April 1981.

4. The Commission decisions referred to in paragraph 2 shall be published in the *Official Journal of the European Communities.*

Article 5

1. The amount of the supplementary measures shall be calculated according to the rules set out in Annex II and account being taken of the amounts resulting from application of the financial mechanism as adapted by Regulation (EEC) No 2743/80. The relevant appropriations shall be entered in the budget for the financial year following the year to which they refer.

2. However, at the request of the United Kingdom, the Council, acting by a qualified majority on a proposal from the Commission, may decide each year to make advance payments enabling implementation of the supplementary measures to be speeded up. In this case, the Commission shall initiate the necessary budgetary procedures.

3. As soon as the decision referred to in Article 4 (2) has been taken, the Commission shall make a payment of 90 % of the amount of the Community contribution decided on, in the light of the appropriations available. The transfer of the 10 % balance shall be effected immediately after the exhaustion of the above payment, as certified by the Government of the United Kingdom, and at the latest before the end of the financial year following that of the commitment, provided that implementation of the sub-programme proceeds as planned.

Article 6

1. The Commission shall ensure that each special programme is implemented in accordance with the provisions of this Regulation, with those adopted in implementation thereof and with those of the Regulations adopted pursuant to Article 209 of the Treaty. To this end, the United Kingdom shall make available to the Commission all information requested and shall take all steps with regard to Community-assisted sub-programmes to facilitate such supervision as the Commission may consider useful, including on-the-spot checks which are made at its request, with the approval of the United Kingdom, by the competent United Kingdom authorities and in which Commission officials may participate. The United Kingdom shall make available to the Commission, for a period of three years after transfer of the balance referred to in Article 5 (3), all supporting documents relating to expenditure under these sub-programmes or certified copies thereof.

2. At the end of October of each year the United Kingdom shall submit a report to the Commission on the progress made in carrying out each special programme. This report must enable the Commission to satisfy itself as to the execution of the special programme.

The Commission shall send this report to the committee referred to in Article 7, which may discuss it.

3. When, in the course of implementation of a special programme, it appears necessary to make adjustments, the Commission and the committee referred to in Article 7 shall be notified.

4. If the implementation of a sub-programme is not in conformity with this Regulation or departs substantially from decisions taken in implementation thereof, the Commission may suspend payments still due. In this case the Commission may decide that sums already paid or still due are to be allocated, in accordance with the procedure laid down in Article 8, to other sub-programmes submitted under this Regulation. If, in the opinion of the Commission, no other sub-programme is available, the Commission shall recover the payments made to the United Kingdom.

Article 7

1. A committee is hereby established composed of representatives of the Member States and chaired by a representative of the Commission.

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

Article 8

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

2. The representative of the Commission shall submit drafts of decisions to be taken. The Committee shall deliver its opinion on the drafts within a time limit which the chairman may fix according to the urgency of the questions under consideration. An opinion shall be adopted by a qualified majority in accordance with Article 148 (2) of the Treaty.

3. The Commission shall adopt decisions which shall apply immediately. However, if these decisions are not in accordance with the opinion of the committee, they shall, as soon as possible and at the latest within one month, be communicated by the Commission to the Council. In that event the Commission shall defer appplication of the decisions which it has adopted for not more than two months from the date of such communication. The Council, acting by a qualified majority, may take a different decision within two months.

Article 9

The United Kingdom, in agreement with the Commission, shall take the necessary steps to ensure that suitable publicity is given to the assistance granted under this Regulation.

Article 10

Every six months from the entry into force of this Regulation, the Commission shall report to the Council and the European Parliament on its implementation and any problems which have arisen.

Article 11

This Regulation shall enter into force on 1 November 1980.

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

Done at Luxembourg, 27 October 1980.

For the Council

The President

J. SANTER

ANNEX I

INFORMATION CONTAINED IN THE SPECIAL PROGRAMMES

Each special programme must contain the following information :

1. **General information**

A special programme will contain the following general information :

(a) definition of the region or area covered ;

(b) a general description of the measures envisaged and a breakdown into sub-programmes ;

(c) period of time covered by the special programme and by each of its sub-programmes.

2. **Objectives**

A special programme will indicate the obstacles to development resulting from insufficient provision of investment corresponding to the sub-programmes, and also the general objectives and policy guidelines relating to those investments.

A special programme will contain, as far as possible, a quantification of the above objectives. This quantification will include the increase in capacity, the utilization of that capacity and the improvement in the quality of services expected from implementation of the programme.

A special programme will also state the benefits for other regions resulting from the investments made under it, together with the investments which need to be made outside the region for the purpose of its development.

3. **Compatibility with Community policies**

A special programme will indicate clearly the relation, in particular the compatibility, between the objectives mentioned at 2 and the objectives and measures deriving from Community policies affecting the region or the categories of investments involved.

4. **Other measures contained in a special programme**

Where the advancement of a special programme requires the public authorities to take other measures, whether in the form of investments for which financing was not requested under this Regulation or of public expenditure not involving investments, those measures must be indicated in the special programme.

5. **Description of the technical characteristics of the sub-programmes**

Each sub-programme for which Community assistance is requested will contain the following information :

(a) an overall description of the elements of the sub-programme including in particular the main physcial characteristics and the location of the main investments ;

(b) the public authorities who are to undertake the work and the bodies responsible for its technical implementation ;

(c) an implementation timetable showing the work to be carried out in each year.

6. **Financing of sub-programmes**

A sub-programme will give the following information :

(a) total cost of the sub-programme and, within that total, the cost of each main investment and the overall cost of the other elements of the sub-programme ;

(b) implementation timetable giving annual expenditure tranches ;

(c) sources of finance for the sub-programme.

ANNEX II

CALCULATION RULES REFERRED TO IN ARTICLE 5 (1)

1. The net United Kingdom contribution for 1980 will be calculated on the basis of the present Commission estimate (1 784 million EUA). 1 175 million EUA will be deducted from this figure. This leaves a United Kingdom contribution of 609 million EUA for 1980.

2. The net United Kingdom contribution for 1981 will be calculated on the basis of the Commission estimate of 2 140 million EUA. The United Kingdom's 1980 net contribution will be increased by a percentage equal to the difference between 1 784 and 2 140 million EUA, namely 19·9 % or 121 million EUA. The net United Kingdom contribution for 1981 therefore becomes 730 million EUA.

3. The United Kingdom contribution, based on the above calculations, is reduced for 1980 and 1981 by 2 585 million EUA (1 175 plus 1 410).

4. If the United Kingdom's actual contributions for 1980 and 1981 are higher than 1 784 and 2 140 million EUA respectively, the difference will be split : for the first year 25 % will be borne by the United Kingdom and 75 % by the other eight Member States. For the second year : increase from 730 to 750 million EUA to be borne in full by the United Kingdom ; from 750 to 850 million EUA, 50 % to be borne by the United Kingdom and 50 % by the other eight Member States ; above 850 million EUA, 25 % to be borne by the United Kingdom and 75 % by the others.