COUNCIL REGULATION (EEC) No 217/84

of 18 January 1984

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

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

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

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

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

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

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

Whereas, pursuant to that Article, the Council adopted on 7 October 1980 an initial series of Regulations instituting specific Community regional development measures and in particular Regulation (EEC) No 2617/80 (6) instituting a specific Community regional development measure contributing to overcoming constraints on the development of new economic activities in certain zones adversely affected by restructuring of the shipbuilding industry, this measure being hereinafter referred to as 'the specific measure';

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

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

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

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

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

(1) OJ No L 73, 21. 3. 1975, p. 1.
(2) OJ No L 349, 23. 12. 1980, p. 10.
(3) OJ No C 15, 19. 1. 1983, p. 10.
(4) OJ No C 184, 10. 6. 1983, p. 163.
(5) OJ No C 124, 9. 5. 1983, p. 2.
(6) OJ No L 271, 15. 10. 1980, p. 16.

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

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

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

HAS ADOPTED THIS REGULATION:

SECTION 1

Article 1

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

Article 2

The following subparagraph is added to Article 2:

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

Article 3

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

Article 4

The following paragraph 2a is inserted in Article 3:

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

Article 5

The following paragraph 6a is inserted in Article 3:

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

Article 6

Article 3 (8) is replaced by the following:

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

Article 7

Article 4 (3) is replaced by the following:

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

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

Economic promotion agencies shall be responsible for:

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

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

Article 8

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

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

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

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

Article 9

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

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

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

Article 10

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

Article 11

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

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

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

Article 12

Article 5 (2) is replaced by the following:

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

Article 13

Article 5 (5) is replaced by the following:

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

Article 14

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

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

Article 15

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

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

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

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

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

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

Article 16

Article 6 (5) is replaced by the following:

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

Article 17

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

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

Description of rules governing investment aids provided under the programme.

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

SECTION 2

Article 18

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

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

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

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

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

Article 19

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

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

Article 20

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

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

Done at Brussels, 18 January 1984.

For the Council

The President

M. ROCARD