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Report

drawn up on behalf of the Committee on Regional Policy and Regional Planning

on the regional development programmes

Rapporteur: Mr G. TRAVAGLINI

English Edition PE 64.145/fin.

By letter of 31 October 1979 the Committee on Regional Policy and Regional Planning requested authorization to draw up a report on the regional development programmes of the Member States, which had been forwarded to Parliament for information by the Commission of the European Communities.

By letter of 21 November 1979 the President of the European Parliament authorized the committee to draw up a report on this subject.

On 22 November 1979 the committee appointed Mr TRAVAGLINI rapporteur.

It considered the draft report at its meetings of 20 March, 24 April and 4 and 24 June 1980.

At the last of these meetings it unanimously adopted the motion for a resolution and the explanatory statement with one abstention.

Present: Mr Costanzo, vice-chairman; Mr Travaglini, rapporteur; Mr Blaney, Mrs Boot, Mr Cronin, Mr Gendebien, Mr Griffiths, Mr Harris, Mr Hutton, Mr Josselin, Mrs Martin, Mr Pöttering, Mr Price and Mr Verroken.

C O N T E N T S

A

The Committee on Regional Policy and Regional Planning hereby submits to the European Parliament the following motion for a resolution, together with explanatory statement:

MOTION FOR A RESOLUTION

on the regional development programmes

The European Parliament,

- having regard to the regional development programmes submitted to the Commission by the Member States (COM(79) 290/final),
- having regard to the Commission opinion of 23 May 1979 on the regional development programmes submitted by the Member States (COM(79) 534),
- having regard to the Commission recommendation of 23 May 1979 to the Member States on these programmes (COM (79) 535),
- having regard to the report of its Committee on Regional Policy and Regional Planning (Doc. 1-347/80),

1. Points out that one of the reasons for the existence of the Community and one of its fundamental objectives is to ensure 'harmonious development by reducing the differences existing between the various regions and the backwardness of the less favoured regions', as explicitly laid down by the Treaty of Rome;

2. Emphasizes, therefore, the central role and importance of the policy for regional development and regional redistribution in the Community;

3. Confirms that the improvement of the productive structures of the least prosperous regions is one of the essential conditions for the attainment of economic convergence;

4. Emphasizes that all the common structural policies must be more effectively developed and properly coordinated so as to ensure that they make a decisive contribution to the process of developing the less favoured regions;

5. Agrees with the Council Resolution of 6 February 1979 concerning the guidelines for Community regional policy that regional development programmes constitute the most appropriate framework for the practical implementation of well-organized coordination of national and Community regional policies;

6. Considers, therefore, that these programmes must not only serve as an essential reference instrument for the participation of the European Regional Development Fund in regional development projects, but must also aim at providing a complete frame of reference for both national and Community regional policies;

7. Agrees with the Commission's opinion on the development programmes drawn up by the Member States (COM (79) 534);

8. Calls upon the Member States, therefore, to encourage the necessary modifications and additions to these programmes in accordance with the recommendations made by the Commission (COM (79) 535) and supported by Parliament;

9. Considers it necessary for the Member States to specify clearly in the programmes, with reference to the development targets that they have set themselves, the priorities and strategic aims of their regional policies, to make it possible for a constructive dialogue to take place between the Commission and Member States to determine the priorities for aid from the Community's financial instruments.

10. Calls for the early establishment of direct concertation between the Commission, the Member States and the regions with a view to promoting integrated measures for programme areas which on environmental and socio-economic grounds are likely to derive practical and constructive benefits for their regional development through the coordinated implementation of aid; strongly recommends that these measures - and indeed all measures concerning regional development - should, in every case, be carried out in full cooperation with the regions;

11. Considers that Parliament will have to be kept constantly informed of the results of this cooperation between the Commission, Member States and regions on the planning and operation of programmes so that it can properly fulfil its role of encouraging and monitoring them;

12. Considers that, pending the improvements and further developments requested, the programmes submitted by the Member States can be provisionally used by the ERDF for financing the projects that apply to the financial years up to 1980;

13. Instructs its Committee on Regional Policy and Regional Planning to keep a close watch to ensure that the Community policy for restoring regional balance is developed in a consistent manner;

14. Considers it essential for the Commission to include in the annual report on the ERDF referred to in Article 21 of the Regulation (EEC 724/73) an exhaustive analysis of the regional effects of the Community's policies so that the contribution of these policies to regional development and redistribution can be accurately evaluated;

15. Considers it equally essential that in every document setting out proposals for new policies, regulations, directives or decisions the Commission should include, as a matter of course, an assessment of their regional impact;

16. Recommends that the Commission strengthen its cooperation with the Member States as regards implementation of the programmes, while tightening up its control procedures on the basis of the annual reports which they are required to submit;

17. Instructs its President to forward this resolution together with the report of its committee to the Council and the Commission.

B

EXPLANATORY STATEMENT

I. The position of regional development programmes in Community regional policy

1. The regulation issued by the Council in March 1975 (EEC 724/75) establishing a European Regional Development Fund required Member States to submit their regional development programmes by 31 December 1977.

2. Article 6 of the European Regional Development Fund Regulation states:

> '1. Investments may benefit from the Fund's assistance only if they fall within the framework of a regional development programme, the implementation of which is such as to contribute to correction of the main regional imbalances within the Community which may prejudice the proper functioning of the common market and the convergence of the Member States' economies with a view, in particular, to the attainment of economic and monetary union.
>
> 2. Regional development programmes shall be established according to the joint plan prepared by the Regional Policy Committee'.

3. The Regional Policy Committee set up by the Council of Ministers produced this joint plan[1] in spring 1976. The joint plan was appropriately, intended to be indicative in view of the considerable differences between Member States in the scale of the regional problems faced, the regional policy measures in force, the regional administrative systems etc.

The Member States were asked to draw up separate regional development programmes for each region, area, or group of regions which might be eligible for aid from the European Fund for Regional Development.

4. The outline proposed the following 5 chapters

(a) Economic and social analysis
(b) Development objectives
(c) Measures for development
(d) Financial resources
(e) Implement action

5. Each of these chapters contains a detailed breakdown of the minimal criteria or indicators needed for a well-defined regional development programme.

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[1] See Official Journal C 69/2 of 24.3.1976. The text of the outline appears as Annex I.

6. All the Member States submitted their regional development programmes on time by 31 December 1977, although none of them had previously submitted programmes corresponding to the required criteria.

7. The regional development programmes submitted by the Member States cover a total of 75 regions or zones (one each covering the whole of Luxembourg and the whole of Ireland, two each in Belgium, the Netherlands and Denmark, nine in the United Kingdom, 11 in Italy, 21 in the Federal Republic of Germany and 25 in France).

These 75 regions cover more than half of the entire area of the EEC (55%). Some 38% of the population of the Community live within these regions.

8. The very fact that the governments of the Member States regard over half the territory of the EEC as areas eligible for aid from the European Regional Development Fund is bound to produce a wide geographical dispersion of aid. It is safe to assume that it would greatly improve the use of the funds deployed and make aid more effective if the European Regional Development Fund were to be concentrated on a more restricted geographical area.

The striking dispersion of aid moreover illustrates the difficulty some Member States have in setting clear regional priorities for the use of the Fund's resources.

9. The elaboration and submission of regional development programmes by the Member States serve two major aims:

- the programme provide a framework for action by the European Regional Development Fund.
- they can be effective instruments for coordinating and improving both national regional policies and Community regional policies.

10. The programmes determine the objectives and the measure needed for the development of the area concerned. They help to give greater effectiveness to investment decisions and to the use of production factors.

11. The programmes submitted serve as a pre-defined frame of reference for the Commission to assess applications under the European Development Fund scheme for aid for specific projects.

While it is not necessary for the individual projects to be included in the programmes, the programmes should, however, provide a specific justification for ERDF involvement in infrastructure investments[1] which have a part to play in developing a given region.

[1] Approximately 67% of ERDF aid is accounted for by infrastructure investments (as of January 1980)

12. Furthermore, the programmes can and must serve as the basis for coordinating other Community policies. This applies in particular to the Guidance Fund of the EAGGF and to the Social Fund, but also to the EIB's lending policy.

The programmes submitted should also provide the Commission and the Council with valuable information for the common agricultural, trade and industrial policies in areas where aid is granted. In future, greater account can and must be taken of the repercussions of these Community policies at regional level.

Within the Community's agricultural structures policy, there are already promising signs of improved coordination as a result of regionalized measures as part of integrated development programmes for selected regions (the Western Isles of Scotland, the Department of Lozere, the Belgian province of Luxembourg).

13. A comparative analysis of the costs and benefits of individual development systems and a comparison of the objectives in terms of development policy of the programmes submitted would exceed the scope of this report. This should, however, be undertaken by the Commission, to show clearly the differences in regional policy objectives and development strategies and to highlight any discrepancies between the instruments deployed and the objectives set[1]. The programmes submitted to the Commission provide little or no information on this aspect.

14. The comparative analysis demanded would in particular lead to a much-needed exchange of information between Member States.

15. Article 6(5) of the Fund's regulation requires the Member States to update their regional development programmes annually before 31 March. This allows the Member States gradually to update and improve the programmes.

16. The summary of results achieved per region in terms of investment and employment, which is also required by Article 6(6) of the Fund Regulation, will allow the Member States and the Communities to assess more accurately in future the effectiveness of the financial means deployed, particularly in ERDF funds.

17. At the same time the committee is aware that a reliable analysis of effects and achievements in the nine Member States would require a uniform system of indicators and evaluation, which currently does not exist in the Communities.

18. The Committee on Regional Policy and Regional Planning recommend that the Commission take appropriate steps: an assessment of the results attained would help to adjust aid policies and increase their effectiveness.

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[1] The comparative study of regional aid measures in the EEC published by the Commission may be regarded as a first step in the right direction

II. COMMENTS AND CONCLUSIONS

19. After examining the programmes in the final part of its document (see Annex II), the Commission of the European Communities arrives at a moderately favourable conclusion, acknowledging that the programmes will be of some use, especially if they are developed further, for the purpose of evaluating investment projects that may benefit from assistance from the ERDF.

It also considers the findings of the economic and social surveys to be reasonably satisfactory, but is critical of the fact that nothing is done to place these findings in a Community economic context - which it regards as being equally necessary.

20. The programmes take no account of the regional impact of the more fully developed Community policies (agricultural policy and trade policy) or of the foreseeable consequences of the enlargement of the Community.

21. Hardly any of the Member States have yet developed a multiannual infrastructure investment plan; it is particularly important for the programmes to contain references - lacking in the present draft - to national infrastructure programmes.

22. Although the programmes indicate the economic objective that is to be pursued, they gloss over the likely effects of their implementation on increased earnings and employment.

A further serious omission is the failure to touch on development measures under other policies, both national and regional, that also have a significant impact on regional development - agricultural, industrial and social policy in particular.

23. As regards the financial aspects, the Commission points out that in general the programmes give no indication of the views of the Member States on the priorities to be accorded to the various projects and fail to give any information as to how precisely the resources of the ERDF and of the other Community instruments are to be utilized.

24. The Committee on Regional Policy and Regional Planning shares the opinion of the Commission on the content of the programmes and the limited scope they afford the Community - at least in the present draft - for developing, with the assistance of the ERDF, the various projects proposed by the Institutions.

As far as the content and the objectives of the Community's regional policy are concerned, the committee would call attention to the many documents produced over the past few years, in particular the Delmotte, Noè and Cronin reports, and the recent Kellett-Bowman opinion on the 1980 draft budget.

As for the content of the individual programmes of the Member States, it would also refer to the brief comments made in Part II of this document and would urge the Member States to modify and amplify their programmes as and where appropriate.

25. Consideration of the regional development programmes shows that almost all the Member States have serious difficulties in formulating their regional development objectives in quantitative terms. There can be many reasons for this: insufficient statistical information, lack of figures at regional level (incomes, jobs, migration, age groups, industrial structures, infrastructures, etc.), uncertainty about the future development of the economy and lastly the absence of regional strategies[1] and planned forecasts for the medium-term providing an integrated view of the various public measures to be taken at regional level.

26. The lack of quantitative information on the regional objectives of the programmes was also criticized by the European Court of Auditors in its annual report for 1978[2]:

'The development programmes did not become available to the Court of Auditors until the end of 1978. The Court submitted them to brief examination in order to check whether they constituted a valid source of information for the consideration of investment programmes granted financial assistance by the Community. The examination revealed that the programmes submitted sometimes failed to provide some of the information required by the outline programme; this was especially the case as regards the quantification of the objectives to be achieved and the anticipated effect of the various social and structural measures and policies. It became clear that it is absolutely essential for the objectives and the development measures to be specified in much more detail and in qualitative terms.'

27. A logical result of the inadequate quantitative information on regional objectives provided by most of the programmes is that it is impossible to provide adequate figures on the use of funds necessary for the achievement of the objectives themselves.

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[1] One Member State does not even see fit to evaluate the effectiveness of its own regional policy by laying down employment objectives!

[2] OJ No. C 326, 31.12.1979, p. 78

This is also true of aid from the European Regional Development Fund since, as has already been pointed out, the programmes provide no figures on present or future contributions from the Fund (with the exception of Italy and the Netherlands).

28. In the absence of any reference to aid from the ERDF or to its importance in the framework of national regional programmes, the common scheme is deprived of one of the fundamental objectives which it seeks to achieve: the creation of a specific point of reference for participation by the ERDF.

29. Most of the programmes fail to identify in what way the non-refundable subsidies from the ERDF help to correct the main regional imbalances. It should therefore be established whether this constitutes a breach of the Fund Regulation since according to the Regulation the Fund can contribute only to investments which are part of a regional development programme whose implementation can help to correct the main regional imbalances.

30. Another defect in the programmes submitted is the lack of figures on financial transfers between the various administrative bodies within the individual Member States. Nor is any breakdown on a regional basis given for annual investments from national budgets.

The Commission should insist that the Member States, notwithstanding their different administrative arrangements, should make it possible to have a clear breakdown of the size of appropriations for regional policy, including programmes in sectors which cover the whole territory of the state. Member States which already have such criteria for regional allocation of funds should notify them to the Commission.

31. The creation of new jobs or (as for example in the United Kingdom) the preservation of existing jobs is a special feature of every regional programme, even if the programme itself is inspired by other considerations.

The Committee on Regional Policy and Regional Planning urges the Commission and the Member States to make greater efforts to draw up figures on the labour available at regional level on a uniform basis and broken down by sector. Only on the basis of such estimates can suitable regional strategies be devised.

32. In most of the programmes submitted there are no deadlines and no indication of priorities for individual regions or incentive measures.

The fact that 55% of the area of the Community is designated as qualifying for assistance and that for example the Federal Republic of Germany considers 61% of its own area as eligible for subsidies is itself proof that regional aid is not sufficiently concentrated goegraphically. The Commission should suggest that the Member States lay down clear geographical priorities with binding deadlines for completion. The concentration of subsidies on the neediest regions can only improve the efficient use of funds.

33. Only a few programmes attempt to study the effects of national policies on industry, transport, trade and in particular agriculture on the less favoured regions, as requested in the outline programme.

The need for integration of sectoral and regional policies is given little or no attention.

This is partly due to the fact that in general sectoral policies are planned and implemented by the national governments with no regard to any prior analysis of their effects at regional level. Even the Community's agricultural policy merely provides support for farm incomes as a whole, without paying sufficient attention to existing regional imbalances which are in many cases made worse by the operation of the policy.

34. An integrated regional policy providing for the effects of the various policies (industrial, agricultural, commercial, etc.) on the regions within a Member State and which is therefore based not only on indicators such as the number of jobs involved, but also on the social, cultural and regional context, is unknown in most of the Member States. In other words there is no integrated regional planning and this alone can guarantee the coordindated implementation of an effective regional development policy.

35. The programmes in general do not shed sufficient light on the participation by local and regional authorities in the implementation and supervision of programmes.

It should be pointed out, however, that the Commission's outline does not specifically request this information and this is undoubtedly a shortcoming. The Committee on Regional Policy and Regional Planning certainly has an interest in increasing democratic participation in the drawing up of regional development programmes.

36. The programmes of some Member States give the impression that they have been designed mainly to obtain funds from the ERDF.

37. The Committee on Regional Policy and Regional Planning is naturally keen that the shape of the programmes should more closely reflect the views consistently expressed by Parliament, and accordingly feels that proper emphasis should be placed on the comprehensive nature of the regional policy, in line with the most recent policy statements of the Commission, the Council and Parliament.

In particular, the committee would call attention to the fact that the importance of the regional development programmes as part of a coordinated plan of action to restore equilibrium was clearly spelt out by the Council in its resolution of 6 February 1979[1]: 'In order to achieve progressively a balanced distribution of economic activities throughout the Community, coordination of national regional policies and of Community policy is essential. In this connection regional development programmes constitute the most appropriate framework for the practical implementation of well organized coordination. From this point of view the coordination of general regional aid schemes constitutes an essential feature'.

38. This Council resolution was drawn up on the basis of the proposals submitted by the Commission on 3 June 1977 in a communication (Doc. 183/77) which is of great importance for a correct assessment and a far more wide-ranging interpretation of the regional policy's role. In it the Commission expresses the conviction - with which the Committee on Regional Policy and Regional Planning is in complete sympathy - that the regional policy must be a comprehensive policy, i.e. it must be formulated and designed with reference to the Community as a whole ... 'It should aim at giving a geographical dimension to all other Community policies from their inception. Through the coordination of Community financial instruments, it should help to achieve coherence between all structural measures'.

The means of attaining these objectives are also correctly identified by the Commission: adoption of a comprehensive approach to analysis and planning, coordination of national regional policies and assessment of the regional impact of the Community's policies.

39. It follows that the fullest possible attention must be paid to the 'geographical dimension', in the sense that the structural problems of individual regions and the objectives to be achieved - on a given time-scale and in specified areas, and deploying all the instruments available - must be clearly identified. 'Geographical planning' is inseparable from development planning, just as Community projects are inseparable from programmes and measures elaborated by the Member States and by the regions themselves.

[1] See OJ No. C 36, 9.2.1979

The fact that projects are carried ou on a sectoral basis and that responsibilities are assigned to different agencies must not hinder, at the planning stage, the 'spatial' integration of development projects and the closest possible coordination of the instruments intended for their implementation.

The development programmes on which this committee is required to give its opinion do not remotely meet the above criteria, the fulfilment of which is essential for the new regional policy.

40. The regional policy must be implemented by means of coordinated Community measures deriving from the development of all Community policies. Unless all the Community bodies agree on this principle, it is impossible to apply this absolutely correct approach to the problem of correcting regional imbalances.

41. The Committee on Regional Policy and Regional Planning reaffirms that the common market and the approximation of economic policies are not the objectives, but rather the instruments of Community action to 'promote throughout the Community a harmonious development of economic activities, a continuous and balanced expansion, etc'. The objectives of the Community - or the reasons behind the decision to establish the Community - are set out in the all-important introductory part of the Treaty. The signatories to the few paragraphs comprising this historic text emphasize the need 'to strengthen the unity of their economies and to ensure their harmonious development by reducing the differences existing between the various regions and the backwardness of the less favoured regions'.

42. Far from constituting delaying or obstructive tactics the omission of 'regional policy' from the common policies explicitly mentioned in Article III serves to make a distinction between instruments, such as the common policies and the other measures listed in this article, and one of the fundamental reasons for the establishment of the Community. It was obviously believed at the time that the establishment and subsequent consolidation of the common market would automatically stimulate faster development in the less prosperous areas of the Community and that growth of their economies could be fostered by applying to them the instruments of structural change built into the various Community policies, appropriately coordinated into a permanent approach towards restoring the balance and harmonizing the socio-economic systems.

It was clear that these objectives could be attained, not only by preventing Community measures from working to the detriment of the weaker regional economic structures, but also by using them to the best advantage to help support regional policy schemes already being carried out in the various Member States (in Italy the Cassa per il Mezzogiorno had been set up seven years previously).

43. During the prolonged negotiations of the early 1970s, it was realized by the Community that the regional development policy also needed its own financial instrument, which was accordingly created in 1975. The ERDF was designed to 'permit ... the correction of the main regional imbalances in the Community and particularly those resulting from the preponderance of agricultural activities and from industrial change and structural underemployment'.

The expression 'permit ... the correction' encouraged, in certain Community quarters, the altogether mistaken belief that this instrument was intended solely to achieve a limited number of specific objectives.

44. The most recent policy declarations by Parliament the Commission and the Council itself correct this misinterpretation and restore the regional policy to a central and prominent position, at least at the conceptual and political level.

45. The inadequacy of the Fund and the scant contribution made by the common policies towards restoring balance between the regions are the main reasons for the inadequate development of the regional policy. This committee and Parliament as a whole have both repeatedly stressed the need for a substantial increase in the endowment of the Regional Fund and for the appropriate development of the other common policies, especially in view of the beneficial effects they may have on the process of regional development. Reference is made to the resolute stand taken by Parliament on these issues during the debate on the 1980 draft budget. The Committee considers the many documents expressing this view to form part of this report.

The Committee on Regional Policy and Regional Planning refers in particular to paragraph 30 of its report on specific Community regional development projects (Doc. 715/79), which reads as follows: 'Convinced of the great importance of regional policy to the economic and political integration of Europe, stresses the need to ensure that all the common policies continuously contribute towards regional re-equilibrium, and reaffirms the need for a substantial increase in the endowment of the Regional Fund and, consequently, that of the non-quota section'.

46. In the light of the foregoing, it is clearly essential for regional development and re-equilibrium projects to be promoted by using the resources and instruments available to the Member States, the regions and the Community on the basis of a comprehensive assessment of requirements, problems and prospects of development. To achieve the desired coordination, the 'spatial and temporal' objectives to be pursued must be clearly established in the light of the characteristic features and problems of each area to be given assistance. Reinstatement of the 'geographical dimension' on the basis of development plans and of a comprehensive assessment of requirements etc. is, therefore the precondition and the essential means of giving fresh impetus to the regional development and re-equilibrium policy.

47. At the planning stage the utmost attention must be paid to the beneficial or adverse effects that local, national and Community policies may have on the various sectors of the economic and social life of the regions concerned. With its financial instruments (ERDF, Social Fund, EAGGF Guidance Section, EIB, ECSC) and with the expected development of all the common policies that have so far lagged behind (transport, energy and research in particular), the European Community will be in a position to do far more than simply support the efforts of the Member States to restore regional balance. It must, however, adopt a fresh approach, one that takes account of the real problems of the regions, and quickly dispel the growing impression - arising from a limited interpretation of its institutional responsibilities vis-à-vis the problems of regional disequilibrium - that it is merely a source of development finance.

It must aim to play a more decisive part in the assessment of problems and objectives and in the selection of suitable projects, i.e. at the stage when development plans and programmes are being elaborated. Questions of procedure and timing could be left to the Commission and the Council to decide in agreement with the Member States and regions concerned.

If aid to regional development is to be made more effective, the Member States will have to indicate precisely in their programmes, with reference to the development objectives they have set, the priorities and long-term aims of their regional policies in order to make it possible for a constructive dialogue to take place between the Commission and the Member States to determine the priority areas for aid from Community financial instruments. Parliament should be kept constantly informed of the results of these regular contacts between the Commission and the Member States to enable it to fulfill its role of encouragement and supervision.

48. Pending fuller participation by the Community in the work of planning and programming, the programmes submitted, modified and amplified where necessary, may be considered as useful, short-term instruments for the Community's efforts to support the regional policies of the Member States.

The Committee on Regional Policy and Regional Planning strongly recommends that the extensions and adjustments to the programmes by the Member States follow the recommendations already made by the Commission (Doc. 79/535/EEC), which are felt to be particularly suitable for making regional development programmes into an instrument for coordinating regional policies.

To this end, the Committee on Regional Policy and Regional Planning hopes for - indeed calls for - the early establishment of direct concertation between the Commission and the national and regional authorities. The aim of this concertation should be to help identify those areas which, on environmental and socio-economic grounds, would be certain to benefit from a range of integrated measures to be developed and closely coordinated by the Community, the Member States and the regions themselves.

The Committee on Regional Policy and Regional Planning strongly recommends that the programmes be drawn up in full cooperation with the regions concerned.

To this end, it might also be particularly useful to set up working parties consisting of Community, national and regional representatives, for each area of intervention. If, as is to be hoped, the Member States agreed, responsibility for general coordination could be assigned to the regions themselves.

49. In the light of what has been said above about the objectives and the instruments of the regional development policy and, hence, about the importance of basing aid programmes on a comprehensive assessment of requirements involving the combined efforts of the Community, the Member States and the regions, Parliament considers that the task of monitoring the impact of all Community policies on regional development should be assigned to its Committee on Regional Policy and Regional Planning, even by amendments to the regulations where necessary.

50. The Committee on Regional Policy and Regional Planning feels it essential that the annual report of the Commission laid down in Article 21 of the ERDF regulation should deal not only with the statement of the financial management of the Fund but also in a more exhaustive manner with the progress of regional policy and should include a specific analysis of the effects - both positive and negative - of other Community policies at regional level.

51. The Committee on Regional Policy and Regional Planning feels, finally, that it should recommend that the Commission strengthen its cooperation with the Member States as regards the implementation of the programmes and intensify its vigilance on the basis of the annual reports which these states have to submit.

ANNEX I

OUTLINE FOR REGIONAL DEVELOPMENT PROGRAMMES

In accordance with its terms of reference under Article 2 (1) (c) of Council Decision 75/185/EEC of 18 March 1975 setting up a Regional Policy Committee [1], the Regional Policy Committee at its meeting on 6 and 7 October 1975 adopted the following outline of what the regional development programmes required by Regulation (EEC) No 724/75 of 18 March 1975 establishing a European Regional Development Fund [2] should contain.

At the committee's meeting on 1 and 2 December 1975 members stated what periods the regional development programmes were expected to cover and roughly when, assuming they did so, they would be notified to the Commission; these particulars are annexed to the outline as to the programmes' contents.

This outline of what regional development programmes should contain is indicative, and should be interpreted in a flexible manner, bearing in mind the considerable differences between Member States in the nature and scale of the regional problems faced, the geographical size of regional programming units, the regional policy measures in force, and regional administrative systems.

Regional development programmes in the sense of the EEC Regulations are in principle concerned with regions qualifying for ERDF contributions. Member States should prepare these programmes by regions and areas or by groups of regions, taking account in particular of the institutional framework and the statistics available.

Regional development programmes should have five chapters:

1. economic and social analysis;
2. development objectives;
3. measures for development;
4. financial resources;
5. implementation.

1. Social and economic analysis (diagnosis)

The purpose is an appropriate economic analysis and not a simple statistical description. The analysis should reveal the main regional problems and their causes. It is mandatory for all Member States. Objectives and means will be defined accordingly.

This analysis performed with the help of the relevant statistics that are available (for instance statistics on income, output, population, activity rate, structure of production and employment, unemployment, migration, productivity, provision of infrastructure) should cover the following subjects:

(a) main aspects of past economic and social development;

(b) principal imbalances besetting the region and their causes;

(c) effects of past corrective action;

(d) development possibilities and conditions, including bottlenecks;

(e) probable economic and social development during the programme period provided no new factors intervene, to the extent that it is possible to foresee developments with a minimum degree of assurance.

This analysis should be set in the wider economic and social context of the country as a whole. What matters are the conclusions of the analysis, irrespective of the methods applied and the statistical material used.

2. Development objectives

In this chapter, the outline of regional development programmes should go beyond a simple indication of broad aims such as raising the standard of living, creating jobs, reducing unemployment or migration, etc. The development targets of the region must be more clearly specified and, as far as possible, quantified, at least in so far as certain basic elements are concerned. Where it proves impossible for sufficiently important practical reasons to quantify a development target, or targets, a sufficiently

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[1] OJ No L 73, 21. 3. 1975, p. 47.
[2] OJ No L 73, 21. 3. 1975, p. 1.

detailed specification, if relevant in qualitative terms, of the aim or aims could be given instead.

The most basic elements to define are:

(a) the level of employment and, where possible, the number of jobs to be created or maintained;

(b) the effects sought on different economic activities and income of the region;

(c) the provision of infrastructure (if not treated under point 3).

In addition to those objectives considered to be essential, there could be others as important (for instance production structure, demographic objectives) which the Member State in question might wish to emphasize.

Quality objectives should also be indicated to the extent that they are important for regional development. Particular attention should be given to quality objectives which are most clearly allied to the operations of the ERDF (e.g. the quality of the employment to be created, of the economic structure and means of production to be aimed at). Other quality objectives of importance to regional development could also be described, for example the level of vocational training, particularly in management, the protection of the environment and, where relevant, the attitude of the population to industrial activity.

The development objectives of a region should be cast in a wider economic and social framework. This relates in particular to the general and sectoral macro-economic objectives laid down for the whole country in question and for the Community.

The objectives indicated should not therefore take the form of an inventory of regional needs or aspirations; instead they should make up a coherent whole at the national level. In question here are real targets, comprising practically relevant priorities for the medium term, and which regions can reasonably achieve in the given situation with the means available.

These objectives, defined for the whole programme period, would appear on an implementation schedule from year to year, if it was possible to do so, and if this would add to the effectiveness of the programme.

3. Measures for development

In this chapter the programmes should give details — in real terms, the financial counterpart being dealt with in the next chapter — of the development measures envisaged in order to attain the objectives indicated.

Of essential concern are:

(a) direct regional policy measures in the strict sense such as aids, disincentives, decentralizing public services, financial equalization systems between regions, etc.;

(b) investment in infrastructure (economic and social) for regional development purposes.

In so far as they have an effect on regional development, and bearing in mind differences in the administrative structures of Member States, programmes could also give details of other measures, such as those related to:

(a) industrial and agricultural policy;

(b) social policy;

(c) vocational training;

(d) physical planning and social cultural amenities.

4. Financial resources

This chapter should deal with the financial means which it is proposed to allocate to programme implementation bearing in mind that:

— expenditure on regional development measures falls within a wider budgetary framework at Community, national and regional levels which can limit the extent to which it is possible to forecast this expenditure,

— it is difficult to estimate in advance the cost of certain regional development measures and inflation adds to the difficulty.

Disaggregation should be by way of:

— *sources*

a clear distinction should be drawn between Community, national and other sources (regional, local government, etc.). The sources in the last

categories should be indicated if they have real importance for regional development, and if it is administratively feasible to give separate figures. The amount of course be no double counting;

— *type of expenditure*

(a) outlays to finance infrastructure, drawing a distinction, where possible between normal and extraordinary expenditure on the one hand, and between total outlays for this item and those thereof qualifying for an ERDF contribution on the other hand;

(b) direct aids to private investment qualifying for an ERDF contribution (capital grants, interest rebates or their equivalent where loans at reduced rate of interest are concerned and, where applicable, aid granted in the term of rent rebates or exemption from payments of rents of factories);

(c) when available and where relevant for regional development, other forms of aid to undertakings (employment premiums, cuts in social security contributions, tax abatements and exemptions, preferential prices and tariffs etc.), as well as sectoral aids;

(d) when available and where relevant for regional development, public welfare (social budget, unemployment benefit, exemption from direct taxation, etc.);

— *region*

— *programming or budget year*

in so far as already existing data or information that can be made available will permit; eventually this information can be extended during the realization of the programme.

Regional development measures adopted by the Member States should be assessed within the wider framework of public investment (and where applicable consumption) programmes envisaged for the country as a whole.

In indicating the amount of regional expenditure the Member States should point out on each occasion its precise nature and the time schedule: budgetary estimates, draft budget, budget adopted, pluriannual or annual forecasts.

The programmes should also indicate — where this information is available — the volume of investment by State companies or major private undertakings (within the framework of possible programme procedure by way of contract) by sectors and branches where their impact on regional development is important.

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5. Implementing the programme

This chapter should indicate where and for what the responsibility rests for implementing the whole or part of the programmes. The tasks allotted to each agency or institution should be clearly stated and details should be given of the administrative methods employed to ensure consistency between the different parts of the programme.

Under this heading Member States would also give information, in broad outline, on the implementation schedule for the various measures contemplated, where these are of importance to regional development at Community level. This schedule might refer to measures for which the financial resources were not yet clearly earmarked nor adopted.

ANNEX II

COMMISSION OPINION

of 23 May 1979

on the regional development programmes

(79/534/EEC)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 155 thereof,

Having regard to Council Regulation (EEC) No 724/75 of 18 March 1975 establishing a European Regional Development Fund (ERDF) (1), as amended by Regulation (EEC) No 214/79 (2), and in particular Article 6 thereof,

Having regard to the regional development programmes notified to it by the Member States pursuant to the aforesaid Article 6,

Having regard to the opinion of the Regional Policy Committee of 16 June and 26 October 1978 on these programmes,

Whereas, although indicative in nature, the common outline drawn up by the Regional Policy Committee (3) specifies what information these programmes must contain under the five chapters 'economic and social analysis', 'development objectives', 'measures for development', 'financial resources' and 'implementation';

Whereas, as a result of the examination of regional development programmes carried out in close association with the national authorities and within the Regional Policy Committee, a number of Member States have, at the Commission's request, either completed their programmes or provided important additional information,

HEREBY DELIVERS THE FOLLOWING OPINION:

1. *Economic and social analysis*

This chapter is in general the most comprehensive. All the programmes reveal the main aspects of economic and social development in the regions, the principal imbalances besetting the regions and the effects of past measures. However, the Member States do not set out their analyses in the same way. In quite a number of cases, development possibilities and conditions, including bottlenecks, are dealt with only briefly.

Although the analyses in general make reference to the national economic context, the economic environment at Community level is inadequately taken into account. In most cases, the regional impact of the Community's common agricultural policy and of its policy of external relations, including enlargement, is discussed only briefly.

Where the frontier regions are concerned, the analysis should pay closer attention to their special situations, notably in relation to the region or regions on the other side of the frontier.

In some cases, the economic and social analysis contains data for an entire region, although only a geographically limited area of that region receives national regional aid, without any explanation of why that area should be eligible for assistance.

(1) OJ No L 73, 21. 3. 1975, p. 1.
(2) OJ No L 35, 9. 2. 1979, p. 1.
(3) OJ No C 69, 24. 3. 1976, p. 2.

2. *Development objectives*

The various programmes contain a range of objectives, broader in some Member States than in others depending on how they view regional policy. Setting quantified objectives for each region presents various difficulties.

One example is job creation : some Member States quantify this objective over a given period, others forecast the individual region's job deficits for a given year (e.g. 1980) and still others merely provide overall forecasts for a group of regions or forecasts confined to the supply of labour. To cope with the technical difficulties encountered in this field, the Commission will accord priority to the study on the preparation of regional labour balance sheets as well as to the progressive establishment of a Community basis for them.

The information supplied on regional infrastructure planning is relatively detailed in virtually all cases. However, national infrastructure of real importance for regional development is not always covered. Not all Member States have as yet established multiannual programming of infrastructure investments.

Most of the programmes discuss, either explicitly or implicitly, the effects sought on the different economic activities of a region but not, as indicated in the common outline, those on income.

3. *Measures for development*

In this chapter, the programmes examine, often in detail, direct regional policy measures such as regional aid schemes and, in more general terms, the major infrastructure investments undertaken for regional development purposes.

By contrast, they do not in general say much about the measures taken under other national or Community policies which have indirect but important repercussions on the development of the regions, such as industrial, agricultural and social policy (including vocational training), environmental measures, physical planning and the provision of social amenities in the regions. The infrastructure budgets are not, as a rule, broken down by region.

Drawing on the results of the studies on regional impact assessment (RIA), the Commission itself will look more closely into the regional effects of Community policies, including its agricultural and commercial policies.

4. *Financial resources*

The programmes provide more or less detailed figures for the sums governments will devote to regional development in the years ahead but fail to give a sufficiently clear indication of priorities.

In general they make no mention of financial transfers between different levels of government, of finance from regional or subregional sources, of assistance provided under sectoral policies having a regional impact, or of investment to be made during the programme period in the context of planning agreements by public enterprises or by major private undertakings. What is more, they do not normally provide sufficiently detailed information on the way Member States intend in future to use resources made available by the ERDF or by the Community's other financial instruments.

5. *Implementation*

Overall, the programmes notified contain detailed information on the agencies or institutions responsible for implementing regional policy in Member States. However, only a few countries provide an implementation schedule.

By way of conclusion, the Commission believes that the regional development programmes enable it to make a better assessment of investment projects which are to receive ERDF assistance, although these programmes need to be developed further if they are to be regarded as a sufficiently detailed reference framework for assessing such projects. The present opinion of the Commission on the regional development programmes does not prejudice the application of Articles 92 to 94 of the EEC Treaty.

Done at Brussels, 23 May 1979.

For the Commission

Antonio GIOLITTI

Member of the Commission

ANNEX III

COMMISSION RECOMMENDATION

of 23 May 1979

to the Member States on the regional development programmes

(79/535/EEC)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 155 thereof,

Having regard to Council Regulation (EEC) No 724/75 of 18 March 1975 establishing a European Regional Development Fund (ERDF) (1), as amended by Regulation (EEC) No 214/79 (2),

Having regard to the Council resolution of 6 February 1979 concerning the guidelines for Community regional policy (3),

Having regard to the Commission's opinion of 23 May 1979 on the regional development programmes notified to it by the Member States pursuant to Article 6 of Regulation (EEC) No 724/75,

Whereas regional development programmes are to serve both as a point of reference for projects submitted for ERDF assistance and — in accordance with the aforesaid Council resolution — as the most appropriate framework for the practical implementation of coordination of national regional policies, and of the Community's regional policy;

Whereas, for the purposes of such coordination, the Member States and the Commission must be adequately informed of national policies aimed at achieving a better balance in the territorial distribution of economic activities, including such special measures as are taken with this aim in regions not eligible for ERDF assistance;

Whereas adoption by Member States of a uniform regional programme period would permit a greater measure of comparability between programmes and would make it easier to coordinate them at Community level with the medium-term economic policy programme being drawn up;

Whereas the general economic context and regional implications of the various national or Community sectoral policies are not sufficiently taken into account in the analysis of the regional economic and social situation given in the programmes examined;

Whereas, as regards Community policies in particular, the Commission and the Council made known in the resolution of 6 February 1979 their intention of taking fuller account of the regional impact of such policies; whereas, furthermore, implementation of the specific Community measures referred to in Article 13 of Regulation (EEC) No 724/75 also depends on an accurate assessment of the regional impact of these policies and of the measures taken by the Community;

Whereas a number of special problems arise in certain frontier regions; whereas effective coordination of the regional development measures taken by the Member States concerned may make a significant contribution towards resolving those problems;

Whereas setting quantified development objectives for each of the regions concerned presents various difficulties, notably as regards job creation; whereas, for this reason, the Commission will, as requested by the Regional Policy Committee, accord priority to the study of regionalized labour balance sheets;

Whereas Regulation (EEC) No 724/75 in its amended version has adopted a broader concept of infrastructure than that previously applied (direct link with industrial and service investment) but stipulates, in Article 4 (2) (b), that infrastructure investments may be financed by the ERDF only when the regional development programmes show that they contribute to the development of the region in question;

Whereas, in parallel with regional policy measures proper such as regional aid schemes or infrastructure investments carried out for regional development purposes, Member States take measures, whether of a regional nature or not, under other national or Community policies which have indirect but important effects on regional development: on these the programmes examined in general provide little detail;

(1) OJ No L 73, 21. 3. 1975, p. 1.
(2) OJ No L 35, 9. 2. 1979, p. 1.
(3) OJ No C 36, 9. 2. 1979, p. 10.

Whereas regional policy measures regarded as being of prime importance for regional development are not in all cases described in sufficient detail in the regional development programmes examined; whereas, where ERDF assistance is concerned, Regulation (EEC) No 724/75 provides that the Commission determine the priorities for assistance after having examined these programmes,

Whereas, although the regional development programmes examined generally indicate the State's commitments of finance to regional development, they only rarely mention transfers between different levels of government or finance from regional or subregional sources, whereas sufficient information on these matters is essential if national regional policies are to be more effectively compared;

Whereas a number of regional development programmes neither provide for multiannual financial programming of infrastructure investment nor give the volume of investments to be made by public enterprises or by major private undertakings under planning agreements,

Whereas effective coordination of national regional policies and of Community regional policy is possible only if information is available on the Member States' intentions as to the future use, at regional level, of Community financial resources from the different financial instruments established for structural purposes,

Whereas the programmes notified generally contain sufficient information on their implementation, although some of them are not specific enough about the timing of the projected investments and the systematic assessment of the impact of the measures taken,

HEREBY RECOMMENDS THAT THE MEMBER STATES

1. Take the measures necessary to ensure that development programmes communicated to it as reference instruments for projects submitted for assistance from the ERDF reflect all aspects of national regional policies and can thus be used as a framework for policy coordination at Community level

2. Communicate to the Commission, in addition to the regional development programmes for regions in which the ERDF is to provide assistance, and in so far as regional policy measures are applied in other regions, the principal measures whose aim is a better regional balance over the whole of the country, including the so-called disincentives, either in the form of programmes or in another form.

3. Adopt, for the next regional development programmes to be drawn up, a uniform programme period coinciding with that chosen for the fifth medium-term economic programme (1981 to 1985); for the financial part of this five-year programme two periods could be adopted.

4. Take fuller account, in the analysis of the economic and social situation in each region, on the one hand of the implications of national policies or measures in areas such as the restructuring of certain sectors, transport, energy, agriculture, fishing, the environment, physical planning, certain social measures and vocational training and, on the other of the most significant effects of Community policies and measures, particularly in the fields of agriculture, external trade relations and the restructuring of certain sectors.

5. Include in the above analysis, where it concerns frontier regions, the specific aspects that stem from their special geographical situation.

6. Provide, where the setting of development objectives for jobs is concerned, at least quantified forecasts of job deficits in each region for the years 1981 to 1985 and take further account in this connection of the tertiary sector, including tourism, and of the agricultural sector.

7. Bring out more clearly, when setting infrastructure objectives, the link that should exist between investments in infrastructure and the conditions that affect the development of a region, thereby making it possible to assess better the need for such investment and the priorities in this field and, more particularly, consider not only regional infrastructure proper but also national infrastructure of real regional importance.

8. Incorporate gradually, among the measures permitting attainment of the development objectives and alongside direct regional policy measures, measures arising from other national or Community policies which vary with the region or which have a clear regional impact. Such measures may concern the policy areas referred to in point 4.

9. Indicate more clearly in regional development programmes the aspects of national regional policy that are regarded as having priority, whether geographical or in terms of the type of measure to be taken.

10. Make the financial programming of regional development more transparent by supplementing the relevant information with details of financial transfers between different levels of government and of finance from regional or subregional sources.

11. Draw up a multiannual financial programme for infrastructure investment, where a programme of this type does not yet exist, and indicate, where such information is available, the volume of investment to be made during the programme period by public enterprises or by major private undertakings as part of planning agreements.

12. Include in future regional development programmes, alongside more detailed information on their intentions for the future use of ERDF resources, information concerning the other Community financial instruments, thereby permitting, at regional level, greater cohesion between the various financial measures of a structural nature taken by the Community.

13. Give a timetable for implementing the measures planned under regional development programmes and provide a more systematic analysis of the impact of the different regional policy measures, particularly on employment.

This recommendation is addressed to the Member States.

Done at Brussels, 23 May 1979.

For the Commission

Antonio GIOLITTI

Member of the Commission

ANNEX IV

Analysis of the regional development programmes submitted to the Commission by the Member States

1. In the following section an attempt is made to analyze critically the regional development programmes of the individual Member States.

For the most part the economic and social analyses, development objectives, etc. set out in the programmes have not been reproduced.

The aim of the analysis is rather to bring out the deficiencies in the individual programmes, so as to demonstrate where improvements, greater depth, or more precision are possible or even essential.

2. The 'outline for regional development programmes' drawn up by the Commission's Regional Policy Committee has been used as the basis for assessing the nine programmes.

This committee includes representatives from the governments of the Member States in addition to representatives of the Commission.

3. It should be stressed that this outline is indicative in character; the Member States are not therefore obliged to adhere to it when drawing up programmes.

4. The programmes submitted to the Commission have been published in two forms
- abridged form in a single volume[1]
- individual programmes in full[2].

The following analysis is not concerned with the substance of the regional development programmes but with a certain lack of clarity or, in some cases, the omission of information required by the 'outline'. It refers to both published versions.

It should be noted that these programmes were submitted at the end of 1977. Since then several of them have been reviewed and updated.

5. Development programmes for Belgium

Regions: Flanders and Wallonia

A distinction is made within these regions between 3 'development blocs', the assisted areas of which are eligible for ERDF aid.

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[1] Regional Development Programmes, Regional Policy Series 1979, Vol. 17

[2] See Regional Policy Series No. 6 (I), No. 7 (IR), No. 8 (NL), No. 10 (UK), No. 11 (L), No. 12 (DK), No. 13 (F), No. 14 (B), No. 16 (D)

Period covered: 1976-1980

Economic and social analysis

This chapter lacks data on the economic structure, particularly details on the declining steel industry and the importance of agriculture in some of the regions. There is no clear presentation of the influence of Community policies (industrial and agricultural policy) on the regions.

Development objectives

A lack of jobs is forecast by 1980. It would definitely be more sensible to produce a survey of the regional employment situation. Priority investments in the infrastructure sector are not made sufficiently clear.

Measures for development

Emphasis is given to measures to assist small and medium-sized undertakings. Insufficient attention is paid however to the consequences of the crisis in the steel industry.

Financial resources

This area is dealt with in detail and shows the connection between financial resources and development schemes.

Implementation

Responsibility for formulating and implementing the programmes rests with the appropriate regional bodies, while coordination is the responsibility of the Ministry of Economic Affairs.

Conclusions

The programmes are largely laid out in accordance with the recommended outline. No attempt has been made however to indicate priorities for investment aids from the ERDF.

6. Development programmes for Denmark

Regions: North Jutland

Thisted region, part of South Jutland, Bornholm Island, Greenland

Period covered: 1977 - 1979

The programmes submitted by other Member States run until 1980.

For Greenland the last updating covers the period 1979-81.

Economic and social analysis

The description of the prospects for economic development in the regions contains no reference to the Community framework. The analysis of the four regions dominated by agriculture, which in other respects is extremely detailed and well-documented, takes little account of the regional effects of the common agricultural policy.

Development objectives

The development objectives cited for the above regions are mainly of a qualitative nature. Very little quantitative information is presented (with the exception of the employment projections for Greenland).

Measures for development

Infrastructure investments are regarded as an important factor in all regions, but no information is provided on priorities (with the exception of Greenland: priority for vocational training).

Financial resources

Detailed financial planning exists for Greenland but is lacking for the other regions in Denmark. In the latter regions ERDF aid is mainly used to boost investment in the manufacturing, craft and service industries.

Implementation

Details are given of who is responsible for the implementation and supervision of the programmes in Greenland.

On the other hand, no information is provided on the organization of implementation and supervision in the Danish regions. Similarly there is no time schedule.

Conclusions

With the exception of the programme for Greenland, the Danish programmes do not fully comply with the requirements of the outline. Again with the exception of Greenland, there is no quantification of development objectives and the role of the ERDF is not made sufficiently clear.

7. Development programmes for the Federal Republic of Germany

Regions

There are 20 regions within the Federal Republic plus West Berlin which are eligible for ERDF aid. The eligible regions cover a total of approximately 65% of the area of the Federal Republic.

Period covered: 1976 - 1979, with annual updating

No period is specified for West Berlin.

Economic and social analysis

The problems of the regions concerned are described without any reference to the national and/or Community socio-economic framework.

Development objectives

The number of jobs to be created and maintained per region by 1979 is given, but without any indication of the assumptions underlying these calculations. There is also no mention of priorities or these are only formulated in very general terms, such as 'conversion and rationalization of existing industry, expansion of tourism'.

No figures on the number of jobs to be created and maintained are given for West Berlin.

Measures for development

Aid for creating and maintaining jobs and the installation of plant and machinery in the industrial zones are the main regional policy measures in the Federal Republic. No mention is made of the effects on regional policy of infrastructure investments from Federal or Länder budgets, although these are likely to be considerable.

Financial resources

Only national sources of finance are listed. There is no specific mention of ERDF aid[1].

Implementation

Institutions to which applications may be made are mentioned. A clear distinction is drawn between the responsibilities of the Federal authorities and those of the Länder.

Conclusions

Job creation and maintenance targets in the 20 regions covered by the German programmes are clearly quantified, but no details are given of the deployment of ERDF resources.

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[1] According to the Commission, the relevant information has been supplied in an addendum

8. Development programmes for France

Regions

France has submitted 21 regional development programmes, including programmes for the overseas departments.

Period covered: 1976 - 1980

Economic and social analysis

The problems of the individual regions are well presented. At the same time, no use is made of indicators such as earnings, population movement, etc. There is no reference to the Community socio-economic framework.

Development objectives

Development objectives relating to employment are mainly given for regions where specific development programmes exist (Corsica, Massif Central, Lorraine,Northern Pas de Calais, Brittany). These details are not given for the other regions.

Priorities are not always made sufficiently clear.

Measures for development

The programme regions are not always identical with the regions eligible for ERDF assistance, which are much larger. More detailed information on development schemes is needed for the specific zones in each region which are to receive aid from the European Regional Fund.

Financial resources

State involvement in regional programmes is shown in detail for each region for the period 1976-80. This does not, however, apply to state involvement in 'priority action programmes' in 1976 and 1977.

No mention is made of the effects on regional policy of infrastructure investments (e.g. road-building etc.) financed from the national budget.

Implementation

More detailed information on implementation and responsibility for supervision would seem to be necessary.

Conclusions

In the French programmes relevant information should be provided about ERDF aid and more attention paid to the socio-economic analysis of the zones in which ERDF investments are to be concentrated. Details should also be given of the regional aspects of a number of public regional development measures.

9. Development programmes for Ireland

Regions

For the purposes of the ERDF, Ireland is designated as one region. Therefore the programme and its objectives are necessarily national and macroeconomic.

Period covered: 1977 - 1980

Prior to 1977 Ireland had no detailed regional development programme.

Economic and social analysis

A precise, detailed account is given of the situation in the past and present.

Development objectives

In addition to improving the employment situation, the following are mentioned: reduction of the rate of inflation, increase in living standards, greater productivity, reduction in state borrowing.

The analysis is complete and detailed.

Measures for development

There is still no multi-annual planning for public expenditure in Ireland. This means that no sufficiently reliable multi-annual development programmes with specific measures for development can be drawn up.

Financial resources

Financial commitments can normally not be entered into for longer than one year in advance, which hinders efficient regional development.

Ireland can therefore provide no figures on the future use of ERDF resources.

Implementation

A detailed account is given of the elaboration stage and progress of the programme. However there is no concrete plan for implementation.

Conclusions

The form of the Irish programme does not fully comply with the outline for regional development programmes.

In fact, however, it contains all the necessary information.

One serious shortcoming is the lack of multi-annual financial planning.

10. Development programmes for Italy

Regions

The regional development programmes for Italy cover the Mezzogiorno

Period covered: 1977 - 1980

Economic and social analysis

A detailed analysis is given of the economic and social situation in each region of the Mezzogiorno. However, the links with Community policies are not made sufficiently clear.

An estimate is given of the growth in the working population until 1980. This is compared with the number of jobs to be created by industrial investments based upon aid from the 'Cassa' (Fund for Southern Italy).

Development objectives

The number of jobs to be created by 1980 is estimated for the whole of the Mezzogiorno. The additional supply of labour is calculated for each region.

Qualitative development objectives are given for agriculture, industry, services and infrastructures but not quantified.

Measures for development

A detailed account is given of the proposed measures. Clearly an attempt has been made to integrate the various levels of public administration with a view to the regional development of the Mezzogiorno (Cassa, general central authorities, regional authorities).

Financial resources

The figures provided for the different levels of public administration cannot be directly compared with each other because of the differing nature of the commitments and the different periods for which commitments have been made.

The programmes refer to the role of the ERDF in the development of the Mezzogiorno.

Implementation

No schedule is given for implementation.

Conclusions

The programmes are presented in accordance with the Commission's outline. The development problems of the regions are clearly presented.

As far as financial resources are concerned, it is difficult to make comparisons between the programmes of the various public authorities. No indication is given of how ERDF resources are utilized and references to Community policies (particularly agricultural policy) are kept to the bare minimum.

11. Development programme for Luxembourg

Regions

The programme covers the entire national territory.

Period covered: 1978 - 1982

Economic and social analysis

There is still no recognition of the need for transfrontier cooperation in regional planning and development. This is important given the close links between Luxembourg and the neighbouring regions. The regional effects of Community agricultural and steel policies have not been analysed in sufficient detail.

Development objectives

Information is given on the future creation of jobs in the various sectors but without a specific timetable.

Measures for development

The measures planned consist largely of restructuring the iron and steel industry, a crucial sector in the Luxembourg economy.

A certain number of immediate measures are mentioned, but no clear indication is given of the priorities.

Financial resources

There is no apparent connection between the financial resources to be deployed and the planned measures for development. No information is given on the use of ERDF aid.

Implementation

The programme for Luxembourg contains no schedule for the implementation of the individual measures within the period 1978 to 1980/1982.

Conclusions

The programme for Luxembourg should be drawn up in close cooperation with the neighbouring regions. The information on finance and timing should be made more specific.

More attention should be paid to the effects of the European agricultural and steel policies.

12. Development programmes for the Netherlands

Regions

The programmes submitted relate to two priority areas: the Northern region and the Southern Limburg region.

Period covered: 1977 - 1980

Economic and social analysis

The programme presents a detailed analysis of the employment situation for the various sectors in both regions.

The problems of the regions are shown in their national context. There is, however, insufficient analysis of the effects of Community policies.

Development objectives

The presentation of development objectives shows clear evidence of an integrated regional policy comprising elements of socio-economic policy, socio-cultural policy, regional planning policy and environmental protection. By integrating these areas into their regional planning, the Dutch programmes achieve a high standard.

Measures for development

No special features.

Financial resources

The annual financial plans reveal which priorities have been set particularly in the infrastructure sector.

Implementation

No special features.

Conclusions

Integrated programmes which comply with the Commission's outline have been presented for both regions.

13. Development programmes for the United Kingdom

Regions

A distinction is made in the United Kingdom between three types of assisted areas:

- special development areas
- development areas
- intermediate areas

The eligible regions cover approximately 65% of the territory of the United Kingdom.[1]

Period covered: 1978 - 1980

Economic and social analysis

Given the various statistical appendices, the analysis of the present situation in the eligible regions is clearly and fully presented.

Insufficient account is taken of the effects of Community policies, particularly trade policy.

Development objectives

Development prospects are dealt with only in qualitative terms. As a result, the development objectives are not quantified.

This applies particularly to the number of jobs to be created, where the omission of forecasts is clearly deliberate.

Measure for development

The most important industrial measures, which apply to all the assisted areas on practically identical terms (capital grants, removal grants, provision of factory buildings, employment premiums etc.), are listed.

As investment decisions are taken by private individuals, the regional effects of these incentives cannot be predicted.

It is not possible to determine exactly to which eligible regions specific infrastructure programmes are to apply.

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[1] According to information provided by the Commission, the United Kingdom has now reduced the number of eligible regions

Financial resources

In the United Kingdom there is only limited planning of expenditure at regional level. No mention is made of the use of ERDF funds.

Implementation

The authorities responsible for implementing the measures are specified. No timetable is given for implementation.

Conclusions

The programmes submitted by the United Kingdom comply with the Commission's outline only to a limited extent; this applies particularly to the operational aspect of the programmes. Regional employment objectives are not quantified, infrastructure programmes are not analyzed by region and no details are given of the use made of ERDF resources.