COUNCIL REGULATION (EEC) No 3638/85

of 17 December 1985

instituting a specific Community regional development measure contributing to the development of new economic activities in certain zones affected by the implementation of the Community fisheries policy

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Regulation (EEC) No 3634/85 of 17 December 1985 on the establishment of specific Community regional development measures in 1985 [1], and in particular Article 1 thereof,

Having regard to the proposal from the Commission [2],

Having regard to the opinion of the European Parliament [3],

Having regard to the opinion of the Economic and Social Committee [4],

Whereas Article 48 of Council Regulation (EEC) No 1787/84 of 19 June 1984 on the European Regional Development Fund [5], hereinafter referred to as 'the Fund Regulation', provides that, subject to the application of Article 45 thereof, Regulation (EEC) No 724/75 [6], including Title III relating to specific Community measures, is repealed; whereas, however, Article 1 of Council Regulation (EEC) No 3634/85 provides that the Council may, until 31 December 1985, in accordance with Article 13 of Regulation (EEC) No 724/75, institute specific Community measures on the basis of proposals submitted by the Commission before 31 December 1984;

Whereas the said Article 13 provides for participation by the Fund in financing specific Community regional development measures which are in particular linked to Community policies and to 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 which might be the subject of a specific Community measure;

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

Whereas certain non-member countries with Atlantic sea coasts extended their exclusive fishery zones to 200 nautical miles from 1975 and whereas from 1977 certain Member States of the Community, acting in concert, were led to apply similar measures off their coasts bordering the North Sea, the North Atlantic, the Western Atlantic, the Skagerrak, the Kattegat and the Baltic Sea and whereas in view of the over-exploitation of the stocks of the main species the Commission adopted interim conservation measures for fishery resources;

Whereas the Council adopted Regulation (EEC) No 101/76 establishing a common structural policy for the fisheries sector [7] comprising measures restricting catches of certain species, as well as the zones, periods, methods and fishing equipment in the seas mentioned above;

Whereas the Council adopted Regulation (EEC) No 170/83 establishing a Community system for the conservation and management of fisheries resources [8] and also implementing Regulations (EEC) Nos 171/83 to 181/83 [9]; whereas this system comprises notably measures restricting TACs (total allowable catches) and the sharing-out of the same by means of national quotas for individual species, and certain technical measures comprising reductions in by-catches, and whereas these arrangements are likely to affect the fishery activities of Member States with coasts bordering those seas;

Whereas these developments, taken as a whole, have affected and will affect, notably as regards employment, certain zones in the Federal Republic of Germany, France, the United Kingdom and Denmark which are highly dependent on fishery and are situated in regions characterized by a difficult socio-economic situation;

Whereas it is necessary for the Community, by means of a specific Community regional development measure, to reinforce existing local, national and Community measures aimed at stimulating the creation of new employment in such zones in order to replace lost jobs and thus help to reduce regional imbalances;

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[1] See page 6 of this Official Journal.
[2] OJ No C 70, 18. 3. 1985, p. 9; OJ No C 258, 10. 10. 1985, p. 9.
[3] OJ No C 229, 9. 9. 1985, p. 135.
[4] Opinion delivered on 25/26 September 1985 (not yet published in the Official Journal).
[5] OJ No L 169, 28. 6. 1984, p. 1.
[6] OJ No L 73, 21. 3. 1975, p. 1.
[7] OJ No L 20, 19. 1. 1976, p. 19.
[8] OJ No L 24, 27. 1. 1983, p. 1.
[9] OJ No L 24, 27. 1. 1983, pp. 14-107.

Whereas other assistance from Community Funds, capable of being usefully combined, should be given in these zones ; whereas, in particular, the measures planned for restructuring and modernizing the fishing fleet in these zones and for improving conditions for the marketing and processing of fishery products, as approved by the Commission under multiannual programmes, will be continued in compliance with their own specific purposes and arrangements ;

Whereas the existence of an unfavourable physical environment due to the run-down state of certain fishing ports and their surrounding industrial and urban areas makes it difficult to attract new employment-providing activities to these zones ;

Whereas the encouragement of small and medium-sized undertakings (SMUs) and of craft activities requires that they be enabled better to adapt their productive potential in particular by way of investment aids and by facilitating access to necessary services in management, organization and finance ;

Whereas economic activity in the zones concerned should be given greater stimulus through an especially active administration of available public aids and services, in particular those provided for under the special programme ; whereas to that end, it is necessary to establish or extend advisory agencies responsible for informing existing or potential economic operators of access to such aids and services and for helping them to take advantage of them ;

Whereas account must be taken of the potential for tourism in these areas and of the effect that the promotion and coordinated management of tourism could have on employment 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 satisfy itself that the operations planned thereunder comply with the provisions of this Regulation ;

Whereas the special programmes must correspond to certain of the objectives encompassed by the regional development programmes provided for under Article 1 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 present to it for this purpose ;

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

HAS ADOPTED THIS REGULATION :

Article 1

A specific Community regional development measure, hereinafter referred to as the 'specific measure', is hereby established, contributing to the development of new economic activities in certain zones adversely affected by the implementation of the Community fisheries policy.

Article 2

1. The specific measure shall apply to zones which in principle meet the following criteria :

(a) a minimum number of jobs in the fisheries sector ;

(b) employment dependent in large measure on the fisheries sector ;

(c) job losses in the fisheries sector ;

(d) the social and economic situation in the region in which the zone concerned is situated. This situation shall be assessed on the basis of the per capita gross domestic product (GDP) and structural unemployment ;

(e) eligibility of the zone concerned for a national regional aid scheme.

2. The zones complying with the criteria referred to in paragraph 1 shall be the following :

(a) in Danemark : the amtskommune of Bornholm ; in the amtskommune of Nordjylland, all kommuner north of the Limfjord except Aalborg ; in the amtskommune of Viborg, the kommuner of Hanstholm, Thisted, Sydthy, Morsø, Sallingsund and Sundsøre ; in the amtskommune of Ringkøbing, the kommuner of Thyborøn-Harboøre, Thyholm, Lemvig, Ulborg-Vemb, Ringkøbing, Holmsland, Skjern and Egvad ;

(b) in the Federal Republic of Germany, the arbeitsmarktregionen of Bremerhaven and Cuxhaven ;

(c) in France : in the département of Charente-Maritime the arrondissement of La Rochelle, in the département of Finistère the arrondissement of Quimper and in the département of Morbihan the arrondissement of Lorient ;

(d) in the United Kingdom : the travel-to-work areas of Blackpool, Hull and Grimsby.

Article 3

1. The specific measure shall be implemented in the form of a special programme, hereinafter referred to as the '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 contribute to the development of employment-providing activities in the zones referred to in Article 2. It shall to this end be directed towards the improvement of their physical environment, this being necessary in order to encourage the setting up of such activities, towards the development of SMUs and craft activities, towards the stimulation of economic activity in general, and towards the promotion of tourism.

3. The preparation and implementation of the special programme shall be closely coordinated with national and Community policies and financial instruments, in particular the Guidance Section of the European Agricultural Guidance and Guarantee Fund and the other Financial Instruments of the fishing sector, the Social Fund, the European Investment Bank and the New Community Instrument (NCI).

4. The special programme shall fall within the framework of the regional development programmes mentioned in Article 1 of the Fund Regulation.

5. The special programme shall contain appropriate information, as specified in the Annex hereto, analyzing 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.

6. 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.

7. The special programme shall be approved by the Commission after intervention by the Fund Committee in accordance with the procedure laid down in Article 40 of the Fund Regulation.

8. When approving the special programme, the Commission shall satisfy itself that the programme is compatible with Article 44 of the Fund Regulation.

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

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

11. Member States shall take the measures necessary to make potential beneficiaries and the various sectors of industry aware of the possibilities offered by the special programme and to inform the public by the most appropriate means of the role played by the Community.

Article 4

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

1. redevelopment of fishing ports by means of demoliton, conversion or reconstruction works in order to establish new activities, including tourism activities ;

   redevelopment of run-down sites whose character is industrial or industrial and urban to the extent to which the two aspects cannot be dissociated, including : the cleaning-up and preparation of such areas, demolition and redevelopment of disused industrial buildings and conversion of their sites, including the modernization and conversion of premises for SMUs and craft activities, the creation of green areas and minor works for improving the appearance of localities and, where justified, minor roads giving access to the locations of new activities ;

2. studies aimed at identifying the development potential of the zones listed at Article 2 (2), including :

   — sectoral analyses intended to provide SMUs and craft undertakings with information on the potential of national, Community and external markets and on the effects to be anticipated therefrom on production and organization of these undertakings,

   — research work on marine and coastal problems including environmental protection matters, but excluding internal fisheries sector problems,

   — studies to improve knowledge of local tourism potential ;

3. if justified by the analyses mentioned under point 2, or other satisfactory evidence, aids to investment in SMUs or craft activities in order to create new undertakings or, where existing undertakings are concerned, to facilitate :

   — diversification of the activities of fisheries industry undertakings to include cooperation in other sectors,

   — adaptation of the production of undertakings from other sectors to market potential.

   Such investment may also concern common services for a number of undertakings ;

4. 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 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 economic operators to take advantage of such aids and services ;

5. establishment or development of common services for a number of undertakings ;

6. 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 zones covered by the specific measure, which may include experimental work on such innovation ;

(b) encouragement of the introduction of product and technological innovation in SMUs ;

7. promotion of tourism :

(a) construction and conversion, which may include improvements to technical equipment, of tourist accommodation, including furnished accommodation for holiday letting and camping and caravan sites ;

(b) establishment or development of common services or agencies responsible for promotion and advertising, the organization of touristic events and the coordinated management of accommodation services, including the organization of information briefings for persons in the tourist industry ;

(c) provision of amenities and infrastructures directly linked to the development of tourism, in particular, marine-oriented tourism ; work to improve marine sports facilities ; development of infrastructure facilitating access to tourist areas, including those for pleasure aircraft ;

(d) environmental protection work, where this is preliminary to the development of tourism :

— vital shore protection works,

— installation of water quality analysis and monitoring equipment,

— improvement of waste treatment and disposal plants.

Article 5

1. The special programme shall be the subject of joint financing between the Member State and the Community. The contribution 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's contribution is laid down as follows :

(a) reclamation and conversion operations under point 1 of Article 4 : 50 % of public expenditure ;

(b) operations relating to studies under point 2 of Article 4 : 70 % of their cost ;

(c) operations relating to investment under point 3 of Article 4 : 50 % of the public expenditure resulting from the granting of aid to the investment. Such aid may contain a supplementary element compared to the most favourable existing regional arrangements. The supplemenatary aid which is to be borne by the Community for four years may be up to 10 % of the cost of the investment. The public aid may take the form of a capital grant or an interest rebate ;

(d) operations relating to consultancy services under point 4 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) ; the Member State may replace this system by an equivalent system of aid to consultancy firms or bodies (direct aid) ;

(e) operations relating to economic promotion under point 4 of Article 4 : aid covering a part of the operating costs arising from the activities of promoters. The aid shall last for five years and shall be degressive. It shall cover 60 % of operating expenditure in the first year and shall not exceed 50 % of the total expenditure per promoter over 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 ;

(f) operations relating to common services under Article 4 (5) ; 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 ;

(g) operations concerning the collection and dissemination of information on innovation under Article 4 (6) (a) : aid covering part of the operating costs of bodies engaged in such activities, provided that these activities are new and concern specifically the zones covered by Article 2. The 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 ;

(h) operations for implementing innovation under Article 4 (6) (b) : 70 % of the cost of feasibility studies that may concern all aspects, including commercial, of the implementation of innovation, limited to 120 000 ECU per study. These studies must be undertaken by or on behalf of undertakings situated in the zones covered by Article 2 ;

(i) with regard to tourism :

(i) operations relating to accommodation under point 7 (a) of Article 4 : 50 % of the public expenditure resulting from the granting of investment aid, with a limit of 30 % of the cost of the investment ;

(ii) operations relating to the promotion of tourism under point 7 (b) of Article 4 : aid covering part of the operating costs of the common services or agencies. These operating costs may include the cost of advertising campaigns and of tour studies. The aid shall last for three years and shall be degressive. It shall cover 70 % of operating costs in the first year and shall not exceed 55 % of the total of these costs over the three-year period ;

(iii) operations relating to equipment and infrastructure under point 7 (c) of Article 4 : 50 % of public expenditure ;

(iv) operations relating to environmental protection work under point 7 (d) of Article 4 : 50 % of public expenditure ;

2. Aggregation of the aid referred to in paragraph 1 with aid of the same type, for the same operations, granted pursuant to other provisions of the Fund Regulation, 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 aid referred to in paragraph 1 (d) and (f) and, where they directly benefit undertakings, those referred to in paragraph 1 (h), 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 (7).

5. Budgetary commitments relating to the financing of the special programme shall be implemented by annual tranche. 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 made according to budgetary availability and progress on the programme.

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 directly, in accordance with the latter's instructions, to the bodies responsible for their implementation, according to the following rules :

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

(b) where there is a financial contribution by the Member State, payments, other than advances referred to in point (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 certified that the amount 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 the expenditure paid in respect of the operations during the period covered by the claim,

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

(c) at the request of a Member State, advances may be granted for each annual tranche according to progress made on operations and budgetary availability.

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

When payment of the following annual tranche has begun, advances may be paid under the terms of the preceding subparagraphs.

The balance of each annual tranche 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 has been incurred.

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 hereto. 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 mutually 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 46 of the Fund Regulation.

4. Where major amendments are made to a special programme during implementation, the procedure provided for in Article 3 (7) shall apply.

5. When each 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 to the European Parliament.

6. Article 32 of the Fund Regulation shall apply, as required, to the specific measure provided for in this Regulation.

Article 7

This Regulation shall enter into force on the day following that of 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, 17 December 1985.

For the Council

The President

J. F. POOS

ANNEX

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

1. In respect of fishing ports and industrial sites :

   (a) (i) description of the state of the fishing ports and an analysis of the state of dereliction of sites and the industrial premises ;

   (ii) particulars of existing actions for resolving the problem of dereliction and of the average annual public expenditure involved ;

   (b) in relation to the operations envisaged under Article 4 : a description and exact location of programmes for the development of the fishing ports for the reclamation of derelict sites and conversion of industrial premises. Where relevant, details of essential minor road links.

2. In respect of small and medium-sized undertakings (SMUs) and craft industries :

   (a) (i) a description of the present situation of SMUs and craft industries in the different sectors and an evaluation of their possibilities for future development. Analysis of their situation and needs, particularly as concerns management and organization ;

   (ii) a description of aid systems for the SMUs and craft industries 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 envisaged under Article 4 :

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

   (ii) a description of rules governing aids set up under the programme ;

   (iii) a description of the different types of management and organization services to be provided to SMUs and craft industries and of the aids for setting up common services to which SMUs may have recourse. Particulars of the bodies responsible for the provisions of such services and for activating the development of SMUs and craft undertakings. Description of the activities envisaged within the framework of the economic promotion programme.

3. In respect of innovation :

   (a) an analysis of the needs of undertakings of the means currently at their disposal to gain access to information on innnovation and for implementing it, and assessment of related public expenditure ;

   (b) in relation to the operations envisaged under Article 4 : a description of the measures designed to ensure the collection and dissemination of information on innovation, and also to facilitate its implementation by SMUs.

4. Description of research on the problems of the sea and coasts envisaged within the framework of the programme under the second indent of Article 4 (2).

5. In respect of tourism :

   (a) (i) analysis of the situation and the needs of tourism and an estimate of the potential tourist demand during the period covered by the programme ; description of the needs in the field of the preservation and protection of the environnement ;

   (ii) particulars of the aid schemes and other measures designed to promote tourism and the preservation and protection of the environment, with an indication of the annual average public expenditure incurred under such systems ;

   (b) in relation to the operation envisaged under Article 4 :

   (i) estimate of the capacity and the type of additional accommodation which it is proposed to instal or convert ;

   (ii) nature and activities of the bodies responsible for the development and promotion of tourism ;

   (iii) description of the types of amenities and infrastructure to be provided and their location ;

   (iv) description of investment for the preservation and protection of the environment ;

   (v) description of the public aids related to the different measures in the tourism sector.

6. In respect of the totality of the special programme :

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

(b) a description of existing or prospective public measures which it is proposed to carry out side by side with the special programme in order to improve the employment situation in the zones covered by Article 2, and in particular measures related to :

— aids for productive investment,

— investment in infrastructure,

— aids related to vocational training and retraining and, as appropriate, those which are particularly aimed at the employment of young people and the recycling of former workers in the fishing industry.

This description must be accompanied by a statement giving particulars of the national authorities' intentions as regards the use of other resources deriving from Community structural funds ;

(c) an indication of the amounts of public expenditure in connection with the measures envisaged under (b) above ;

(d) the timetable for carrying it out ;

(e) estimate 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 potential beneficiairies and the various sectors of industry aware of the possibilities offered by the special programme and of the role played by the Community in this respect.