COUNCIL REGULATION (EEC) No 2053/88

of 24 June 1988

on financial assistance for Portugal for a specific industrial development programme (PEDIP)

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 Economic and Social Committee (3),

Whereas the European Parliament unanimously approved in December 1987 an integrated development programme for Portugal which states that the Community should take steps to support the Portuguese Government's plans for economic development, *inter alia,* in industrial areas, particularly small and medium-sized undertakings (SMUs), with a view to increasing productivity, securing jobs and promoting vocational training;

Whereas a programme to modernize industry in Portugal (hereinafter referred to as 'PEDIP') has been prepared, in close collaboration between Portugal and the Commission, which contains a set of measures, including vocational training measures, designed to promote industrial development in Portugal;

Whereas the PEDIP should help to achieve the Community's objectives in the field of economic and social cohesion, by identifying four priority areas for the development of Portuguese industry;

Whereas the European Council meeting in Brussels on 11 and 12 February 1988 endorsed the principle of Community assistance for the PEDIP, and whereas the European Council agreed on the principle of allocating to the PEDIP, over and above support from the Structural Funds and Community loans, additional budgetary resources amounting to 500 million ECU for the period from 1988 to 1992;

Whereas provisions should be laid down for the use of those additional resources;

Whereas, in order to simplify management of these resources, which should be made the responsibility of the Commission, the Commission will apply the appropriate measures in respect of the rates of Community assistance, the procedures for the commitment, payment, and recovery of Community assistance, and the monitoring of the measures for which assistance has been allocated;

Whereas, in respect of the measures included in the PEDIP, the Treaty has not provided the necessary powers, other than those of Article 235,

HAS ADOPTED THIS REGULATION:

Article 1

1. A five-year programme to modernize industry in Portugal (hereinafter referred to as 'PEDIP') containing a set of measures, including vocational training measures, designed to promote industrial development in Portugal is hereby introduced.

2. Financial assistance from the Community budget for implementation of the PEDIP shall be provided, over and above support from the Structural Funds, by means of additional resources amounting to an average of 100 million ECU per year (1988 prices) for the financial years 1988 to 1992.

These additional resources shall be used in accordance with this Regulation.

Article 2

The additional resources referred to in Article 1 shall be used to implement the PEDIP by contributing to:

— faster improvement of basic industrial infrastructure (priority area number 1),

— stronger foundations for basic and further vocational training facilities for careers in industry (priority area number 2),

— the financing of productive investment (priority area number 3),

— productivity drives (priority area number 4),

either separately, or to supplement contributions by one or more of the Structural Funds, in order to support measures falling within at least one of these priority development areas.

When allocating resources, priority shall be given to measures falling within areas 3 or 4.

(1) OJ No C 120, 7. 5. 1988, p. 9.
(2) OJ No C 167, 27. 6. 1988.
(3) Opinion delivered on 2 June 1988 (not yet published in the Official Journal).

Article 3

On the basis of consultation between the Portuguese Republic and the Commission:

1. the Portuguese Republic shall sumit to the Commission applications for financial support from the Community for the measures referred to in Article 2. These applications shall be accompanied by all the information needed to check that the measures are in conformity with this Regulation, with the objectives of the PEDIP and with Community policies, and by the financial estimates and indicative timetables for carrying out the work and effecting the corresponding payments;

2. the Commission shall examine the applications in order to check that they are in conformity with this Regulation and fit into the general framework of structural measures adopted for the benefit of Portugal, and shall decide on the grant of the additional resources referred to in Article 1; it shall notify these decisions to the Committee provided for in Article 8.

Article 4

For the management of the additional resources referred to in Article 1 and depending on the nature of the measure, the Commission shall apply the appropriate provisions concerning the rate of Community assistance, the procedures for the commitment, payment and recovery of Community assistance and the auditing of the measures receiving this assistance.

The rate of Community financing, from budgetary resources, of the selected measures under the PEDIP must not exceed 75 % of the total cost of the measure, whatever the form of the financial assistance.

The Community may cover 100 % of the total cost of the preparatory studies, pilot measures and technical assistance measures carried out upon the Commission's initiative.

Article 5

Measures funded under this Regulation shall comply with the Treaties and with the acts adopted pursuant thereto and with Community policies, including those concerning competition rules, the award of public contracts and the protection of the environment.

Article 6

The Commission shall be kept regularly informed of the implementation of the measures receiving Community assistance under the PEDIP.

The Portuguese Republic shall take all measures necessary to facilitate monitoring by the Commission of PEDIP operations, without prejudice to the monitoring organized by the Portuguese Republic itself or that organized on the basis of Articles 206a and 209 of the Treaty.

Monitoring may take the form of on-site inspections or verifications.

Article 7

Every year during the period referred to in Article 1 the Commission shall draw up, in accordance with the procedure laid down in Article 8 (2), general guidelines for the implementation of the measures falling within the development areas referred to in Article 2.

These guidelines shall be published for information in the *Official Journal of the European Communities*.

Article 8

1. The Commission shall be assisted by a committee of an advisory nature hereinafter referred to as 'the Committee', composed of the representatives of the Member States and chaired by the representative of the Commission.

2. Should reference be made to the procedure laid down in this Article, the following provisions shall apply:

The representative of the Commission shall submit to the Committee a draft of the measures to be taken. The Committee shall deliver its opinion on the draft, within a time limit which the chairman may lay down according to the urgency of the matter, if necessary by taking a vote.

The opinion shall be recorded in the minutes; in addition, each Member State shall have the right to ask to have its position recorded in the minutes.

The Commission shall take the utmost account of the opinion delivered by the Committee. It shall inform the Committee of the manner in which its opinion has been taken into account.

Article 9

The Commission shall send the European Parliament and the Council a report on the implementation of this Regulation before 1 June 1990 for the preceding period and a final report on the PEDIP by the end of 1993 at the latest. These reports shall include an account of all the development measures implemented, detail the expenditure incurred and assess their effects.

Article 10

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, 24 June 1988.

For the Council

The President

M. BANGEMANN