

INTEGRATED MEDITERRANEAN PROGRAMMES

Commission Communication
20 February 1983

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Integrated Mediterranean programmes: Commission communication

1. On 20 February the Commission adopted a communication intended to get discussion going again in the Council on the March 1983 proposal on integrated Mediterranean programmes.¹

Text of the communication

At its 1984 meetings, both in Brussels and at Fontainebleau, the European Council stated that it is firmly intended to carry out integrated programmes specially designed for Mediterranean regions.²

At its plenary sitting on 13 February 1984 the European Parliament repeated how strongly it felt about the importance of these programmes.

Budgetary reasons prevented the European Council's resolution from being given effect at the Dublin meeting, in spite of its being recognized that there was a close link between implementation of the programmes and Community enlargement.

The Commission must therefore redraft its original proposal as soon as possible, bearing all this in mind.

2. With a view to reconciling the stringency that the budget situation in all the countries of the Communities imposes and the necessary dynamism that informed the initial proposal, it would be helpful to have a look at the origins of the proposal.

From the time the proposal was first drafted in 1979, the Commission intended to provide here a comprehensive answer to the variety of development problems encountered by the Mediterranean regions.

This meant, and still means, taking into account the particular handicaps and advantages of these regions, having regard to the differences in their outlet prospects, demographic situations and economic, social and cultural traditions.

Though the agricultural and rural side of the question certainly has its importance, this is not the only aspect which must be taken into consideration. Building up communications, transport and training infrastructure, developing small and medium-sized industrial or commercial undertakings are also key factors, and they are to receive greater attention.

3. The Fontainebleau European Council session endorsed the method proposed by the Commission, in response to the mandate of 30 May 1980, for carrying out the programmes: they were to be integrated and implemented through close cooperation between the structural Funds.

The experience gained in carrying through Community regional development arrangements, with the results obtained in the IMP pilot projects of 1984 and 1985, make it possible to define more closely what is meant by integration, which will include the following:

(a) The projects to be supported by the Community must form part of regional development programmes which are worked out by the regions themselves and, in the geographical context in question, utilize all the schemes and available resources.

(b) The Community's contribution is to be horizontal in nature. It will draw, at the same time and interrelating them, on all the Community's financial instruments: the three existing structural Funds and the Community lending instruments will be used in combination and dovetailed as far as the existing regulations permit.

(c) Lastly, to make the Community's action both flexible and forceful, as it must be, additional budget resources, further to those of the existing Funds, will be made available for the purpose of the IMPs. This will make it possible to step up the projects normally covered by the structural Funds and to widen their scope, so that they correspond better to each individual region's potential. The extent to which these resources are drawn on will depend on the quality of the programmes, the effort the Member State is prepared to make to support them, the energy of those responsible locally for putting them into operation and the relevance of their aims in relation to Community IMP objectives.

4. The integrated Mediterranean programmes are to form a separate Community policy with three objectives: development, adaptation, support.

The context in which the Mediterranean regions are seeking their place in the Community today is not that of rapid urbanization, bent, as was the

¹ OJ C 251, 19.9.1983; Bull. EC 3-1983, points 1.3.1 *et seq.* and 3.4.1 to 3.4.3; Bull. EC 10-1983, point 2.1.163; OJ C 280, 19.10.1984; Bull. EC 9-1984, point 2.1.58.
² Bull. EC 3-1984, point 1.1.1; Bull. EC 6-1984, point 1.1.7.

case in the 1960s, on the swift growth of industrial employment.

Now they must play their part in a new economic and social scene, with the complete change it has undergone in modes of production, not only in agriculture but also in industry and the services. As far as they can, with all their own various difficulties, they must seize the opportunities offered by the development of new technologies, the new balance between urban and rural areas and the advent of new ways of life and new services.

Concern for development derives from a concern that the human potential in each region should be realized—more especially, that young people should have access to employment; the will to adapt corresponds to a need to modernize or reorientate antiquated structures disrupted by enlargement or confrontation with competitors having a solid industrial tradition. Direct employment and income support will, however, still be necessary, having regard to the limitations of conversion projects in some regions where the population is ageing and rural ties especially strong and deep-rooted.

If these objectives are given proper consideration, it should be possible for the Community's integrated Mediterranean programme policy to meet the development needs of these regions, the temporary difficulties enlargement will cause and the demands of the Greek memorandum.

5. The integrated Mediterranean programmes will be based on comprehensive programmes to be presented by the Member States Greece, Italy and France in 1985 and 1986.

These programmes will be examined by a Committee for the implementation of integrated Mediterranean programmes coming under the Commission and under the direct authority of the President.

The Committee's first task will be to determine what the Community's contribution towards the programmes should be. The contribution will come from the existing instruments (structural Funds, lending institutions) and the additional resources to be allocated to the IMPs under a special budget heading.

The amount of the contribution will be worked out separately for each regional programme in the relevant geographical context. It will be determined in the light of criteria to be laid down by the Commission concerning the general aims of IMPs, the support to be provided by the member country in question, the financial position of the region and the quality and vitality of the projects. Thus, the Community aid to be granted to IMPs

is not predetermined by conditions laid down in a detailed regulation, but is to be decided on after the programmes are to hand, on the basis of their internal cohesion.

For the purpose of the IMPs the Commission will be assisted by a group of itinerant experts who will help prepare the programmes in the Mediterranean regions and advise the local authorities concerning the instruments available; such advice is to be directed primarily towards regions with inadequate administrative facilities. The experts will also be responsible for assessing, on the spot, the economic and social impact of the projects.

6. The Commission will then request wide-ranging delegated powers from the Council for the management of the integrated Mediterranean programmes. To that end it will propose an outline regulation to the Council for adoption.

This regulation will aim at the greatest possible simplicity. Taking advantage of the talks already held between the Commission and Member States concerning the preparation of IMPs, its purpose will be to:

- (a) define what is meant by the relevant geographical area;
- (b) lay down criteria for deciding what the size of the Community's contribution should be;
- (c) describe the conditions governing the procurement of resources through the existing instruments, structural Funds and loans;
- (d) lay down rules for assessing programmes during the course of their execution, applying a method for accurately determining comparative costs and benefits.

Commitments to recipient member countries by the Community in respect of IMPs will take the form of a contract for each programme accepted, drawn up in a form compatible with the budget regulations. The duration of the contracts will allow for the particular characteristics of the region in question. It might be extended to up to seven years (1985-92), in line with the average length of the transitional phase of enlargement.

Once the integrated Mediterranean programmes have been launched, the Commission will send the Council an annual report on their implementation.

7. In accordance with the guidelines laid down by the Brussels Council, the Community's contribution to integrated Mediterranean programmes will involve participation by the existing structural Funds.¹

¹ 'In view of IMP requirements, the resources allocated for Fund operations are to be substantially increased in real terms so far as financing possibilities allow.' Bull. EC 3-1984, point 1.1.1.

order not to delay the launching of the programmes, this participation will as far as possible be governed by the regulations currently in force.

The ERDF will make an increased effort to utilize resources for the Mediterranean regions, taking advantage of the margin of play afforded by the brackets applied in respect of the shares subject to the quota rule.

Similarly, in the annual directive which lays down the scope of the EAGGF Guidance Section, account will be taken of the fact that an additional effort is to be made for the Mediterranean regions in the framework of the IMPs.

Lastly, the recent reform of the European Regional Fund, altering the trend of the Fund each year for a period of three years, will make it possible, from 1985, to allow for the emphasis to be placed on action to assist the Mediterranean regions.

Redistribution of sums available under the budget among the existing Funds would by itself be inadequate to meet minimum IMP needs.

In addition to this redistribution, a further budgetary effort for the Mediterranean regions in the form of IMPs is to be made which could amount to at least 2 000 million ECU over a period of seven years.

The tentative nature of this figure is a reflection of the fact that assistance for programmes presented by Mediterranean regions, to be determined by the Commission, is conditional. On the quality of the programmes, their relevance in relation to development, adaptation and support, will ultimately depend the amount of Community aid.

A small part of the budget resources thus made available for Mediterranean regions will serve to subsidize regions' loans from the specialized Community institutions.

Account will be taken of this in the proposals the Commission will be making in the course of 1985 for the renewal of the NCI. The conditions on which the European Investment Bank is generally to be involved in the implementation of IMPs will be worked out with the Bank, in accordance with the rules laid down in its Statute.

Such additional loans for Mediterranean regions might amount to some 2.5 million ECU in all over seven years, for infrastructure projects and projects to increase the vitality and innovative capacity of small and medium-sized undertakings.

The Commission feels that in this way the Mediterranean regions will receive substantial encouragement, backing up their own efforts. A

highroad will thus open before them which allows for their differences in situation, enables new departures to be made and genuine Community synergy to be achieved.

Lastly, with regard to the management of the structural Funds, in line with the approach the Stuttgart European Council wanted to see adopted, what is being proposed makes real coordination a precondition for success.'

Mr Delors addresses Parliament

1.2.2. On 13 February, before the communication was adopted by the Commission, Mr Delors, whose responsibilities include coordination of the structural Funds, presented its main features to Parliament, though without giving any figures:

'... I have been involved right from the outset in a search for appropriate courses of action in response to the short but sharp confrontation at the Dublin European Council which, if we are realistic, taught us two things. Firstly, it emerged that the Greek Prime Minister, Mr Papandreou, regarded the problem of the IMPs and of the response to the Greek memorandum as an integral part of the package adopted at Fontainebleau, and secondly, that several Member States had rejected the Commission's proposal on the IMPs outright on the grounds of its cost, which they considered excessive.

These, then, are the factors to which I must give realistic consideration and on which I must report to you before you take any action you consider appropriate.

I have therefore tried, in the light of the origin of the IMPs, to devise a solution capable of forestalling demands for new conditions at the next European Council meeting which would impede both enlargement and the use of own resources. Given the attitudes we are faced with, it seemed to me that this was where the Commission's duty lay.

Let me remind you briefly that the IMPs were devised in strict accordance with the mandate we received on 30 May 1980 with a view to alleviating certain obvious effects which, as we all know, enlargement could have on the Mediterranean regions. I think we are all in agreement on this point.

The Commission submitted a structured plan, complete with figures, and during the debate in this House I noted an amendment which seemed to me to be very important, since it called for a move away from exclusive concentration on

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agriculture—in spite of the dominant role of agriculture in these regions—and proposed that the IMPs should take in all the various aspects of the economic development of these regions. This amendment by Parliament brought it home to me that the two key words in the phrase “integrated Mediterranean programmes” are “integrated programmes”. In other words, everyone is agreed, I think, that the regions concerned must work out for themselves development programmes which are geared to both enlargement and their own development, and which are realistic in the light of the growth obtainable, the potential outlets and possible technical developments. It is also agreed that such programmes must be seen as a whole. That is what we should understand by an integrated programme.

Thus my first idea—and one which I have had the opportunity of presenting to the Council in order to pave the way for the written proposal which the Commission is intending to submit—is that what we are aiming for are relevant and practicable integrated programmes devised by the regions themselves.

As regards objectives, these should, I believe, be broader than those which are commonly expressed. It seems to me that the reasoning behind much of the talk on IMPs is far too often that of the 1960s. In other words, people talk as if there were still scope for urban growth and the creation of jobs in industry and the services sector as afforded by the second industrial revolution. But this, ladies and gentlemen, is no longer the case. We have to adopt a fresh outlook when thinking of the development of these regions, in the light of the new international economic order and technological progress.

For this reason there are three key words in the plan which I have in mind at present: development, adaptation and support. By development I mean the development of these regions along lines which are in keeping with their history and peculiarities and which take account of the capacity and likelihood of these regions to aggravate the existing overproduction in many Mediterranean products.

... In this way, it seems to me, we shall be able to meet the general needs of the Mediterranean regions, enable the Greek economy to adapt before too long to the European economy and demonstrate our solidarity with regions which sometimes have no means to pick up on their own.

The procedure will remain in strict accordance with what was decided at the European Council meetings in Brussels and Fontainebleau, where the question of coordinating the programmes of the different Funds was discussed. Thus, what I intend to propose to you is a procedure which will allow

an overall review of the integrated development programmes submitted by these regions, enable the existing Funds—i.e. the Guidance Section of the EAGGF, the ERDF, the Social Fund—to be used and, in addition, prepare the ground in various ways for a manageable financial structure. In other words, there must be “additionality”, i.e. the various measures must be cumulative. However, it is important that through these new IMPs we should demonstrate the Community’s know-how, which must be used across the board; in other words, we must be able to assess the development of a region as a whole and act accordingly.

This will lend weight to a further feature of the new Commission proposal, namely “conditionality”. The various programmes will be adopted on their merits from the point of view of the development of these regions. And here you must allow me a digression which will, I think, find an echo amongst some of you here. Every time I present this programme I am asked: how much for Greece, how much for Italy, how much for France? This is a question which I am not prepared to answer, since I find it quite unacceptable... because it is a perverse extension of the idea of the “fair return” to apply to all facets of Community life.

For this reason a committee will be formed to examine these programmes. Each of the countries will be given fair treatment and account will be taken of the need to help Greece adapt its economy. However, I personally refuse to say what percentage of the programme will go to a particular country since were I to do so, how could we claim that the programmes were to be adopted on their individual merits? In any event, we cannot make such disclosures, and if attempts were made to force us, I think it would lead to serious disagreement between the Commission and the other authorities involved. We must re-establish the Community spirit and learn to understand the high principles underlying the marriage contract, as it were, enshrined in the Treaty of Rome.

We shall, therefore, examine all aspects of these programmes across the board and bring into play the various instruments at our disposal, supplementing them where necessary, not only by providing additional subsidies but also by using all the other financial instruments which the Commission possesses, such as loans, possibly with interest-rate subsidies, and European Investment Bank operations. All this is of the greatest importance because these regions are also faced with problems of infrastructure and of emergent small and medium-sized enterprises. Can we really remain indifferent to the fact that these small and medium-sized enterprises occupy a key position in that sector of the economy which has begun to show signs of recovery? These small and medium-

enterprises are not merely the subcontractors of larger firms: they are themselves innovators, filling gaps in the market. We must encourage them by means of instruments already tried and used in other areas.

As a proposal for a *modus operandi* will be put forward, a proposal for an overall sum, which will, of course, give rise to much debate.

In conclusion, let me say that the fate of our proposal will depend on the willingness of the member governments within the Council to bear in mind that the Community is based on three principles, which are usually evoked in connection with the CAP: a single market (but how can we enable the less-favoured regions to adapt to this market?), Community preference and sharing of resources...

1.2.3. Most of the members who spoke were extremely critical of two aspects of Mr Delors's statement, namely the cutback in the extra appropriations for the IMPs compared with the previous proposals and the use of the existing structural Funds. Only the European Democrats, consisting very largely of British Conservatives, did not share the general view expressed by the other groups (the Socialists, the European People's Party, the Communists, the Liberals and the European Democratic Alliance), namely that more Community financial assistance should be channelled to the south of Europe and that account must be taken of the effects of enlargement, which would have a negative impact on the Mediterranean regions.

Mr Sakellariou (*Soc/D*) wondered what had become of all the promises that had been made, and thought that the proposals were far removed from the ideas expressed at Fontainebleau in June 1984. Mr Alavanos (*Com/GR*) and Mr Almirante (*ER/I*) went so far as to describe the proposals as a swindle. Mr Bernard-Raymond (*EPP/F*) also argued for the opening-up of the Mediterranean regions to the current of world growth: there was a need to strengthen the Community's southern flank, so that it might one day become Europe's California.

A number of members from countries in the north of the Community also argued in favour of the Mediterranean regions: Mr

Poettering (*EPP/D*) referred to the report in which he had proposed the setting-up of a revolving fund for the south of Europe (as Chairman of the Working Party on Security set up by Parliament's Political Affairs Committee, he stressed the political and strategic importance of southern Europe), and Mr von der Vring (*Soc/D*) said that the IMPs were an acid test of whether the Community wanted to be a genuine Community. Mr Maher (*Lib/IRL*) suggested that what was done in the Mediterranean regions might be an example of what the Community could do for other less-prosperous countries such as his own.

By contrast, the spokesman for the Conservatives, Mr Hutton (*ED/UK*) said that his group took a more detached and practical view of IMPs than most of the other groups: the present budget, he argued, simply could not afford the cost of the IMPs as proposed. Mr Beazley (*UK*), also from the European Democratic Group, added his support for this point of view.

1.2.4. Mr Delors replied to members' criticisms in these terms:

'As to the underlying principles, the proposal which I described to you... includes extension of the field of application of the IMPs, extending the financial instruments, and it makes the notion of additionality an essential. Has the House appreciated that?

Extending the field of application. I said a moment ago that the integrated Mediterranean programmes were essentially agricultural in outlook. We have retained that, but agriculture is not everything. First of all there is what lies downstream of agriculture, and then there are all the other problems: small traders, small businesses, the shortage of infrastructure. The lack of an infrastructure for jobs and job training—that is a quite manifest need which the Greek authorities have mentioned to me. We shall, therefore, be extending the field of application.

Secondly, extending the financial instruments. I have reminded you that 45% of the structural Funds already go to the Mediterranean regions. This amount will be increased, naturally. The question is how. Not long ago you adopted a regulation on the Regional Fund. You have your own rules. Do you want to change all the rules of all three of our Funds in order to implement the integrated Mediterranean programmes? What we

are proposing is not to upset everything in order to go faster. There are a great many things I should like to say about the structural Funds and the way they are used... But if you want the IMPs to be implemented fast, then we must skirt around the rules of the structural Funds and approve new appropriations which take account of the fact that these regions simply cannot afford to foot the entire bill. That is a perfectly normal procedure in finance, to go around the table and add a little from here, a little from there. And these will not be the only measures, since I have already mentioned infrastructures, small and medium business, and so on.

Extending the financial instruments also covers the interest rebates which have been so successful in ECSC finance. That is the job of the European Investment Bank. The Bank is already engaged in the Mediterranean, I hear you say. Well, the Bank

will become further engaged in the Mediterranean. We shall be asking it to do so, particularly by means of the New Community Instrument, in such a way as to contribute to weaving the tissue of small and medium business which I mentioned, the third sector where there are men and women who have the will to start up a business but who lack the capital to get started. We shall be giving it to them under these general programmes.

Lastly, the essential nature of additionality. Did anybody doubt it? It is not with the present resources of the structural Funds that we can implement the project I have been describing to you. More money is needed, and if you also include the borrowing and loan operations, and think of the results, rather than the mere accountancy or arithmetic of the operation, you can see that we are making a great step forward. Mere accounting must never be allowed to hide the true results...'

3. Guidelines for a Community migration policy

1.3.1. On 20 February the Commission adopted, for transmittal to the Council, a communication together with a draft resolution on guidelines for a Community policy on migration.¹ The purpose of the paper is to review migration policy in the light of changes in the economic and social situation in the Community since the first Community programme was adopted in 1976.² The communication, which follows up President Delors's statement to Parliament in January,³ is also designed to reactivate discussion in the Council and Parliament on the best ways of achieving progress in this area, and to make a contribution towards bringing about a real 'people's Europe'.

Economic and social changes and migration policies

1.3.2. Economic and social conditions in the mid-1980s are totally different from

those obtaining in the previous decade. In the case of the Community, the main features of the situation are a shortage of jobs, the introduction of new technologies and structural changes in European society. These three factors have triggered high levels of unemployment affecting all the disadvantaged groups, including immigrant workers, combined with uncertainty as to future job creation possibilities. The character of the immigrant communities has also changed: the migration rate between Member States and from non-member countries has fallen off considerably, but at the same time the immigrant communities are settling down on a more permanent basis, in many cases for a second and third generation. This situation has produced an increase in

¹ COM(85)48 final.

² OJ C 34, 16.2.1976; Supplement 3/76 — Bull. EC; Bull. EC 12-1974.

³ Supplement 1/85 — Bull. EC.