

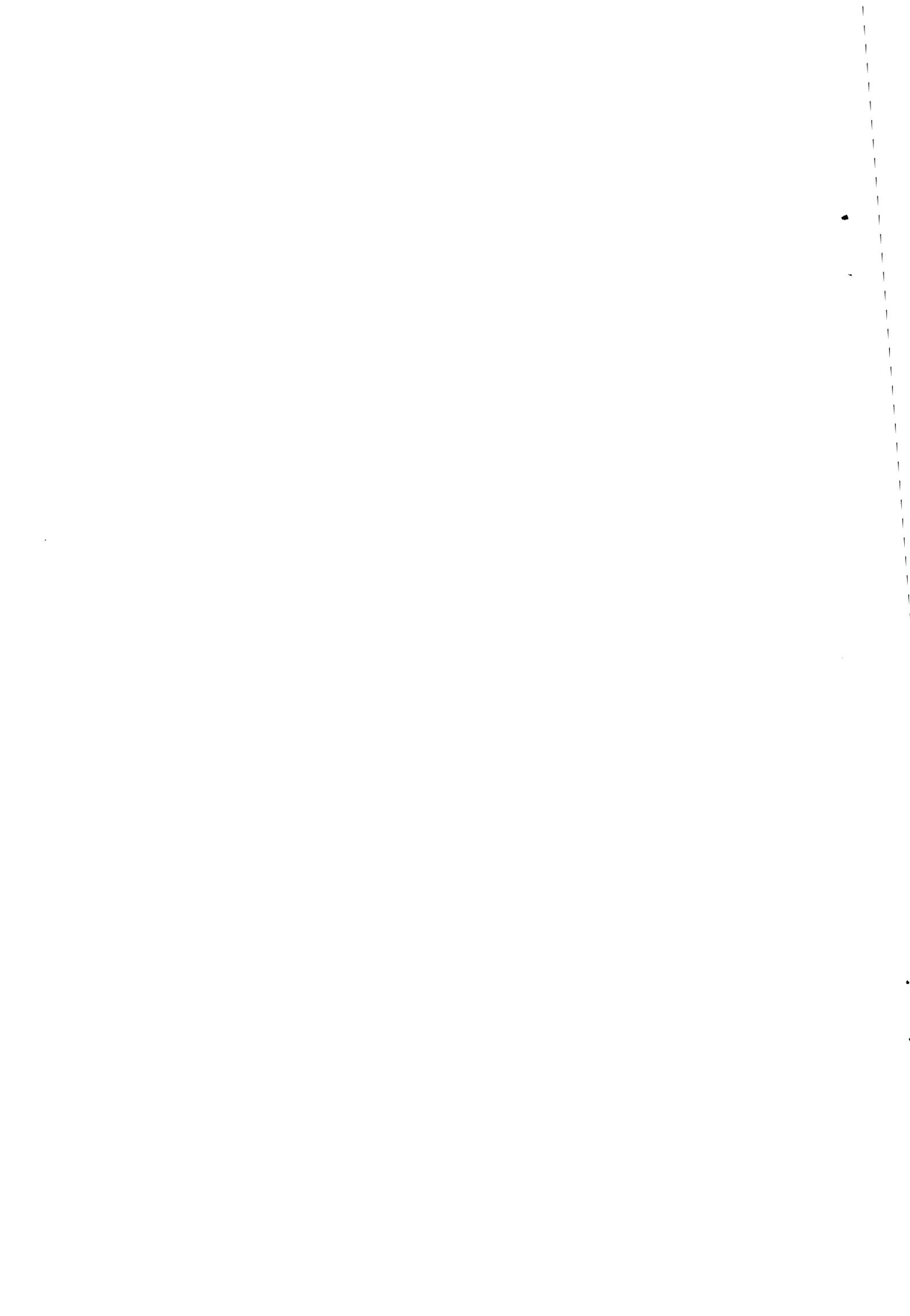
COMMISSION OF THE EUROPEAN COMMUNITIES

**Operations
of the European Community
concerning small
and medium-sized enterprises
and craft industry**

PRACTICAL HANDBOOK

REVISED VERSION OF 20 JULY 1984

000: III/77



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REVISED VERSION OF 20 JULY 1984

The contents of this publication do not necessarily reflect the official views of the institutions of the Community.

This publication was carried out by
Mr. Henri MALOSSE, delegate of the Brussels office of
the "Assemblée Permanente des Chambres de Commerce et d'Industrie françaises"
for the "Conférence Permanente des C.C.I. de la CEE"
and with support from the EEC Commission.

This revision of the original publication has been made by the author.

FOREWORD

The national and European organizations representing small and medium-sized enterprises (SMEs) had called for a practical and handy guide, drafted in plain language, setting out for their members European Community activities of interest to them.

The publication and circulation of the first edition of this handbook by the Commission of the European Communities was much appreciated in small-business circles. So much so that its continuous updating is high on the list of priorities which the SMEs set out in the resolution adopted at the meeting held in Strasbourg on 8 December 1983 to close the Year of the SMEs.

As the first edition is now out of print, the Commission has decided to have it updated and supplemented. This is a clear indication of the Commission's desire to keep alive the flame lit in 1983 and, as requested, to step up its efforts to inform SMEs.

F. BRAUN
Director-General



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SUMMARY

OF OPENINGS FOR ASSISTANCE AND SUPPORT

FROM THE COMMUNITY



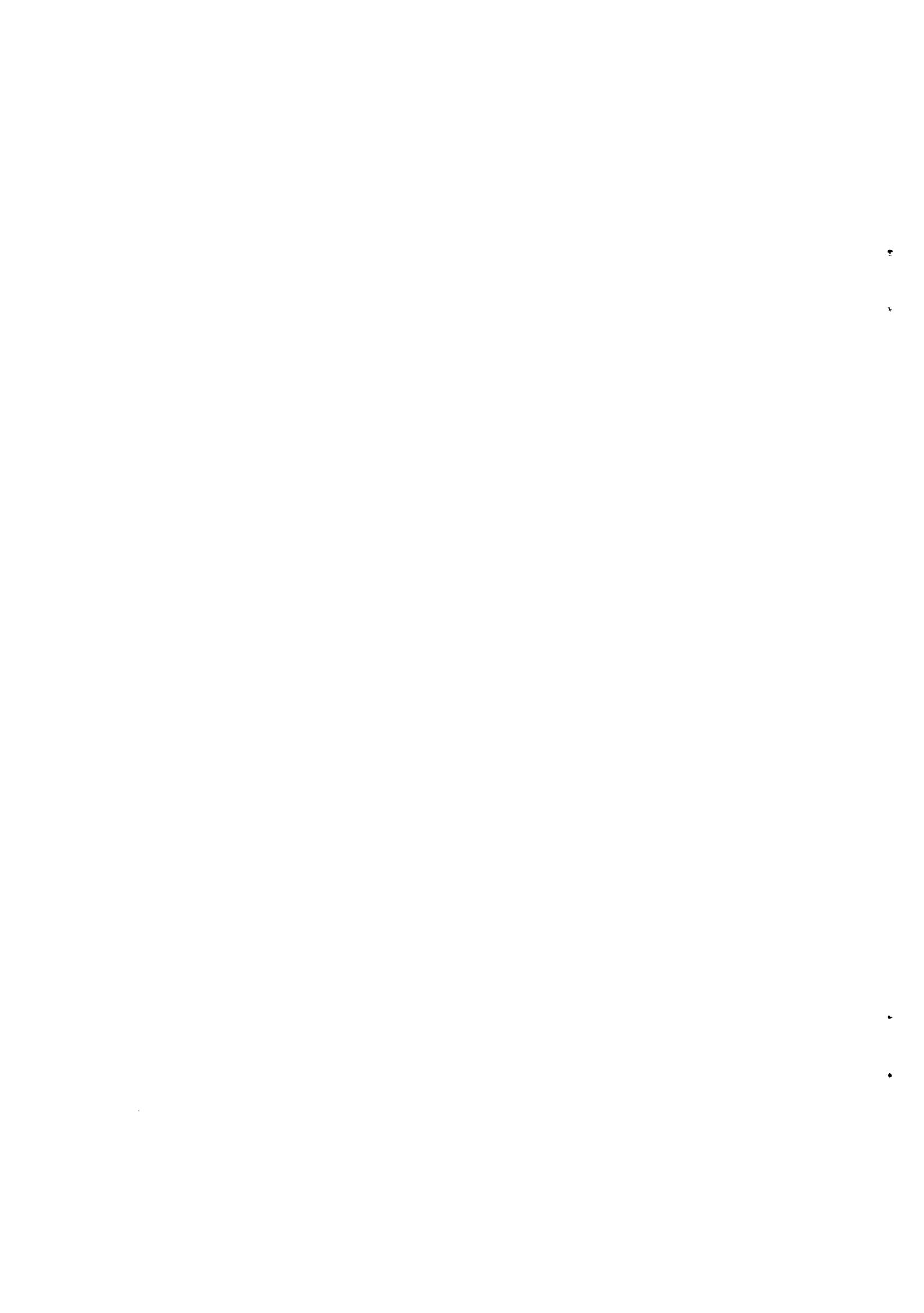
TYPE OF PROJECT	OPENINGS FOR ASSISTANCE AND SUPPORT FROM THE COMMUNITY
INVESTMENT AIDS (industry, craft sector and services)	<ul style="list-style-type: none"> - ERDF subsidies - agri-foodstuffs : EAGGF subsidies - direct loans and global loans <ul style="list-style-type: none"> . E I B . E.C.S.C . N C I
FINANCING OF FEASIBILITY STUDIES	ERDF subsidies
INVESTMENT AIDS energy saving and alternative energy sources	<ul style="list-style-type: none"> - direct loans and global loans : <ul style="list-style-type: none"> . E I B . N C I - Community support for demonstration projects in the field of energy saving and alternative energy sources
INVESTMENT AIDS - environment	<ul style="list-style-type: none"> - invitations to submit proposals for projects relating to the environment - E I B direct and global loans
PROMOTION OF AQUACULTURE	<ul style="list-style-type: none"> - E A G G F subsidies - E S F aids for the training of fish farmers
ADVICE AND ASSISTANCE FOR BUSINESSES	- E R D F aids
PROMOTION OF TECHNOLOGICAL INNOVATION	<ul style="list-style-type: none"> - new measures to promote innovation, and the dissemination of scientific and technical information to firms - E R D F aids - subsidies for training schemes (ESF)
VOCATIONAL TRAINING SCHEMES	<ul style="list-style-type: none"> - E S F subsidies (remuneration of trainees and organization of traineeships) - pilot programmes financed by the Community
SCHEMES DESIGNED TO REACTIVATE DECLINING RURAL AND INDUSTRIAL AREAS	<ul style="list-style-type: none"> - E S F subsidies for "training development" schemes - E R D F operations - integrated operations combining the Community's various financial instruments
PROMOTION OF INFRASTRUCTURES	<ul style="list-style-type: none"> - direct or global loans : <ul style="list-style-type: none"> . E I B . N C I - E R D F subsidies - operations concerning transport infrastructures of European interest

GRANTS AND TRAINEESHIPS ABROAD	<ul style="list-style-type: none"> - exchanges of young workers - grants to study in Japan - traineeships within the Commission of the European Communities - exchanges of trainers
MARKETS AND INDUSTRIAL COOPERATION WITH NON-COMMUNITY COUNTRIES	<ul style="list-style-type: none"> - E D F - protocols between the EEC and Mediterranean countries - C I D
INTER-FIRM COOPERATION . within the Community . with Spain and Portugal	B C C
COMMERCIAL MATTERS	<ul style="list-style-type: none"> - public contracts within the Community - free movement of goods within the Community : unlawful practices - anti-dumping and anti-subsidy rules relating to imports from non-Community countries - unlawful practices in trade with non-Community countries.

PART ONE

AIDS AND SUBSIDIES

- 1 - THE EUROPEAN SOCIAL FUND (E S F)
- 2 - THE EUROPEAN REGIONAL DEVELOPMENT (E R D F)
- 3 - OPENINGS FOR DIRECT ASSISTANCE FROM THE EUROPEAN AGRICULTURAL
GUIDANCE AND GUARANTEE FUND (E A G G F)
- 4 - AIDS FOR TRANSPORT INFRASTRUCTURE OF EUROPEAN INTEREST



THE EUROPEAN SOCIAL FUND

INTRODUCTION

The European Social Fund was set up in 1958 under the Treaty of Rome, which assigned it "the task of rendering the employment of workers easier and of increasing their geographical and occupational mobility within the Community". Over the years, as the employment crisis has worsened, the Fund has gradually evolved into a highly effective instrument for promoting vocational training and skills.

With its substantial resources (over 1 840 000 ECU in 1984) its relative freedom of manoeuvre as regards its relations with the national authorities (whose role in this context is purely administrative), its scope to intervene and its courageous supporting of the most innovatory projects, the Fund has become an extremely effective tool for promoting economic development, frequently going beyond the bounds of vocational training in the conventional sense.

1 - WHAT CAN THE EUROPEAN SOCIAL FUND OFFER ?

A - FIRST AND FOREMOST, SUBSIDIES FOR VOCATIONAL TRAINING SCHEMES (over 80 % of operations)

At least 200 hours' training and a minimum of 15 trainees, though exceptions may be made in the case of "innovatory" schemes. (Operations providing only information or refresher training are not regarded as vocational training schemes).

- 1 - Incomes of persons undergoing vocational training
- 2 - Preparation of courses
- 3 - Operation and administration of courses
- 4 - Vocational guidance
- 5 - Training of teaching staff
- 6 - Depreciation
- 7 - Food and lodging
- 8 - Travel for vocational training
- 9 - Adaptation of work places for the handicapped
- 10 - Aid to facilitate the transfer of migrant workers
- 11 - Aid to facilitate the integration of migrant workers
- 12 - Examination of effectiveness
- 13 - Exchange of experience

Notes :

Point 9 : Includes expenditure on the occupational rehabilitation of the handicapped.

Point 12 : Expenditure covered 100 % by the Commission, which reserves the right to include with the assistance granted for certain operations additional assistance for the financing of an examination of effectiveness. You thus need not concern yourself at all with expenditure under this heading, though it is advisable to indicate a willingness to accept such an examination (page 5 of the application form).

Point 13 : You should simply state your willingness to participate in such exchanges (recommended) and, where appropriate, give an indication of minimum costs (travel, hosting delegations) if the operation proposed is manifestly innovatory in character.

Point 6 (depreciation) : Normal depreciation in relation to the scheme itself (teaching materials/equipment, furniture, premises) plus accelerated depreciation in certain circumstances (notably where machinery is purchased).

B - RECRUITMENT SUBSIDIES

Contribution towards the financing of national recruitment subsidy schemes and of benefits aimed at facilitating the resettlement and integration of migrant workers (with priority for nationals of Member States).

C - SERVICES AND TECHNICAL ADVICE

Services and technical advice concerned with job creation more especially in small and medium-sized undertakings - excluding assistance towards the salary costs of public servants - ; Such operations may be financed in agreement with the Member States in areas with severe employment problems.

II - HOW DOES THE SOCIAL FUND INTERVENE ?

A - Subject to eligibility criteria applied by the Fund (Section III), the priorities laid down each year (Section IV) and the reduction coefficient which comes into play if the volume of appropriations corresponding to these criteria and priorities exceeds the appropriations available, the E S F contributes up to 50 % of the total cost of the operation, but in no case more than the contribution made by the national authorities (this term being taken to mean any public sector body including a public corporation). The Fund contributes 10 % more in the case of projects carried out in the "super-priority" regions. Private (profit-making) bodies must bear at least 10 % of eligible expenditure.

B - As the rules of the reformed Fund stand :

-eligibility is determined on the basis of categories of beneficiary and region of implementation

-a number of priorities are stipulated, but they are neither differentiated by level nor hierarchically ordered

Consequently, the volume of applications classified as both eligible and priority is likely to be considerably in excess of the appropriations available.

This was allowed for in the formulation of the new rules, which enshrine in regulatory form a procedure which had become standard practice in the actual administration of the pre-reform Fund :

1 - The Commission of the European Communities approves applications which are both eligible and priority by budget item (each of the latter corresponding to a given category of persons)

2 - When available appropriations are insufficient to finance these applications (1), in full, a reduction is applied as follows :

a - For applications relating to the "super-priority" regions, the reduction is calculated on a linear basis taking account of the following parameters :

- . 40 % of all appropriations available for Fund assistance should be allocated to operations in these regions
- . the regions in question are currently : Ireland, the Mezzogiorno, Greece, Northern Ireland and the French Overseas Departments
- . according to an unwritten rule established for obvious reasons concerned with the need to maintain a balance between Member States, the volume of assistance granted in respect of these regions should not exceed their allotted share

b - For applications relating to the other areas, a reduction coefficient is calculated for each Member State on the basis of its gross domestic product per capita at current exchange rates and its unemployment rate, but the Commission may decide in agreement with the relevant national authorities :

- . to finance in full certain applications where Community assistance is of particular importance to the carrying-out of the operations and apply the weighted reduction to those operations whose implementation does not in practice depend on Social Fund aid (this represents the codification of an unwritten rule whose application in 1982 enabled the Fund to contribute 50 % funding towards operations run by private bodies whilst eliminating those run by "institutional" promoters (ministries). Prospective promoters are therefore advised to stress the essential nature of the assistance requested in their applications - or possibly in supporting letters.
- . to finance in full applications relating to those regions or areas regarded as priority by both the Community and the Member State :
 - .. areas qualifying for specific measures under the non-quota section of the European Regional Development Fund (South-West France, steel and textile industry restructuring areas, the Mezzogiorno, the Greek Islands, border areas in Ireland and Northern Ireland)
 - .. "sensitive" regions such as the Mediterranean areas of Member States (excluding coastal areas).

(1) Different arrangements apply in the case of experimental programmes.

C - ADVANCES AND REIMBURSEMENTS (1)

1 - First it is important to inquire exactly how much aid has been granted and as of which date. The decision granting approval is valid only for the current year (1). If for any reason the project fails to start on schedule, warn the relevant national authorities in good time and take the following steps :

- . if, despite the delay, the project will still be completed within the current year, no further action is required
- . If all or part of the project will be delayed beyond the end of the year, a fresh application must be submitted for the period not covered

2 - As soon as your project has been approved, you should receive from the competent national authority an advance of 50 % of the aid granted. Be sure, therefore, to ascertain the date of approval and claim this advance.

3 - The final payment claim must reach the competent national authority within six months following the end of the period covered by the Commission approval decision (i.e. by 30 June 1985 at the latest in the case of 1984 applications). In the event of this deadline not being met, the Commission has been authorized by the Council of the European Communities to reallocate the unused appropriations to other operations.

4 - It is the right and duty of the national authorities to check the accuracy of all the facts and figures submitted to the ESF. Final payment claims must be made on the appropriate form.

The Commission of the European Communities manages the Fund and checks that all the documents submitted satisfy the terms of the decision granting approval. The Commission conducts sample checks on-the-spot and in respect of documents submitted. The results of these checks may affect both advance and final payments. It may also, on its own initiative, carry out studies to assess the impact of operations financed, more especially in the case of projects which have been in receipt of Fund assistance for some time. Finally, the Court of Auditors is empowered to carry out such retrospective checks as it may deem necessary. You are therefore advised :

- . to comply with the terms of the approval decision (the procedure of checks by sampling referred to above is a comparatively flexible one)
- . to exercise the strictest budgetary discipline

(1) different arrangements apply in the case of experimental programmes.

III - ELIGIBILITY

Eligibility is dependent on two factors :

- the target group
- the region or area in which the operation is to take place

The reason for this is that the budget appropriations for Fund assistance are no longer broken down by types of operation but rather by categories of persons as follows :

Categories	million ECU	% of total
Young people under 25 in super-priority regions.....	554	30
Young people under 25 in other priority regions.....	830.5	45
Adults in super-priority.....	151	8
Adults in priority and non-priority regions.....	225.5	12
Innovatory operations.....	85	4.6

Total budget : 1 846 million ECU in 1984

In parallel, two rules must be followed in the apportionment of resources :

- the appropriations allocated to projects of all kinds aimed at young people under 25 must not be lower than 75 % of all appropriations available (as against approximately 72 % prior to the reform)
- 40 % of the appropriations available must be allocated to operations carried out in the super-priority regions (prior to the reform - in 1982 - 43 % of all appropriations available were allocated to such operations).

The appropriations allocated to innovatory projects must not exceed 5 % of all appropriations available (as against less than 1 % for pilot projects under the old rules) (the 1984 budget already sets aside 4.6 % of the total for this type of experimental scheme). Applications are broken down between the five budget items mentioned above, their priority is checked and such weighted reductions as may be necessary are calculated budget item by budget item on basis of the relationship between the appropriations available and the total volume of eligible applications accorded priority.

A - TARGET GROUPS

Application must distinguish between the two categories of person mentioned above (p. 1 and p. 4 of the application form) :

1 - Young people under the age of 25 whose chances of obtaining employment are especially poor - in particular because of a lack of vocational training or inadequate training - and those who are long-term unemployed (i.e. who have been unemployed for more than twelve months)

2 - Adults : you should distinguish between the following categories (the only ones in respect of which assistance will be granted), though it is possible that a given scheme may concern members of more than one of these categories :

- a - persons who are unemployed, threatened with unemployment or under-employed and in particular the long-term unemployed (i.e. those who have been unemployed for at least 12 months). Where the beneficiaries are said to be threatened with unemployment, this should preferably be confirmed by statements from the employing firm and the employment authorities
- b - women who wish to return to work
- c - handicapped people who are capable of working in the open labour market
- d - migrant workers who are moving or have moved within the Community to take up work, together with the members of their families (priority for nationals of Community countries)
- e - people who are employed particularly in small or medium-sized undertakings and who require retraining with a view to the introduction of new technology or the improvement of management techniques in those undertakings. Subject to express notification, this may include persons who have lost their jobs in such undertakings or unemployed people training for jobs in such an undertaking (please specify) or intending to set up such an undertaking.

B - REGIONS

1 - Super-priority regions :

IRELAND, THE MEZZOGIORNO, GREECE, NORTHERN IRELAND, the French Overseas Departments

2 - Priority regions

BELGIQUE / BELGIE : provinces / provincies

ANTIWERPEN, OOST-VLAANDEREN, WEST-VLANDEREN, LIMBURG, BRABANT, HAINAUT, LIEGE, NAMUR, LUXEMBOURG

DANMARK :

KØBENHAVEN OG FREDERIKSBERG KOMMUNER, AMTSKOMMUNERNE BORNHOLM, VESTJAE LLAND, STORSTRØMMEN, FYN, RIBE, VEJLE, ÅRHUS, VIBORG, NORDJYLLAND, SØNDERJYLLAND, RINGKØBING

DEUTSCHLAND : Länder

SCHLESWIG-HOLSTEIN, SAARLAND, BERLIN, REGIERUNGSBEZIRKE WESER-EMS, HANNOVER, TRIER

FRANCE : région de programme

CHAMPAGNE-ARDENNES, PICARDIE, HAUTE-NORMANDIE, CENTRE, BASSE-NORMANDIE, BOURGOGNE, NORD-PAS-DE-CALAIS, LORRAINE, FRANCHE-COMTE, PAYS DE LOIRE, BRETAGNE, POITOU-CHARENTES, AQUITAINE, LIMOUSIN, MIDI-PYRENEES, RHONE-ALPES, AUVERGNE, LANGUEDOC-ROUSSILLON, PROVENCE-ALPES-COTES D'AZUR, CORSE.

ITALIA : regioni

FRIULI VENEZIA GIULIA, PIEMONTE, LIGURIA, EMILIA-ROMAGNA, TOSCANA, UMBRIA LAZIO

LUXEMBOURG :

Whole country

NEDERLAND :

Provincies GRONINGEN, LIMBURG

Regios : ZUIDOOST-NOORD-BRABANT, MIDDEN-NOORD-BRABANT, ARNHEM/NIJMEGEN, ACHTERHOEK

UNITED KINGDOM :

STANDART REGIONS NORTH, NORTH WEST, YORKSHIRE and HUMBERSIDE, WEST MIDLANDS, WALES, SCOTLAND

This list (revised annually) is established on the basis of the following factors :

- per capita GDP
- unemployment rate
- number of long-term unemployed
- number of jobs lost
- a weighting schema varying from Member State to Member State in order to take account of differing national situations.

The Commission of the European Communities hopes in due course to refine these lists by establishing a classification at the level of travel-to-work areas. Applications will only be eligible if they relate to operations conducted in the above regions, except in the case of operations falling under a priority heading in relation to which there is no regional limitation

IV - PRIORITY

Applications will only be considered if they fall into one of the priority categories mentioned in the annual guidelines for the European Social Fund.
However :

- there is no hierarchial ordering of priorities
- you should select the priority area which corresponds most nearly to the content and aims of the scheme in question.

The choice of priority area in no way affects the level of funding (% weighed reduction - if any), but the following points should be borne in mind :

- you should provide evidence of the potential for employment of the trainees (letters from firms or trade associations, results of previous courses).

- in support of your choice of priority area, you should indicate how the operation in question ties in with the key elements of the relevant section of the guidelines
- preferential consideration will be given to applications involving the exploitation of new techniques and technologies (in the case of both operations involving young people and operations in the small and medium-sized businesses sector)
- innovatory and imaginative programmes are particularly welcome and evidence of such characteristics can be regarded as a plus point.

PRIORITIES LAID DOWN IN THE GUIDELINES FOR 1984

PRIORITIES A AND B

Without regional limitation, all operations relating to eligible categories of persons which :

- form part of integrated operations, actions or programmes receiving aid from several Community financial instruments (e.g. integrated Mediterranean programmes) (this priority does not cover all instances where the operation forms part of an overall Community programme and information regarding joint financing should be given on page 3 of the form - the latter in itself confers no special priority, though it will increase the chances of an application being favourably considered)
- are carried out jointly by several Member States (e.g. operations carried out jointly by two training centres in different countries)

PRIORITY C : Vocational training and youth employment
This heading covers schemes restricted to young people

- C 1
Operations immediately after the end of full-time compulsory education to further the employment of young people under 25, consisting of basic vocational training leading to real prospects of stable employment and including work experience in the framework of a programme lasting a total of at least six months (the last two points are critical)
- C 2
Operations to further the employment of young people under 25 whose qualifications have through experience proved to be inadequate or inappropriate, consisting of full-time or part-time vocational training aimed at equipping them with higher skills and qualifications adapted to labour market developments, facilitating the introduction of new technology in particular, and leading to real prospects of stable employment.
- C 3
Operations providing vocational training directly linked to the obtaining of a job contract of a duration of more than one year. In the case of such operations priority is not subject to a regional limitation (the operations in question must be clearly linked to the creation or expansion of firms).

PRIORITY D : Industrial and sectoral conversion and restructuring -technological change

This heading covers operations specifically linked to industrial conversion and innovation, particularly in order to facilitate the introduction of new technology.

- D 1
Operations to promote employment which accompany restructuring or conversion measures in one or more undertakings
- D 2
Vocational training operations for persons employed in small and medium-sized undertakings (1) who require retraining as a result of the introduction of new technology which substantially alters management of production techniques in those undertakings. In the case of such operations priority is not subject to a regional limitation
- D 3
Vocational training operations leading directly to specific jobs in small or medium-sized undertakings (1) to promote applied research and the development of new products, services or production processes in the following sectors : information technology, microelectronics, telecommunications, new means of transport, automation of production processes, optical fibres, biotechnology, new forms of energy, protection of the environment (restrictive list). For these operations, priority is not subject to a regional limitation.
- D 4
Operations providing vocational training for persons to take up posts as instructors in new initiatives enabling training structures to be adapted to the needs of the sectors indicated in D 3.

PRIORITY E : Labour market development

- E 1
Operations providing vocational training, including preparatory training, for persons over the age of 25 who have been unemployed for more than 12 months. These operations must significantly improve the prospects of stable employment (the clearest possible evidence of these prospects should be provided).
- E 2
Operations providing vocational training, including preparatory training, for unemployed persons or those threatened with unemployment or underemployed carried out in GREENLAND, GREECE, French Overseas Departments, IRELAND, the MEZZOGIORNO and Northern IRELAND (super-priority regions).
- E 3
Operations concerning recruitment to additional and permanent jobs or operations concerning employment in projects for the creation of additional jobs which fulfil a public need.
- E 4
Operations forming part of local initiatives aimed at the creation of jobs or the socio-occupational integration of categories of persons disadvantaged in relation to employment and operations for development agents aimed at promoting such initiatives. Priority is not subject to a regional limitation (this heading covers action programmes recognized as such by the local, national and Community authorities).

- E 5
Operations involving vocational training and full-time or part-time employment and linked with measures to create additional jobs through a reorganization or reduction in working time agreed between the social partners.
- E 6
Operations, excluding assistance towards the salary costs of public servants, for persons to take up posts as instructors, vocational guidance or placement experts, to further employment in GREENLAND, GREECE, French Overseas Departments, IRELAND, the MEZZOGIORNO and Northern IRELAND. Where such operations are carried out to further the employment of women and the desegregation of the labour market or to further the employment and integration of migrant workers or disabled persons, priority is not subject to a regional limitation (see comment regarding E 1)

PRIORITY F : Socio-occupational integration of certain categories of persons

- F 1
Operations designed specially for women who are unemployed, threatened with unemployment, under-employed or wishing to return to work, to promote a more even mix of the sexes in jobs in which they are under-represented. Where such operations include vocational training, they must also include preparation for working life, acquisition of basic knowledge of techniques and technological innovations and measures for socio-occupational integration or reintegration. For these operations, priority is not subject to a regional limitation.
- F 2
Operations designed specially for migrant workers and members of their families :
 - . to assist their integration into the host country with vocational training combined with language training
 - . to maintain knowledge of the mother tongue and provide vocational training combined, if necessary, with refresher language courses when they wish to return to the labour market of their country of origin, this applying solely to nationals of Member States.
 For these operations, priority is not subject to a regional limitation (priority for nationals of Member States)
- F 3
Operations designed specially for vocational training and/or the adaptation of work places for disabled people who are capable of working in the open labour market. For operations focused on the adaptation of work places, priority is not subject to a regional limitation.

(1) See glossary for definition of small and medium-sized undertaking as generally used by the Community.

V - INNOVATORY OPERATIONS

These may account for up to 5 % of the total E S F budget and must fulfil the same eligibility criteria as ordinary operations, i.e. they must :

- concern priority categories of persons
- fall within one of the priority areas laid down in the Commission's guidelines (see A, B, C, D, E, F)

There is, however, no regional limitation.

Innovatory operations must also :

- aim at validating new working hypotheses concerning, for example, the content, methodology or organization of training or vocational guidance, with a view to wider application
- be clearly innovatory in the context of current practices in the region concerned
- involve closely all interested parties (elected representatives, leading figures in the business world, the social partners, etc...)
- include evaluation
- concern not more than 100 people

Financing conditions are the same as for ordinary projects but two advances (instead of one) are paid in line with the system which applied prior to 1984 :

- 30 % on approval
- 30 % half way through implementation
- the balance as for other projects

Approval may be granted on a multiannual basis (for a maximum of three years)

VI - THE EUROPEAN SOCIAL FUND IN PRACTICE

A - TIMETABLE FOR THE PROCESSING OF APPLICATIONS

Example 1985 : Ordinary projects covering the 1985 calendar year only, experimental programmes with a maximum duration of three years :

- 1 - Submission of application to the competent national authority, September 1984.
Application to be lodged with the relevant Ministry -which will vary depending on the source of the public funds matching E S F aid - in the course of July.
- 2 - Application forwarded to Brussels by the competent national authority
(20 October)
- 3 - Meeting of the E S F Committee..... December 1984/January 1985
Approval decision..... February-March 1985
Decision notified to beneficiary..... March-April 1985
- 4 - Claim submitted for payment of the 50 % advance (for ordinary operations).
Immediately on notification of approval (submission as in stage 1)
Advance paid within three months (September - October 1985).

5 - Final payment claimed (procedure as in stage 1) on completion of the course (or at the latest within the following three months) : e.g. first quarter 1986. Claims forwarded to Brussels by the national authorities : October 1986. Payment : first quarter 1987.

B - NATIONAL AUTHORITIES COMPETENT FOR THE E S F

BELGIUM..... MINISTERE DE L'EMPLOI ET DU TRAVAIL,
Administration de l'emploi
Rue Bélliard 55
1040 BRUXELLES
(or departments attached to the Ministères de la
Communauté française et flamande

DENMARK..... ARBEJDSMINISTERIET
Laksegade 19
DK 1063 KØBENHAVN K

FRANCE..... MINISTERE DU TRAVAIL ET DES AFFAIRES SOCIALES
Mission "Fonds Social Européen"
14 avenue Duquesne
F 75008 PARIS

IRELAND..... DEPARTMENT OF LABOUR
DUBLIN 4

ITALY..... MINISTERO DEL LAVORO
Via Flavia 6
ROMA
Competent regional and provincial authorities

FEDERAL REPUBLIC OF GERMANY..... BUNDESMINISTERIUM für ARBEIT und SOZIALORDNUNG
Rochusstrasse 1
D 5300 BONN - DUISDORF
Ministres and department attached to each land or
Arbeitsbezirk

GREECE..... YPOURGEIO ERGASIAS
Ypiresia Sheseon me tis
Evropaikes Koinotites (YSEK)
Pireos 40
ATHINA

LUXEMBOURG..... MINISTERE DU TRAVAIL ET DE LA SECURITE SOCIALE
57 boulevard de la Pétrusse
LUXEMBOURG

NETHERLANDS..... MINISTERIE VAN SOCIALE ZAKEN
Volmerlaan 1
Rijswijk (Z - H)

UNITED KINGDOM..... DEPARTMENT OF EMPLOYMENT
OB 2 / Level 1
CAXTON HOUSE
Tothill street
LONDON SW 1 H 9 NF
corresponding departments attached to the Welsh,
Scottish and Northern Ireland Offices

Other bodies involved in the approvals process (Social Fund Committee) :
Trade Union and Employers organizations
representative at national level.

C - EXPERIENCE GAINED IN 1984

The following points emerge from the 1984 round of approvals :

- 1 - The eligibility criteria are substantially more flexible in relation to people under 25 : this should be taken into account in the selection of project for submission in the specific priority areas for young people under 25 (priority C), but the operations in question must meet all the criteria laid down and more especially :
 - Priority C 1
 - . end of compulsory education : at 16 or exceptionally on completion of upper secondary education, but graduate trainees not permissible
 - . work experience, minimum duration of programme : 6 months
 - Priority C 2

introduction of new technology : a broad interpretation is placed on this, but you must make reference to the new technology element in the details adduced in support of your choice of priority area.
 - Priority C 3

employment must be assured in advance (name of firm and commitment) to recruit the persons trained) (must be recruitment in the full sense)
- 2 - In the case of operations to benefit persons over 25, the criteria are much stricter. To ensure that assistance will be granted, therefore, promoters should only submit projects which correspond in full to the current priorities, i.e. :
 - Priority D 1

restructuring of undertakings (possibly small or medium-sized undertakings) to benefit persons threatened with unemployment.
 - Priority D 2 : Small and medium-sized undertakings
 - . trainees must be employed in small and medium-sized undertakings - or, exceptionally, persons to be employed in such undertakings (specify name and size of each undertaking willing to take on one or more of the trainees)
 - . introduction of new technology substantially altering management or production techniques : solid supporting arguments must be adduced on this point (e.g. introduction of office automation in small or medium-sized undertakings).
 - Priority D 3 : New technologies in small and medium-sized undertakings.

The coverage of this priority is confined to training operations for a very limited number of sectors which meet the following four conditions :

 - . they lead directly to specific jobs in small or medium-sized undertakings : in-service training or recruitment assured in advance (name of undertaking and commitment to recruit - in the full sense)
 - . they are designed to promote applied research or the development of new products, services or production processes : hence not the introduction of new technologies in firms.

- . they relate exclusively to the following sectors : information technology, microelectronics, telecommunications, new means of transport, automation of production processes, optical fibres, biotechnology, new form of energy, protection of the environment.
- . the undertakings in question employ more than 500 persons.

Examples of admissible operations :

- . training of environmental protection specialists to make possible the development of new production processes in small and medium-sized undertakings
- . training of energy conservation technicians with a view to the development of new products in small and medium-sized undertakings
- . training of specialists in the manufacture of electronic equipment for hotel reservations.

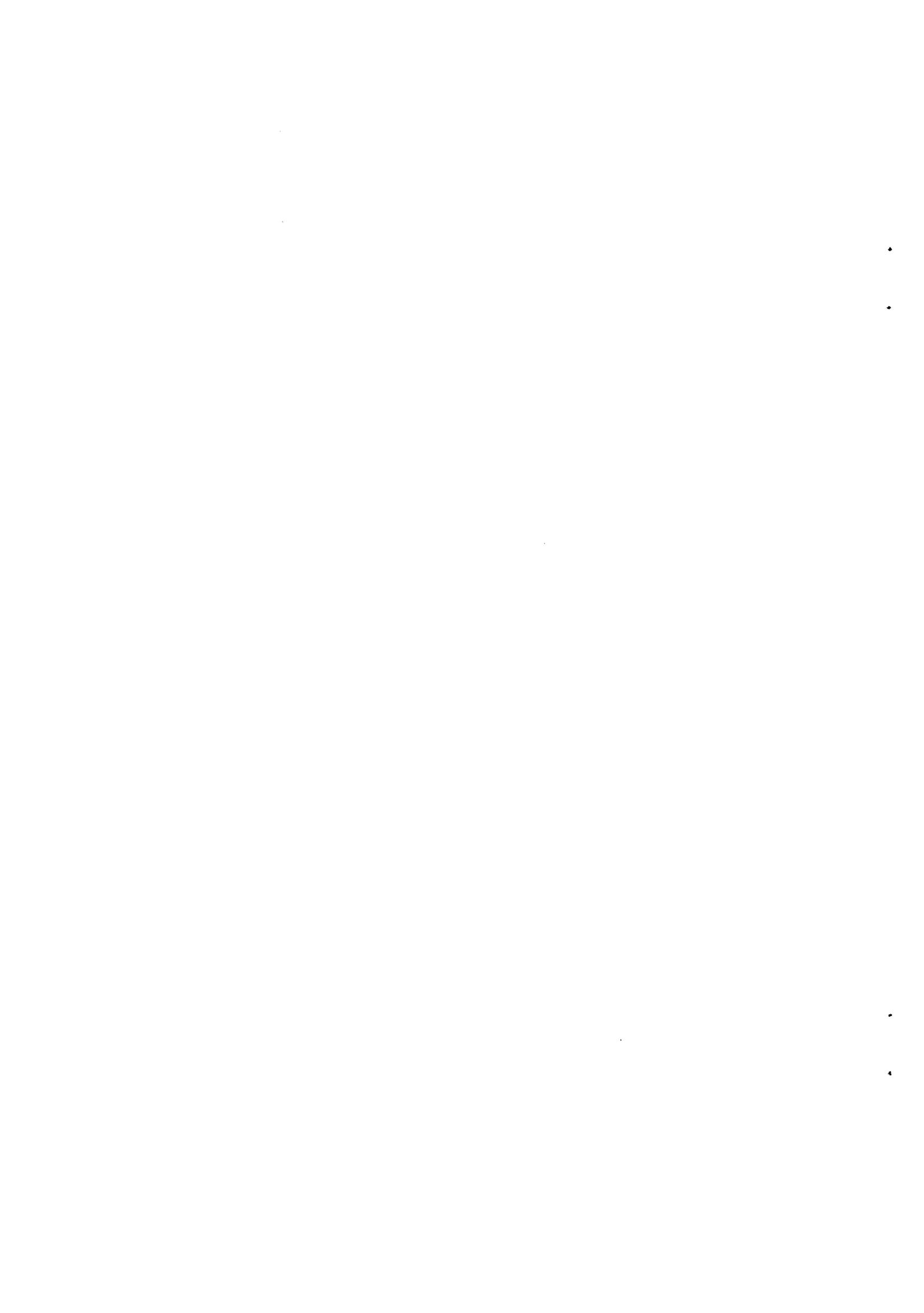
Inadmissible operations :

Introduction of information technology in small and medium-sized undertakings (purely for administrative purposes).

- Priority E 1 : Persons unemployed for more than 12 months
Should be kept for more conventional operations -the eligibility criteria being very broad - but solely in respect of this target group.
 - Priority E 4
Operations forming part of local initiatives aimed at the creation of additional jobs. A controversial priority which is likely to be redefined in the very near future : neither conventional training operations nor even training schemes aimed at the establishment of new undertakings are covered - unless they are carried out in a clearly delimited area forming the object of a substantial programme aimed at eliminating employment problems : area development agreements, training/development programmes, new businesses plans for industrial conversion areas, job creation plans for mountainous areas...
 - Priority F 1 : Women
Due attention must be given to all the points mentioned in the definition of this priority area and more especially to the need to show that the operation in question is genuinely designed to "promote a more even mix of the sexes in jobs in which women are under-represented".
- 3 - Advantages of the category "specific operations of an innovatory character"
- More flexible eligibility criteria (projects need only comply with the spirit rather than the letter of the ordinary priorities)
 - multiannual operations possible - up to three years maximum (whereas ordinary operations can only be approved for one calendar year at a time)
 - much less danger of "weighted reductions" (inevitable for ordinary operations - especially those relating to adults - according to arrangements as yet unknown for 1984) being applied to the amounts requested.

D - EXAMPLES OF SCHEMES SPONSORED BY THE SOCIAL FUND IN RECENT YEARS

- Training in motor vehicle maintenance for young women at Bradford and Ilkley Community College (UNITED KINGDOM)
- High-level training for operators and programmers for numerically controlled machines (National Employment Office - BELGIUM)
- Retraining programme for workers employed by small and medium-sized subcontracting firms in the clothing industry (UNITED KINGDOM - Tower Hamlets Training Forum)
- Training of (self-employed) consultants for small and medium-sized undertakings (MOULINS-VICHY Chamber of Commerce and Industry - FRANCE)
- Programme aimed at encouraging the modernization of production and management techniques in small and medium-sized undertakings (LIGURIA - ITALY)
- In the PYRENNEES region of FRANCE, the Fund has supported operations involving the training of local development workers, the learning of second trades and the creation of jobs via the establishment of new businesses
- initial and further training for banking staff at the Banco Popolare , SPOLETE (ITALY)



THE EUROPEAN REGIONAL DEVELOPMENT FUND

INTRODUCTION AND PROCEDURES

Set up in 1975, the EUROPEAN REGIONAL DEVELOPMENT FUND (E R D F) was conceived of much more as an instrument for redistributing Community resources to the poorest regions, coupled with a mechanism to channel additional finance in support of national policies, rather than as the budgetary expression of a new European regional policy.

Failure to have this explained is the reason why political leaders and those with socio-economic responsibilities in many regions of Europe, together with business managements, have felt some frustration at the use made of E R D F appropriations.

Allorated under firm national quotas, Community appropriations have primarily channelled to those sections of Member States' budgets devoted to regional aid in the parts of their territories acknowledged to be experiencing very serious development problems. Only public infrastructure projects and jointly financed investment aid schemes have been eligible to benefit.

The differences of approach from one Member States to another have really been simply a matter of different administrative and financial traditions and machinery: these may affected the transparency of Community involvement or the publicity given to it but these has been as calling into question the basic principle of the primary of national policy.

Investment projects in industry and the craft and service sector : there is no direct grant of aid to firms. The E R D F always talks to governments, and talk to the national or regional body or public authority responsible for granting regional aid.

For it is neither possible (given the Community's competition rules) nor desirable (best projects selected benefited twice over) to add E R D F aid to the national aid, the latter being a condition of eligibility. Consequently, the E R D F grants enable bodies or authorities responsible for awarding premiums to enlarge their aid capability by selecting among the projects they support those which could be eligible for assistance from the Fund without this in any way affecting the nature of the aid given to the investor. The following two examples are particularly significant in this respect :

- . in the Federal Republic of Germany, "THE GEMEINSCHAFTSAUFGABE" (the joint scheme between the Federal Government and the Länder) it is stated on the forms sent out to potential investors seeking regional aid under that their application may be forwarded to the E R D F ;
- . in Italy, the "CASSA PER IL MEZZOGIORNO" forwards to its supervisory Ministry a number of projects which the latter submits to the E R D F; this enables the CASSA to increase its aid budget substantially.

The assistance provided by the E R D F is expedited if the aid is paid directly to the bodies or authorities responsible for helping businesses (this is particularly true of Italy, the United Kingdom and Belgium).

In all cases, the undertakings in receipt of Community aid receive a letter from the Commission telling them where the funds come from.

Infrastructure investments : although the projects have to be submitted to the E R D F by the Member States, the aid given by the Community can supplement the resources of the public authorities promoting the projects, i.e. regions (Sardinia, Sicily, Wallonia) or, more generally, local authorities or public sector bodies (United Kingdom). In a more highly centralized countries (France, Greece and to a lesser extent Ireland), Community assistance is simply incorporated in the State budget.

Operations relating to the economic environment (to promote what is termed "internally generated development" : market research, common services for small and medium-sized firms, information seminars, promotion of innovation, promotion of tourism and craft industry, etc...), although Community grants can stand on their own, eligible projects are always incorporated in programmes planned and implemented by the regional and national authorities on the basis of Community Regulations.

1 - HOW THE ERDF OPERATES

Hitherto the hallmark of the E R D F has been a strict division between :

- a "quota section" under which 95 % of the total E R D F budget is allocated among the Member States according to predetermined quotas. Under this section, aid is granted in regional development areas for : infrastructure projects carried out by the public authorities (mainly central government), the aid not to exceed 30 % of the expenditure : and for industrial projects creating at least 10 jobs, the aid not to exceed 20 % of the total public assistance granted;

- a "non-quota" section under which programmes are jointly financed and aid is provided for operations to improve the economic environment (sectoral analyses, measures to promote tourism and business activities, common services for firms, etc...).

A recast Fund Regulation, which comes into force in 1985, considerably modifies even though the bases are the same - the E R D F's operating methods :

1.- The distinction between "quota" and "non-quota" is abolished and replaced by ranges within which the respective national shares of E R D F resources are allocated in the light of the following criteria :

- . the severity of the development problems,
- . the worthwhileness of the projects and programmes submitted,
- . implementation of a Community programme (equivalent to the former E R D F non-quota section).

The lower limits of the ranges represent each country's guaranteed minimum share of the E R D F's total endowment.

The ranges adopted by the Council for the years ahead are as follows :

MEMBER STATE	LOWER LIMIT	UPPER LIMIT
BELGIUM	0.90	1.20
DENMARK	0.51	0.67
GERMANY	3.76	4.81
GREECE	12.35	15.74
FRANCE	11.05	14.74
IRELAND	5.64	6.84
ITALY	31.94	42.59
LUXEMBOURG	0.06	0.08
NETHERLANDS	1.00	1.34
UNITED KINGDOM	21.42	28.56

N.B. The Regional Fund's endowment in 1984 amounted to 2 025 million ECU.

2.- Assistance from the reformed E R D F may in future be of four kinds : (1)

- a) Joint financing of Community programmes (the former E R D F non-quota section), which are defined "a series of consistent multiannual measures directly serving Community objectives and the implementation of Community policies" and which "as a rule concern more than one Member States". These programmes are undertaken at the Commission's initiative. They are adopted by the Council by qualified majority, and may be carried out in any regions in the Community. Compared with the former non-quota measures, this method introduces the following innovations :
- . a more flexible adoption procedure (qualified majority),
 - . less restrictive justification (the negative consequences of a Community policy are replaced by a more positive working);
 - . the extension of these measures to traditional E R D F aid; i.e. in addition to "internally generated development" operations, the joint financing of investment aid schemes and infrastructure projects.
- b) Joint financing of national programmes of Community interest, which are undertaken at the initiative of the Member States in regions receiving regional aid (2) and which may include the same types of projects as the Community programmes.
- c) Individual projects costing more than 50 000 ECU in industry, in the crafts or service sectors or in infrastructure. Member States submit applications to the Commission which decides on their eligibility on the basis of such criteria as their contribution to the development of the region, their impact on employment, the situation in the sector concerned, the profitability of the investment, the frontier character of the project or specific problems such as an island location. Applications must set out in detail the nature of the project and the name and location of the recipient firm. Projects must be located in regions receiving regional aid (2).
- d) Joint financing of studies relating to future operations to be financed in one of the three ways described above.

(1) The Member States receiving the largest shares of E R D F resources (i.e. excluding Denmark, Luxembourg, the Netherlands and Belgium) have agreed that by the end of the third year at least 20 % of the appropriations allocated to them should be earmarked for programmes.

(2) Community regions or areas where industrial projects are eligible for regional premiums (see exact lists available from the competent national authorities).

II - PROJECTS ELIGIBLE FOR E R D F ASSISTANCE

1. TYPES OF PROJECT

- a) Investment projects in industry and the craft and service sectors : aid is indirect; it takes the form of reimbursement through the joint financing of aid schemes set up by regions or governments (see introduction).
- b) Infrastructure , investment projects : only projects eligible are those for which the cost is borne wholly or partly by public authorities or by any other organization responsible in the same way as a public authority for carrying out infrastructure projects. (These projects may include, by way of exception and in strictly defined circumstances, individual investment projects situated outside designated regional development areas but carried out for the benefit of eligible areas.)

"Infrastructure" is defined as :

- transport infrastructure, including associated installations (roads, railways, inland waterways, urban transport networks, ports, quays, civil airports, etc);
 - infrastructure for the transport, utilization, distribution and storage of energy, including ancillary installations;
 - irrigation and drainage works, treatment plant;
 - building and equipping of vocational training centres, specialized technical education establishments (including university level).
- c) Measures to exploit internally generated development potential :
- aid towards surveys and investigations to obtain clearer indications of the opportunities for the internally generated development of regions assisted by the E R D F;
 - aid for the establishment and operation of local and regional applied research organizations whose objects is to further internally generated regional development;

Aid confined to small and medium-sized enterprises in the industrial, craft and tourism sector :

- financing the transfer of technology through operating aids for organizations compiling and disseminating information on product and technological innovations and for feasibility studies and projects for the application of innovations by firms;

- aid for sectoral studies on opportunities for access to national, Community and external markets, and for disseminating the results of such studies;
- aid towards increasing firms' efficiency by making it easier for them to obtain advice on management and organizational matters; this aid goes towards their expenditure on services provided by consultancy firms or organizations;
- starting-up to facilitate the establishment of common services for firms, covering part of the services' operating expenditure;
- aid towards improving the exploitation of regional potential for tourism, covering part of the operating expenses of organizations concerned in the promotion and coordinated management of holiday accommodation;
- measures to promote the establishment and expansion of small firms by providing them with easier access to the capital market.

2. EXAMPLES OF OPERATIONS CARRIED OUT

The very nature of traditional E R D F financing precludes all but a short description of specific operations, which are mainly directed at harnessing internally generated potential and are financed under the former "non-quota" section ("Community programmes" or "national programmes of Community interest", to use the new designations) :

Measures in progress :

- A special programme for the Mezzogiorno and South-West France (Aquitaine, Midi-Pyrénées and Languedoc-Roussillon) to assist those regions to cope with the consequences of Community enlargement (development of small business, promotion of innovation, craft trades and rural tourism). The first measures already launched include : In France :

- . expansion of the activities of the regional scientific and technical information agencies;
- . establishment of a market surveillance and intelligence centre and of a fund to provide aid for small and medium-sized industrial firms.

in Italy :

- . investment aid for small and medium-sized businesses.

Authorities : Ministry for the Mezzogiorno, South-West France Development Agency and Regional Councils.

- A special programme to develop tourism, craft trades and small businesses in the border areas of Ireland and Northern Ireland.

Authorities : The Irish Government (Department of Finance) and the United Kingdom Northern Ireland Office

- A special Italian programme for improving security of energy supplies in mountainous areas of the Mezzogiorno (small-scale hydro-electric and wind energy power plants, etc...)

Authority : Ministry for the Mezzogiorno.

- A special Belgian job-creation programme for promoting technological innovation in small and medium-sized firms in certain areas adversely affected by the steel crisis (in particular, the secondment of engineers to small and medium-sized firms).

Authority : Ministry for New Technologies in Wallonia

- A programme to help develop new economic activities in areas adversely affected by the closure of steel firms in the United Kingdom (site preparation, establishment of organization and management consultants for small or medium-sized firms, etc...).

Authority : Department of Industry and Scottish Economic Planning
Department

- A contribution to the development of new activities in shipbuilding areas of the United Kingdom (building of advance factories for small and medium-sized firms, etc...).

Authority : Department of Industry

New specific measures approved at the beginning of 1984 :

- a doubling of the present budget for "enlargement" measures in South-West France and the Mezzogiorno;
- further measures in addition to those already in progress in areas adversely affected by the restructuring of the steel industry (to include the Federal Republic of Germany, the United Kingdom and France). An operation already planned in 1981 for the Province of Naples is also likely to be stated;
- extension to Greece of operations of the type launched in "South-West France" and a special programme to develop energy resources in the Greek islands;
- a new specific Community measure in certain areas adversely affected by the restructuring of the textile and clothing industry (Belgium, France, Ireland, United Kingdom, Netherlands).

3. FINANCING METHODS :

- a) Operations relating to the economic environment (surveys, aid for the setting up and operation of local and regional applied research bodies, financing of technology transfers through bodies collecting and disseminating information on innovation, feasibility studies, market advisory services, research, small business, common services, hotel and catering trade, access to capital markets) : aid of 50 % to 55 % of the public outlay per project or set of projects covered by the

same programme, agreement.
(this type of project may be part of a "Community programme" or "national programme of Community interest").
The contribution for each study or survey may not exceed 100 000 ECU.

- b) Infrastructure projects : the ERDF's total contribution may not exceed 50 % of the total expenditure on a project borne by a public authority or organization responsible in the same way as a public authority.
- c) Investment projects in industry or the craft or service sector : the ERDF's contribution may not exceed 50 % of the aid granted to each project by the public authorities under a regional aid scheme.
Infrastructure and investment projects may be submitted either as part of a programme (Community programme or national programme of Community interest) or as individual projects.

4. CONCLUSIONS

Without prejudging the practical consequences of the new Regional Fund Regulation, which will become known in the course of 1985, the main results are expected to be as follows :

- a reinforcement of internally generated development measures to assist small and medium-sized firms through the packaging of existing or planned non-quota measures in the form of programmes and through the examination of new initiatives of this type in other regions;
- the inclusion of infrastructure projects in these programmes;
- continued ERDF financing for individual projects through the reimbursement of aid provided by governments or other public authorities and the joint financing of national or regional investment aid schemes.

ADDRESSES OF NATIONAL AUTHORITIES CONCERNED WITH THE ERDF

BELGIUM

MINISTÈRE DES AFFAIRES ÉCONOMIQUES
Rue de l'Industrie 10
1040 BRUSSELS

. exécutif de la région wallonne
. exécutif de la région flamande
for the specific measure in WALLONIA : MINISTRE DES TECHNOLOGIES NOUVELLES,
DES P M E, 19, avenue des Arts, 1040 BRUSSELS

FRANCE

DELEGATION A L'AMENAGEMENT DU TERRITOIRE (DATAR)
1 avenue Charles Floquet
75007 PARIS

. Commissariat de la République of each department or region

For "non-quota" aid in the South-West :
DATAR Mission du Grand Sud-Ouest
37 rue des Paradoux
31000 TOULOUSE
tél. : (61) 25 02 85

DENMARK

DIREKTORATET FOR EGNSUDVIKLING
SØNDERGADE 25
DK 8600 SILKEBORG

Handelsministeriet
2, afdeling 6, kontor
Slotsholmsgade 12
DK 1216 COPENHAGEN

ITALY

MINISTERO PER GLI INTERVENTI STRAORDINARI NEL MEZZOGIORNO
Via Boncompagni 30
I ROME

. Relevant regional authorities (in particular in Sicily and Sardinia)

FEDERAL REPUBLIC OF GERMANY

BUNDESMINISTERIUM für Wirtschaft
Villemonbler Strasse 76
D 5300 BONN - DUISDORF

. Ministerium für Wirtschaft attached to the government of each Land

LUXEMBOURG

MINISTERE DE L'ECONOMIE NATIONALE
19 rue Beaumont
L LUXEMBOURG

NETHERLANDS

MINISTERIE VAN ECONOMISCHE ZAKEN
Bezuidenhoutseweg 30
NL - THE HAGUE

GREECE

YFOURGEIO SYNTONISMOU
PLATIA SYNTAGMATOS
ATHENS

UNITED KINGDOM

DEPARTMENT OF INDUSTRY

Kingsgate House
66 Victoria Street
UK LONDON SW1 6SJ

DEPARTMENT OF THE ENVIRONMENT

2 Marsham Street
UK LONDON SW1

Department of Industry and Department of the Environment,
UNDER-SECRETARY OF STATE OF WALES
SECRETARY OF STATE FOR SCOTLAND
SECRETARY OF STATE FOR NORTHERN IRELAND

DIRECT ASSISTANCE FROM THE
EUROPEAN AGRICULTURAL GUIDANCE AND GUARANTEE FUND

(E A G G F)

GENERAL INTRODUCTION

The E A G G F has two sections, each with quite separate roles :

- the GUARANTEE Section finances the mechanism set up to support and to stabilize the agricultural markets and accounts for over 90 % of the Fund's total budget
- the GUIDANCE Section supports the Community's structural policies Accounting for just under 10 % of the Fund's total budget, it is in turn subdivided into two parts for operational purposes :
 - . "indirect measures", which are schemes supported primarily by the Member States and set out to assist the less-favoured areas and to restore balance or certain markets. There, the EAGGF simply refunds part of Member States' expenditure;
 - . "direct measures", which are schemes for specific individual projects.

Projects which qualify as "direct measures" supported by the EAGGF Guidance Section :

- processing and marketing of agricultural products and fish
- aquaculture and the construction of fishing vessels :
 - . they must fulfil certain conditions :
 - .. they must fit into detailed programmes submitted by the Member States and approved in Brussels, which specify types of operation and geographical areas
 - .. they must be presented in the form set out in Regulation (EEC) Nos 219/78 (for the first item) and 3166/83 (for the second item) (1)
 - . the competent authorities at local, regional and national level play a key role. In fact they are the first point of direct contract for the applicant :

(1) OJ L 35, 4.2.1978, and OJ L 316, 15.11.1983.

- .. they must be consulted to check that the projects fit in with the national programmes;
 - .. without their approval, no project is eligible for support;
 - .. all applications for support must be sent to them;
 - .. they submit the projects to the Commission and depend on them, if need be.
- . Type of financing : the volume of aid from the EAGGF (capital subsidy) and the various contributions are as follows :

	General rule	Projects in NORTHERN IRELAND, GREECE, FRENCH OVERSEAS DEPARTMENTS MEZZOGIORNO, IRELAND
Maximum aid from Fund	25 %	50 %
Minimum contribution by beneficiary	50 %	25 %
Minimum aid from Member State	5 %	5 %
Minimum aid from Member State to qualify for the maximum EAGGF rate	8 %	8 %

With regard to processing and marketing of agricultural products and fish, projects located in the French regions of LANGUEDOC-ROUSSILLON, VAUCLUSE, VAR, BOUCHES-DU-RHONE, ARDECHE and DROME may qualify for EAGGF aid of up to 35 %.

In the case of aquaculture and the construction of fishing vessels, projects concerning the building of artificial structures to facilitate re-stocking of coastal areas may also qualify for higher rates.

NOTE :

If the applicant receives any loans at subsidized interest rates (in relation to the average rates prevailing in the State for any type of investment), he must show the difference resulting from the interest rebate as part of the Member State's contribution, and not of his own. Work on implementing projects must begin within two years of the decision to provide aid at the latest, and be completed within four years of this decision, at the latest. It must not, however, begin before the application for aid is submitted.

I - PROCESSING AND MARKETING OF AGRICULTURAL PRODUCTS AND FISH

(Regulation (EEC) Mo355/77)

A - ELIGIBLE PRODUCTS

Projects in the following categories are eligible for support :

- equipment for rationalizing or developing the storage, market preparation, preservation, treatment or processing of agricultural products.
- equipment for improving marketing infrastructures.
- studies to gain fuller knowledge of data on prices and pricing.

Beyond that, an extra "quota" is available for measures to develop local production in the Mediterranean, IRELAND and NORTHERN IRELAND.

B - THE MAIN SELECTION CRITERIA

The project must :

- guarantee Community producers a lasting share of the economic benefits resulting from the project, and
- contribute to improving the situation of agricultural production sectors in the Community

The project must not :

- concern the retail trade
- benefit products from non-member countries

The eligible sectors are no longer limited to those listed in Annex II of the Treaty of Rome. Normally, all sectors may qualify for aid, subject to restrictions defined periodically. At present, these mainly concern certain types of investment in the following sectors : milk, milk products, poultry and pigs animal feedingstuffs, tomatoes, olives, milling and malting, etc... (contact the national authorities responsible for the list of restrictions).

regulation (EEC) Mo 355/77 was renewed in 1984 for a further 10 years. While the general spirit of this instrument remains unchanged, it contains a number of new provisions :

- the possibility of financing pilot projects with a higher percentage contribution.

- priority for all projects relating to energy saving, environmental protection, recycling of waste and research into new outlets for basic products
- the possibility of financing purchase of harvesting equipment, in the case of which the financing structure has to comply with specific rules as follows :

	Maximum EAGGF aid	Maximum contribution by beneficiary	Minimum aid from Member State
General	10 %	80 %	5 %
Projects submitted before 31.12.1986.....	20 %	70 %	5 %
MEZZOGIORNO, less-favour- red zones in the West of IRELAND, all regions of GREECE except Greater ATHENS.....	30 %	60 %	5 %
French Overseas Depart- ments, LANGUEDOC- ROUSSILLON, French departments of VAUCLUSE, BOUCHES-DU-RHONE, VAR, ARDECHE and DROME.....	20 %	70 %	5 %

C - In 1983 only 25 % of the projects submitted were approved, the two chief selection criteria being the benefits expected from the project in terms of the development of agriculture and fishing and of farmers' and fishermen' incomes and, secondly, the geographical location of the project (i.e. whether it is in one of the top priority areas designated by the Member States in the structural programmes which they submitted to the Brussels authorities).

Applications for aid must be sent to the national authorities, either between 1 January and 30 April, in which case a decision will be taken by 31 December at the latest, or in the course of the second half of the year, the decision then being announced before 30 June of the following year.

The breakdown by country for 1983 was as follows :

COUNTRY	number of projects	Aid in million ECU
BELGIUM.....	37	5.6
DENMARK.....	31	4.7
FEDERAL REPUBLIC OF GERMANY.....	96	27.2
FRANCE.....	143	28.4
GREECE.....	41	53
IRELAND.....	58	20.1
ITALY.....	100	69.4
NETHERLANDS.....	30	8
UNITED KINGDOM.....	77	18.7
LUXEMBOURG.....	4	1
TOTAL.....	617	236.1

Examples of the projects approved in 1983 :

- modernization of a curing plant at CHAMPION (BELGIUM)
- expansion of a cheese-making plant at KARBY (DENMARK)
- construction of a centre for storage and market preparation of fishery products at PREVILLE/MER (FRANCE)
- modernization of oil mills at ALAGNI MONOFATSIU (GREECE)
- reorganization and expansion of a mussel breeding centre at TARANTO (ITALY)
- modernization and extension of cellars at REMICH (LUXEMBOURG)
- extension of potato processing plant at CLOPPENBURG (GERMANY)
- Chamber of Commerce fish market at BOULOGNE/MER (FRANCE)
- modernization of an animal feed mill at ALTNAMACHIN (UNITED KINGDOM)
- construction of a seedlings marketing centre at GALWAY (IRELAND)

A - AID FROM THE EAGGF

Aid from the EAGGF is available for :

- 1 - The construction, fitting-out or modernization of facilities for farming fish, crustaceans and molluscs in fresh, salt or brackish water. Priority is given to the regions designated by the competent authorities of the Member States as being particularly suited to this activity.

The units must breed or rear such species for commercial purposes. The Commission seems to give preference to the farming of crustaceans, perch and eel rather than less hardy species. It attaches particular importance to the following criteria when it examines the application files :

- . the applicant's technical qualifications and relevant experience;
- . sound economic forecasts;
- . whether natural conditions at the site favour permanent intensive fish farming;
- . the existence, if appropriate, of a contract on technical assistance (the file must contain full details of the projects and of the type, make and basic features of the equipment).

- 2 - The construction, purchase, modernization or conversion of fishing vessels. The projects must satisfy the following conditions :

- the vessels must be designed for inshore fishing and be between 9 and 33 m long (minimum of 20 000 ECU per project for vessels more than 12 m long, minimum of 10 000 ECU for the other vessels)
- they must involve modernization or conversion of one or more vessels with a view to rationalizing fishing operations, allowing better preservation of the catches or saving energy.

- 3 - Projects relating to the building of artificial structures to facilitate restocking of coastal areas, taking account of the size of the investment in relation to the short-term benefit to the fishing communities.

B - NEW PROVISIONS

These programmes, drafted by the national supervisory authorities, must specify the method, measures and facilities or resources that will be used in order to achieve a substantial and economically profitable volume of production.

They must also contain technical data : delimitation of the area concerned by the programme, reasons for that delimitation and designation and description of priority development sites.

C - AID ON APPLICATIONS

Applications for aid must be submitted through the national authorities, either by 31 October of the previous year, or before 31 March of the current year.

Decisions on aid are taken twice yearly.

D - A total of 156 million ECU has been earmarked to finance projects in 1983, 1984 and 1985 (1).

Aid applications granted in 1983 included the following :

-breakdown by country (number of projects) :

. BELGIUM.....	1
. DENMARK	59
. GERMANY	27

-projects :

- . modernization of 4 fishing vessels for the ports of LISTED, TEJN and SVANEKE in DENMARK
- . aquaculture project in PLATIA (GREECE)
- . aquaculture project in VENEZIA MESTRE (ITALY)
- . construction of a fishing vessel for the port of CAYENNE (FRENCH GUIANA)
- . one aquaculture project on the Isle of JURA (UNITED KINGDOM)

(1) this represents an increase of more than 40 % compared with allocations in the preceding years.

Addresses of the national authorities involved in the EAGGF

GERMANY :

Der Bundesminister für Ernährung, Landwirtschaft und Forsten
Postfach 140270
D-5300 BONN 1

at regional level :

Ministerium für Ernährung, Landwirtschaft of each Land.

BELGIUM :

Ministerie van Landbouw
de Stassartstraat 36
B 1050 BRUSSELS

Ministère de l'Agriculture
rue de Stassart 36
1050 BRUSSELS

DENMARK :

Landbrugsministeriet
Slotsholmsgade 10
DK - 1216 COPENHAGEN K

Fiskeriministeriet
Stormgade 2
DK-1470 COPENHAGEN K

Ministeriet for Grønland
Hausergade 3
DK 1128 COPENHAGEN K

FRANCE

Ministère de l'Agriculture
Direction de l'Aménagement
78 rue de Varenne
F 75700 PARIS

Department level :

Direction Départementale de l'Agriculture

Ministère de la Mer
Direction des Pêches Maritimes et des Cultures Marines
3 place Fontenoy
F 75700 PARIS

GREECE :

At national level :
Ministry of Agriculture
(Directorates for Markets and Fisheries)

At regional level :

NOMOS
(Agriculture Services, Service Fisheries)

IRELAND :

Development Section
Dept. of Agriculture
Agriculture House
Kildare Street
DUBLIN 2 (IRELAND)

Regulation 1852/78 : EEC Section
Dept. of Fisheries and Forestry
Agriculture House
Kildare Street
DUBLIN 2 (IRELAND)

ITALY :

For Regulation 355/77
Ministero Agricoltura e Foreste
Direzione Generale Economia Montana e Foreste
Divisione Miglioramenti Fondiari
Sezione FEAOG
Via XX Settembre
I 00187 ROME

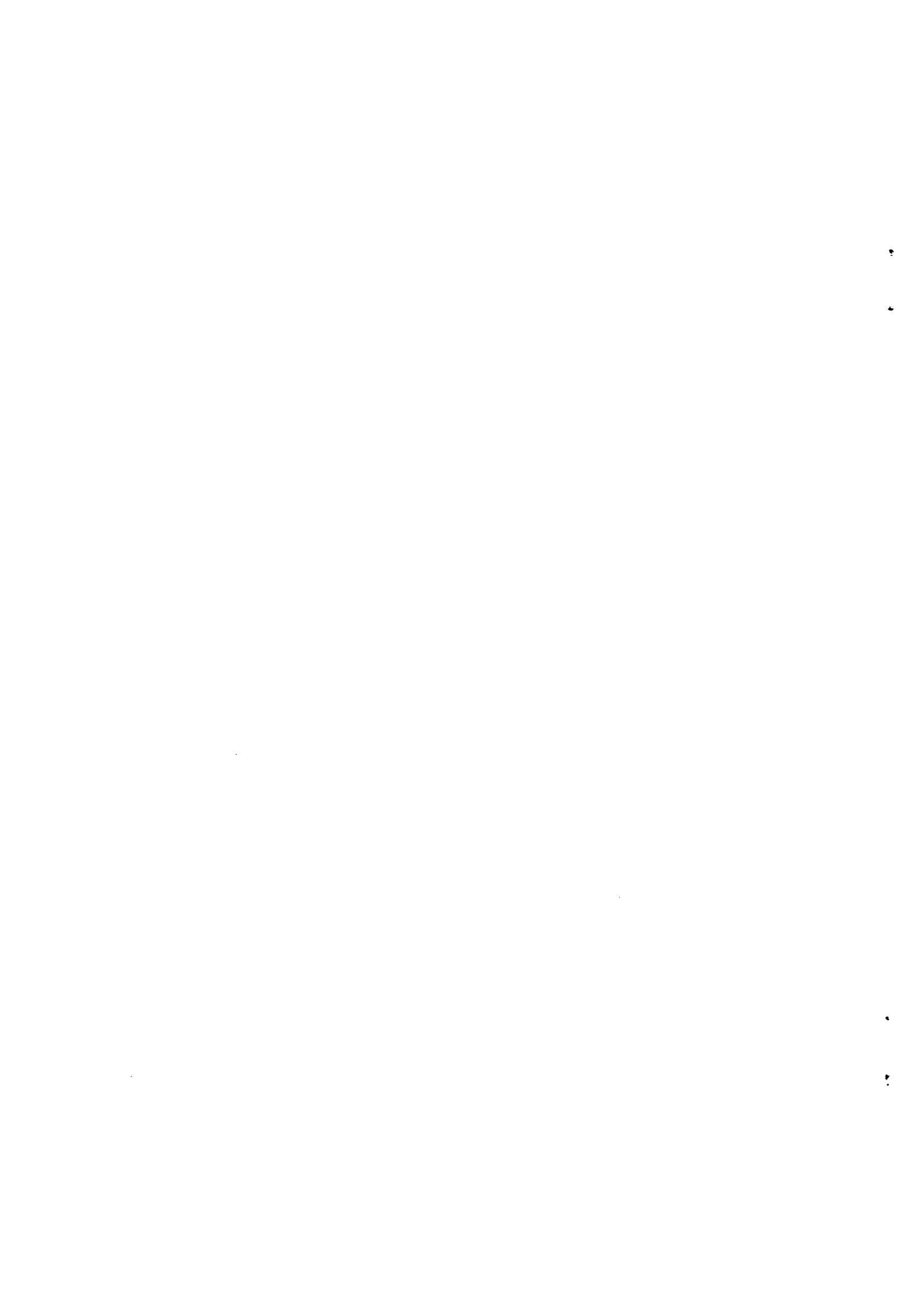
For Regulation 1852/78
Ministero della Marina Mercantile
Direzione Generale della Pesca Marittima
Viale Asia
I 00144 ROME

LUXEMBOURG :

Ministère de l'Agriculture, de la Viticulture et des Eaux et Forêts
1 rue de la Congrégation
L 1352 LUXEMBOURG

NETHERLANDS :

Ministerie van Landbouw en Visserij
Bezuidenhoutseweg 73
NL 2500 EK THE HAGUE



AIDS FOR TRANSPORT INFRASTRUCTURE

OF EUROPEAN INTEREST

In 1982, for the first time, a budget of 10 million ECU was earmarked for an experimental programme in this area. In October 1983 the Council did not set up a new instrument but it did adopt a multiannual transport infrastructure programme (for 1983, 1984 and 1985) and allocated for this purpose 15 million ECU for 1983 and 40 million ECU for 1984.

Before the end of the period in question, the Commission of the European Communities intends to propose setting up a wider-ranging, permanent instrument able to take greater account of transnational and border interests.

I - WHAT IS THE PROCEDURE AND WHAT ARE THE SELECTION CRITERIA ?

The procedure adopted, which will remain in force until 1985, is rather complicated and while there would be no point going into the details here the following should nevertheless be mentioned :

- the predominant role of the Governments and in particular of the Transport Ministries :
 - . only they are authorized to propose projects;
 - . only on basis of their proposals does the Commission draw up a list of eligible projects, to be ratified by the Council;
 - . commitment decisions are taken by the Commission with the agreement of the Infrastructure Committee on which representatives of the Transport Ministries sit
- although the list of eligible projects is submitted to the European Parliament, the important thing for a project promoter is to get his Transport Ministry to propose the project, as otherwise it cannot be supported;
- given the modest sums at present available, which are in marked contrast with the scale of requirements, a determining factor in project selection is undoubtedly the fact that more than one Member State is interested (the main project selected in 1982, i.e. infrastructure improvements to the station at DOMODOSSOLA was in fact of interest to the Federal Republic of Germany, France, and the Benelux countries as well as Italy itself.

The Commission has established the following selection criteria for determining project eligibility ;

- elimination of notorious bottlenecks within the Community;

- improvement of rail transport on routes that are important for long-distance transport, and in particular combined transport;
- improvement of traffic links between the outlying countries and the rest of the Community by trunk routes, including those involving crossing a non-member country (in point of fact this mainly concerns routes to GREECE through AUSTRIA and YUGOSLAVIA)
- improvement of facilities for the interlinking of modes of intra-Community transport, particularly for those Member States whose contacts with the rest of the Community are conditioned by the development of sea and air transport (GREECE, IRELAND and THE UNITED KINGDOM)
- modernization of the inland waterways system

All transport infrastructure (roads, airports, seaports, sea links etc...) could be eligible, but it is apparent from the five priorities adopted for the next three years that for the time being projects of regional interest have little chance of being accepted even if they have transfrontier implications (although this does not prejudge future policy)

The support granted under the programme may take the form of loan guarantees, subsidies, or interest rebates on Community loans, not exceeding 40 % of the project cost. It may be combined with other Community aids (ERDF assistance, for example) provided that the sum total of Community aid does not exceed 70 % of the project cost.

II - PROJECTS FINANCED AND TO BE FINANCED

A - FOR 1982

9.5 million ECU (of the 10 million ECU available) have been committed for :

- a study relating to a fixed link under the CHANNEL
- a section of the EVZONI-VOLOS road in GREECE
- construction of a new marshalling yard and customs clearance facilities at DOMODOSSOLA in ITALY

B - UNDER THE 1983 BUDGET

15 million ECU allocated as follows :

- | | |
|------------------------------------------------------------------------------------------------------------------------|---------------|
| - FRANCE : modernization of the MULHOUSE-NORD railway junction..... | 3 million ECU |
| - IRELAND : The WEXFORD by-pass..... | 3 million ECU |
| - GREECE : EVZONI-VOLOS road : improvement of the section between AXIOS and the GALLIKOS bridge..... | 4 million ECU |
| - LUXEMBOURG : construction of the section of the LUXEMBOURG-TRIER motorway from POTASCHBERG to the German border..... | 5 million ECU |

C - UNDER THE 1984 BUDGET

80 million ECU for projects meeting one of the following criteria :

- . elimination of notorious bottlenecks
- . improvement of major links between all Member States

- ITALY : CHIASSO-MILAN rail section..... 8.5 million ECU
- FRANCE : MONT BLANC access (LE FAYET - LES HOUCHES)..... 3.8 million ECU
- COMMUNITY : Border infrastructures..... 5 million ECU
- GREECE : EVZONI - ATHENS - KALAMATA road link, LARISSA -
PLATI railway..... 25 million ECU

D - OTHER PRIORITY MEASURES

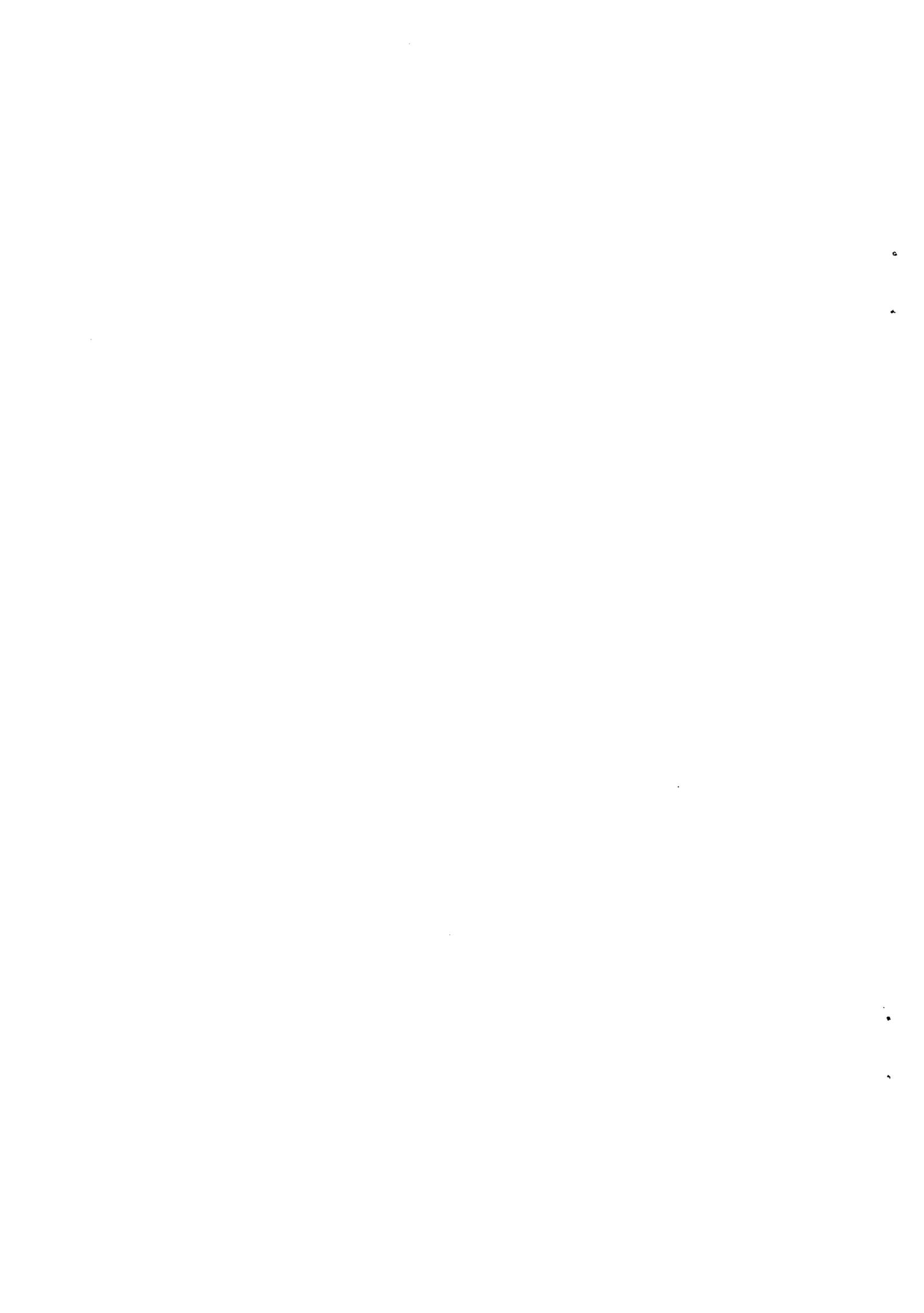
79.9 million ECU for future years

- IRELAND : SHANKILL - BRAY by-pass..... 2.4 million ECU
- GERMANY : NUREMBERG station..... 4.2 million ECU
- UNITED KINGDOM : LONDON orbital motorway (M 25)
 - . LEATHERHEAD - REIGATE section..... 3.5 million ECU
 - . M 4 / M 40 section..... 6.2 million ECU
 - Sidcup by-pass (A 20)..... 9 million ECU
 - Rail access to the port of HARWICH..... 2.5 million ECU
- BELGIUM - FRANCE : improvement of the LYS..... 8.1 million ECU
- NETHERLANDS : DORDRECHT bridge..... 1.7 million ECU

For all information, please contact :
THE INTERNATIONAL RELATIONS DIRECTORATE OF THE TRANSPORT
MINISTRY IN THE MEMBER STATE concerned

or

THE COMMISSION OF THE EUROPEAN COMMUNITIES
Mr LEMOINE
Division VII / C / 2
200 rue de la Loi
B 1049 BRUSSELS
tel. (32) (2) 235 19 48 or 235 19 40



PART TWO

LOANS AND SUPPORT

- 1 - THE EUROPEAN INVESTMENT BANK (EIB)
- 2 - THE NEW COMMUNITY INSTRUMENT (NCI)
- 3 - LOANS FROM THE EUROPEAN COAL AND STEEL COMMUNITY (ECSC)
- 4 - ENERGY DEMONSTRATION PROJECTS
- 5 - COMMUNITY SUPPORT FOR MEASURES RELATING TO THE ENVIRONMENT
- 6 - SUPPORT FOR INNOVATION AND THE DISSEMINATION OF SCIENTIFIC AND TECHNICAL INFORMATION TO FIRMS



THE EUROPEAN INVESTMENT BANK

(E I B)

The European investment Bank (EIB) was established in 1958 by the Treaty of Rome and from the outset was designed as a financial institution which could raise capital on world markets and, on a non-profit-making basis, onlend these funds, to undertakings, public authorities or financial institutions for investment projects in all sectors of the economy which meet the Community's priority aims.

I - WHAT CAN THE EIB DO ?

Within the Community (1) the EIB's operations are directed towards developing less developed regions and supporting projects of Community interest, particularly those aimed at reducing the Community's dependence on imported energy. It also grants long-term loans for industrial projects, capital investment projects or infrastructure projects. As a rule, it does not contribute more than 50 % of the capital costs involved.

Since the EIB was established, two thirds of all its loans have been for the development of less developed regions (2). The Bank's operations under this heading have involved chiefly industrial projects, road and port infrastructure projects, telecommunications, electrification, extending water supplies and other land improvement schemes.

The Bank may also lend funds in any region of the Community for projects of Community interest. These may be infrastructure projects involving several Member States, joint ventures between European companies, projects designed to increase the Community's independence as far as energy is concerned (coal, new forms of energy, nuclear power plants, hydroelectric schemes, use of lignite and peat, etc...), projects to combat pollution or improve the environment, or operations to modernize firms or promote advanced technologies.

-
- (1) An example of a loan granted to a non-Community country apart from specific action in favour of developing countries is the agreement between the Community and SPAIN whereby the EIB was authorized to grant loans in SPAIN up to an amount of 550 million ECU in order to help finance projects likely to encourage the integration of the Spanish economy with the Community economy during the period leading up to accession. The first global loans were granted to the BANCO DE CREDITO INDUSTRIAL for small-scale projects (onlent by the BANCO DE CREDITO INDUSTRIAL, and the BANCO DE CREDITO D'ESPANA)
 - (2) Areas benefiting from regional aid, defined by the Member States with the agreement of Community authorities (see ERDF section)

The EIB grants loans at its own base rate as applicable on the day the contract is signed, these rates depending on the terms obtained on the capital markets on which most of the funds have been raised. Loans are generally granted in various currencies in standard mixes, the terms, make-up and rates being established in accordance with the borrower's wishes and the resources available to the Bank (1). Some particularly large loans are granted in only one currency (generally a currency which is readily available and strong, such as the dollar, yen or Swiss Franc).

The EIB increasingly offers loans in ECU or mixes made up mainly of ECU. This enables countries such as ITALY, FRANCE, and GREECE to obtain very competitive routes and reduces the exchange risks.

Although as a rule the general terms of these loans are no more advantageous than those of other bodies, they nevertheless allow undertakings :

- to extend their borrowing capacity if they are located in countries where credit is difficult and facilities for granting credit are limited
- to obtain foreign currency

Promoters submit their projects directly to and negotiate directly with the Bank (1).

The EIB requires from its borrowers guarantees either from the government of the country in which the project is to take place or from a public authority with a top credit rating or from an industrial or financial grouping associated with the project.

All EIB financing must be approved by the governments concerned, if necessary, after due deliberation by their financial departments. Obviously projects submitted must conform with programmes or priorities established by states or local and regional authorities.

Capital repayments and interest payments are always made in the currency or currencies actually received. Promoters are obviously at a tremendous advantage if a government, either directly or through its financial institutions, covers rate-of-exchange risks (as is the case with THE UNITED KINGDOM, IRELAND, FRANCE and GREECE for certain types of loan, and ITALY for almost all Community loans).

Moreover, in connection with the creation of the European Monetary System, ITALY and IRELAND benefited for five years (from 1979 until 1983) from special 2% subsidies up to amounts of 1 000 million ECU and 200 million ECU respectively (a two-year is planned)

(1) EUROPEAN INVESTMENT BANK :

Directorate for Financing : Mr MORBILI

Information Department : Mr SCHMIDT 100, Boulevard Konrad ADENAUER - LUXEMBOURG

Telephone : (352) 43 791

ROME Office : Via SARDEGNA 38 I-00187 ROME

LONDON Office : 23 Queen Anne's Gate WESTMINSTER LONDON SW1 H9 BU

ATHENS Office : 0 DOS YPSILANTOU 13 - 15 KOLONAKI

II - WHAT HAS THE EIB DONE ALREADY ?

Between 1979 and 1983 it granted loans in the Community amounting to an equivalent of over 18 000 million ECU, including 5 140 million ECU in 1983 alone; this clearly shows that it is stepping up its commitments (including 3 700 million ECU for the energy, communications and infrastructure sectors and 1 400 million ECU for industrial projects).

Just over half of the loans for regional purposes have been granted to ITALY (the other chief beneficiaries being the UNITED KINGDOM, GREECE, IRELAND and FRANCE).

The most significant projects in recent years include the following :

- LIT 10 000 million to LOMBARDINI to finance 40 % of the cost of applying an advanced technology in the production cycle of a diesel engine factory in REGGIO EMILIA
- extension of a whisky bottling plant at DUMBARTON in SCOTLAND : 4.9 million ECU
- construction of a household refuse incinerator producing heat for the district heating network of NYKØBING FALSTER in DENMARK : 3.2 million ECU
- construction of a 25 room tourist hotel in HORUMERSIEL on the North Sea coast in LOWER SAXONY : 0.8 million ECU
- purchase of five aircraft by AIR FRANCE for the European medium-range network : 21.9 million ECU
- construction of a factory to produce aluminium cans for non-alcoholic beverages in SAN MARTINO SULLA MARRUCINA (ABRUZZI) : 10.5 million ECU
- extension of BIRMINGHAM airport and construction of a new air terminal (BIRMINGHAM airport through the intermediary of the WEST MIDLANDS COUNTY COUNCIL) : 33.2 million ECU.

III - DIRECT EIB LOANS

As a general rule, the EIB can only grant direct loans for projects equivalent to or in excess of 2 million ECU. Because of this rule, and in order to provide funds for smaller-scale projects, the bank introduced the global loans systems ; this has developed very rapidly since 1978.

Under this system, between 1969 and 1983, the EIB granted just over 1 824 million ECU in global loans for 5 331 individual projects.

A - THE GLOBAL LOANS SYSTEM

This works as follows :

- Loans may be granted for up to 50 % of the fixed investment costs for amounts ranging from a minimum of 20 000 ECU to a maximum of 7.5 million ECU.
- Although the EIB applies the criterion of small and medium-scale ventures, global loans are reserved solely for undertakings whose net fixed assets, as shown on the balance sheet, do not exceed 30 Million ECU before the project is carried out. Priority is given moreover to beneficiaries which come into the category of small and medium-sized enterprises. The foreseeable profitability of the investment, its location (EIB loans for industrial projects are basically confined to regional development areas) and the outlook for the sector in question are the main selection criteria mentioned in the contracts between the EIB and its intermediaries.
- The Bank enters into an agreement with a financing organizations; this sets out the general terms of the loan (the rate is either fixed in advance and the basket of currencies and the eligibility of individual projects (each global loan may cover only one area of the Bank's activities). The EIB then opens a credit line for a fixed amount, which can as a rule be renewed, and the institution makes a series of drawings by submitting a list of projects on whose eligibility the Bank can decide.

B - The "intermediary" institution lends on in local currency the funds which it has borrowed from the Bank in the form of a basket of currencies. Governments cover rate-of-exchange risks by slightly increasing the rate (as is the case in ITALY, IRELAND and the UNITED KINGDOM, and in FRANCE where the institutional intermediaries are concerned).

C - THE TERMS OF LOANS TO FINAL BENEFICIARIES

These may be :

- strictly the same as those generally offered by the financial institutions concerned (e.g. the Caisse d'Aide à l'Équipement des Collectivités Locales and the Sociétés de Développement Régional in FRANCE and the subsidized loans from the Cassa per il MEZZOGIORNO);
- very competitive compared with alternative sources of finance (a low rate because the rate-of-exchange risk is covered by the State and because funds were borrowed in strong currencies and lent in a country with a weak currency). The best example of this is the global loans granted in the centre and north of Italy.

This system is becoming more widespread and accounts for an increasing proportion of the loans granted by the EIB.

For projects in excess of or equivalent to 7.5 million ECU it is possible to use the EIB's usual financial intermediary for global loans as an intermediary for a direct loan between the promoter and the bank. The main benefit of this procedure lies in the fact that it is the intermediary body (or the Government, as appropriate) which is responsible for providing a guarantee against exchange rate risks and guaranteeing the loan vis-à-vis the EIB (CAECL and CEPME in FRANCE, and all the Italian institutions).

D - FINANCIAL INSTITUTIONS managing global loans to SMEs (situation as at 30 June 1984)

DENMARK :

Kingdom of DENMARK (Finance Ministry) on behalf of the Regional Development Council ; Finansieringsinstituttet for Industri og Haandvaerk (F I H)

FRANCE :

Caisse Centrale de Crédit Coopératif, Crédit d'Equipement des Petites et Moyennes Entreprises, Crédit National, Sociétés de Développement Régional

GREECE :

Agricultural Bank of GREECE, National Bank of GREECE, Hellenic Bank for Industrial Development, National Investment Bank for Industrial Development, Investment Bank, and Consignment and Deposit Office

IRELAND :

Industrial Credit Company Limited (ICC), and Agricultural Credit Corporation (ACC)

ITALY :

Banca Centrale di Credito Popolare (CENTROBANCA), Banca per i Finanziamenti a Medio e Lungo Termine (INTERBANCA), Banca Nazionale del Lavoro (BNL), Banco di Sicilia, Credito Industriale Sardo (CIS), Ente Finanziario Interbancario (EFIBANCA), Istituto Centrale per il Credito a Medio Termine (MEDIOCREDITO), Istituto Mobiliare Italiano (IMI), Istituto Regionale per il Finanziamento alle Industrie in Sicilia (IRFIS), Istituto per lo Sviluppo Economico dell' Italia Meridionale (ISVEIMER)

UNITED KINGDOM :

UK Government Agency : financing mechanisms administered by the Department of Industry in ENGLAND, Scottish Economic Planning Department, Welsh Office Industry Department, Northern Ireland Industrial Development Board and Local Enterprise Development Unit (the regional tourist boards deal with applications for financing from SMEs in the tourism sector), Industrial and Commercial Finance Corporation (ICFC), Welsh Development Agency, Scottish Development Agency, Clydesdale Bank Finance Corporation, National Westminster Bank and Midland Bank.

NB : In the case of medium-sized or small projects in countries where there are no global loans under way, the Bank has the possibility of financing them directly (e.g. in the BENELUX countries and GERMANY).

D - Global loans may be granted in any area of operation, in accordance with the bank's own criteria. Some of the most significant loans granted are as follows :

- a loan equivalent to DR 610 million granted to the national Bank for Industrial Development in GREECE (NIBID) to finance small and medium-sized investments mainly intended for combined heat and power production, the recovery of heat and electricity and the recovery of heat lost
- the equivalent of LIT 20 000 million (over six years) to the Istituto Mobiliare Italiano which will onlend the funds to eight leasing companies operating in the MEZZOGIORNO
- the equivalent of LIT 14 400 million to INTERBANCA (over nine years at the rate of 12.35 %) for a single project to build a bakery in ASCOLI PICENO (MARCHES)
- a global loan equivalent to FF 120 million to the Caisse Centrale du Crédit Coopératif (PARIS) for investments in the sea fishing sector, and in particular for :
 - . the purchase of vessels
 - . the construction of cold stores
 - . the construction of a fish cannery
- the equivalent of FF 160 million to the Sociétés de Développement Régional in FRANCE for 86 projects including :
 - . the extension of a sawmill and a plant for the processing of rubber and plastics, glass and ceramics
- the equivalent of £1r 7 million for a global loan to the Industrial Credit Company Limited for schemes concerning tourism and industry and the equivalent of £1r 3 million for the Agricultural Credit Corporation Limited for the financing of small and medium-sized schemes in the agri-foodstuffs sector
- a global loan to Barclays Bank for the financing of small and medium-sized industrial and service schemes in assisted areas in the UNITED KINGDOM (equivalent of £ 5 million)

THE NEW COMMUNITY INSTRUMENT

(N C I)

The new Community Instrument (NCI, or ORTOLI facility as it is called after its originator) is a mechanism set up by a Council Decision of October 1978 empowering the Commission to contract loans and to on-lend the proceeds to finance investment projects.

The originality of the NCI lies in the fact that the Council defines the amount and areas of intervention tranche by tranche in the light of the Community's priorities. The first NCI (NCI I), which was set up in 1979, had an allocation of 1 000 million ECU in two tranches; this sum was used to finance investment projects in energy, infrastructure and industry. By the end of 1981 it had been completely used up.

The second NCI (NCI II) also assigned priority to SMEs.

I - WHAT CAN THE NCI DO NOW ?

In April 1983 the Council authorized the Commission to borrow a further 3 000 million ECU under the third edition of the NCI, in two tranches :

- the first (1 500 million ECU) was authorized in 1983
- the second (1 400 million ECU) was authorized in July 1984 (1)

The following categories of investment projects have been assigned priority for NCI III :

- industry and related services : priority is still given to projects by SMEs, but in certain cases projects by large industrial firms may be financed, e.g. if they are the result of cooperation between several firms in different Member States and apply advanced technologies

-
- (1) the remaining sum of 100 million ECU is earmarked for projects relating to innovation in SMEs with delayed interest and guarantees charged to the Community budget. No decision had been taken with regard to this measure when the text of the 1984 version of the practical handbook was completed.

- Rational use of energy : priority is given to energy saving and the replacement of oil by other energy sources (including infrastructure facilitating such replacement). However, energy saving in buildings in the residential or tertiary sector is not among the priorities.
- Infrastructure directly connected with the development of productive activities.

II - HOW TO GO ABOUT OBTAINING NCI LOANS ?

Although it is the Commission which decides, in consultation with the EIB, whether projects are eligible, it is the EIB which examines the projects in accordance with its usual criteria, decides on what terms loans will be granted and administers them in the name of, for the account of and at the risk of the Community.

To date, with few exceptions, applications have been made by the EIB for projects it has received which satisfy the NCI conditions of eligibility. This has given the Bank greater scope for intervention and enabled it to grant proposers, in some cases, loans in baskets of currencies which are more in keeping with their requirements (e.g. greater percentage in currency of country) as the Commission can borrow on the capital market to obtain NCI funds in its capacity as a political entity. With the exception of this possible facility, the terms of the loans are completely identical to those of the Bank.

The Commission's decision-making role is, however, pre-eminent and the number of number of "exclusively NCI" projects submitted directly to the Commission is likely to rise in coming years.

Although there is no minimum eligibility ceiling, only projects of some importance are likely to be considered. There does exist, however, the facility of global loans which can be used by "intermediate" financing bodies for on-lending to small and medium-sized firms.

At present the only Community interest subsidies available are those granted in ITALY and IRELAND under a system linked to the European Monetary System (1). The Commission is, however, planning to use funds in the ERDF Non-quota Section for this purpose for projects in areas affected by the steel crisis. It is also considering the creation of a specific instrument for energy saving projects to provide interest subsidies on NCI loans in this sector.

Potential proposers should contact :

- the Commission (2)
- the EIB (1)
- national financing bodies specializing in assistance to small and medium-sized firms.

(1) See EIB section

(2) COMMISSION OF THE EUROPEAN COMMUNITIES : Directorate-General for Economic and Financial Affairs, 200 rue de la Loi - B 1049 BRUSSELS, tel. 235 11 11

III - NCI ACTIVITIES

The following are some of the most important loans awarded :

in 1981 :

- construction of a section of the gas pipeline between ALGERIA and ITALY (103 km in CALABRIA) ITALY..... 7.9 million ECU
- PARIS-BORDEAUX motorway (A 10) - POITIERS-BORDEAUX section - FRANCE.....40.3 million ECU
- repairs to 1 179 state schools damaged in an earthquake in November 1980 in CAMPANIA and BASILICATA, ITALY.....55.7 million ECU

in 1982 :

- framework agreement for the financing of advance factories and houses under the industrial development programme in the MEZZOGIORNO (Cassa per il MEZZOGIORNO) ITALY.....100 million ECU
- agreement on a global loan for the CEPME. This agreement supplements that already concluded between the CEPME and the EIB for projects in priority areas. It will mainly be used to finance investment projects in industry and the hotel trade in the following regions : RHONE-ALPES, PROVENCE, COTE D'AZUR, ALSACE and ILE DE FRANCE, FRANCE.. 80 million ECU

in 1983 :

- global loans to Finansieringsinstituttet for Industri og Håndvaerk A/S for finance for small businesses..... 10 million ECU
- working a small opencast lignite mining business in GREECE..... 24 million ECU
- construction of "turnkey" and "tailor-made" factories through the intermediary of the Irish State..... 4 million ECU

IV - FINAL REMARKS

The New Community Instrument is not only an additional instrument which can be used by the EIB under certain circumstances (areas of intervention, eligible areas) but also a more political tool since it relies on the participation of the Council and Commission.

This role gives it :

- greater flexibility to satisfy Community priorities at given times (SMEs innovation, etc...)

- specific scope to provide aid for disasters (earthquakes);
- a degree of flexibility in the examination of financing conditions for projects and definition of loan terms;
- the possibility of providing funds for industrial projects (e.g. for SMEs) in cases where the EIB cannot do so from its own resources in view of the regional priority it assigns to industrial projects.

LOANS FROM THE

EUROPEAN COAL AND STEEL COMMUNITY

(E C S C)

The ECSC - established by the 1951 Treaty of PARIS - not only provides financial aid towards technical and economic research and for retraining workers, but also has two distinct instruments to benefit coal and steel undertakings :

- the first, provided for by Article 54 of the Treaty, supports programmes of direct relevance to the coal and steel sectors
- the second, provided for by Article 56, depends more on the state of the market and focuses on the social side by promoting economic activities that will make it easier to reabsorb redundant coal and steel workers.

The ECSC raises loans on the capital markets and onlends free of charge on the same terms -usually in a single currency, according to what is available on the market.

I - UNDER ARTICLE 54

A - ECSC ASSISTANCE IS AVAILABLE

For :

- investment programmes (i.e. investment in capital goods and buildings) some of which may set out to protect the environment affected by the coal and steel industries. (Examples include the investments made in steel works in the MEZZOGIORNO region in ITALY and in SARDINIA and the modernization of production units in the SAARLAND or in LORRAINE).
- industrial programmes (i.e. programmes concerning capital goods, buildings and plant modernization or conversion) where the aim is :
 - . to increase production or to reduce production costs, as in the case of the thermal power station now being shared by a number of steel undertakings in the LORRAINE region in order to cut costs;
 - . to facilitate the marketing of the quantities of coal and steel produced, for example by converting an oil-fired power station to coal.

B - The loans may not exceed 50 % of the cost of the investments specified by the programme. However, the steel crisis has forced down the total volume of loans granted. The countries which have benefited most are GERMANY (both coal and steel) and FRANCE and ITALY (steel only). The sole contact with whom the applicants have any direct dealings is the Commission of the European Communities itself.

C - Three per cent interest rebates are available over five years for investments concentrating specifically on the environmental or energy saving aspects. Since 31 December 1982 this facility has been extended to include projects relating to installations and equipment relating to the combustion, handling and preparation of coal, and to the treatment and disposal of effluents, whose purpose is essentially to promote the consumption of Community coal. The interest rebate is calculated on the total amount of the Community loan expressed in ECU and is paid direct to the borrower in the relevant national currency on the date interest falls due. Projects may be financed directly (direct loan) or in the form of global loans (not exceeding 15 million ECU) through the intermediary of an institution which provides the guarantee vis-à-vis the ECSC and covers the promoter's exchange risk. The ECSC is directing an increasing number of promoters to this second possibility (the first global loans are being negotiated, in particular with Charbonnages de FRANCE and the FFI in the UNITED KINGDOM).

D - In a bid to improve housing conditions for coal and steel workers the ECSC offers long term (i.e. 15 to 20 years) loans at extremely low interest rates (between 1 % and 2 % per annum) to encourage the building of housing or the modernization of older homes.

II - UNDER ARTICLE 56

Loans are granted to undertakings which create new job opportunities in regions suffering because of their declining coal and steel industries.

A - ELIGIBLE INVESTMENT

Investment in industrial activities outside the coal and steel industries which create genuine long-term job opportunities is eligible.

In addition, consideration may also be given to investment in the establishment of industrial areas comprising advance factories, and the redevelopment of industrial sites, provided that the investment in question is closely linked to the creation of new activities.

The loan may not exceed 50 % of the investment specified for the project, and a 3 percentage point interest rebate over five years may be granted on the basis of no more than 20 000 ECU per job created for former coal and steel workers. The latter condition is likely to be eased in the case of the areas hardest hit

by the steel crisis. (1)

In the coming months the only condition for the granting of an interest rebate is likely to be the guarantee of new jobs being created for people living in these areas.

These loans are granted to firms and public bodies directly or in the form of global loans. The sole contact with which promoters have any direct dealings is the ECSC. However, promoters and the ECSC departments are tending to use the global loans system to an increasing extent for practical reasons, such as the question of the exchange risk guarantee and the loan guarantee.

Among the latest direct loans granted by the ECSC mention can be made of :

the establishment of a food packaging plant in WALES (124 jobs created; loan of 12 830 000 ECU with an interest rebate).

B - GLOBAL LOANS

This type of loan is on the increase, and is becoming the most common one for conversion redevelopment projects, as it offers many advantages :

- promoters whose loan applications do not exceed the 7.5 million ECU ceiling do not have to bear the exchange risk
- finance can be provided for SMEs (employing fewer than 500) which are now the ones which for the most part create new jobs in redevelopment areas (finance can also be provided for setting up firms)
- the interest rebate is raised to 5 % over 5 years only for global loans in the areas which are the hardest hit by the crisis, subject to the "social clause" (see above)
- loans are granted to promoters in the relevant national currency
- in general, Governments cover exchange risks only in the case of global loans (and in particular in respect of the financial intermediaries most dependent on them)
- the combination of the exchange risk guarantee and the interest rebate may be particularly attractive, especially in countries in which credit is particularly expensive.

In FRANCE, for example, global loans granted to financial institutions benefiting from the exchange risk guarantee (Crédit National, CEPME, Financeder) would enable them to offer promoters very advantageous conditions (rates of 12.75 % for loans in French Francs over 15 years and only 7.75 % for the first 5 years for projects in accordance with ECSC criteria are envisaged) directly or via other credit institutes (Banques Populaires, Sociétés de Développement Régional).

(1) A list of these areas is being prepared.

However, similar examples are also encountered in the UNITED KINGDOM (latest loans to the WELSH DEVELOPMENT AGENCY)

- the interest rebates and exchange guarantee enable intermediaries to grant these loans in specific fashion in accordance with ECSC criteria and not to use them simply in order to increase their financial capacity without the final promoter deriving direct benefit.

C - EXAMPLES OF GLOBAL LOANS

Many global loans are being prepared, covering mainly the UNITED KINGDOM, ITALY and FRANCE and to a lesser extent IRELAND, GREECE, BELGIUM. Apart from the general ECSC conditions, financial intermediaries may, with the ECSC's agreement, lay down special conditions concerning the number of jobs created, and the size of the business or of the project.

All projects come into consideration, from the establishment of an agri-food-stuffs unit in Wales to the extension of a bakery and the construction of a road haulage depot.

Among the latest operations, mention can be made of the following :

- A credit line of DKR 82 million (approximately 10 million ECU) for the Finansieringsinstitutet for Industrie og Håndvaerk, COPENHAGEN, which will be used in particular in the north-east of ZEALAND in DENMARK for the creation of approximately 750 new jobs (500 of which will be offered on a priority basis to redundant ECSC workers in particular those from the Danske Stalvalsevaerk.
- DM 30 million (approximately 13.22 million ECU) to the DEUTSCHE BANK AG, DUSSELDORF, which will be used in the German steel and mining areas, in particular in North RHINE/WEST PHALIA with a view to creating 1 000 new jobs, 660 of which will be offered on a priority basis to redundant workers.
- DM 50 million (21.9 million ECU) to the WESTDEUTSCHE LANDESBANK AG, GIROZENTRALE, DUSSELDORF, which will help create approximately 1 600 new jobs, 1 100 of which will be offered on a priority basis to redundant ECSC workers.
- LIT 15 000 million to the MEDIOCREBITO FRIULI-VENEZIA-GIULIA which will be used in the FRIULI-VENEZIA-GIULIA steel area and should enable 500 jobs to be created.
- LIT 50 000 million to the ISTITUTO MOBILIARE ITALIANO which will be used in all the Italian steel areas, in particular in VALLE D'AOSTA, GENOA, SESTO SAN GIOVANNI, BRESCIA, ALESSANDRIA, TURIN, NOVARA and FRIULI-VENEZIA-GIULIA. A total of 1 800 jobs will be created.
- LIT 40 000 million (29 million ECU) to MEDIOCREBITO LIGURE for the LIGURIA steel area.

LIST OF USUAL FINANCIAL INTERMEDIARIES

BELGIUM :

CAISSE NATIONALE DE CREDIT PROFESSIONNEL
Avenue des Arts 8
B 1040 BRUXELLES
Tel. : (02) 218 44 20

FEDERAL REPUBLIC OF GERMANY :

SAARLANDISCHE INVESTITIONSKREDITBANK
Johannisstraße 2
Postfach 8 83
D 6600 SAARBRUCKEN
tel. : (06 81) 3 60 61

INDUSTRIKREDITBANK
Karl Theodor Straße 6
Postfach 11 18
D 4000 DUSSELDORF 1
tel. : (02 11) 8 22 11

BAYERISCHE HYPOTHEKEN UND
WECHSEL BANK
Theatinerstraße 11
Postfach 20 05 27
D 8000 MUNCHEN
tel. : (0 89) 2 36 60

WESTFALENBANK
Hüstraße 21-25
Postfach 10 27 10
D 4630 BOCHUM 1
Tel. : (02 34) 61 61

BANK für GEMAINWIRTSCHAFT
Theaterplatz 2
Postfach 22 44
D 6000 FRANKFURT/MAIN 1
tel. : (60 00) 25 80

BAYERISCHE WEREINSBANK
Kardinal FAULHABER Straße 1 und 14
D 8000 MUNCHEN 2
tel. : (0 89) 2 13 21

FRANCE :

LORDEX
109 boulevard d'Haussonville
F 54041 NANCY CEDEX
Tel. : (28) 27 05 22

BANQUE POPULAIRE DE LORRAINE
3 rue François de Curel
B.P. 124
F 57021 METZ
Tél. : (8) 769 24 12

BANQUE POPULAIRE DU NORD
66 boulevard de la Liberté
F 59000 LILLE
tel. : (20) 52 82 40

CREDIT NATIONAL
45 rue Saint Dominique
F 75700 PARIS
tél. : 555 91 10

BANQUE POPULAIRE DE LA LOIRE
1 place de l'Hôtel de Ville
F 42007 SAINT ETIENNE CEDEX
tél. : (77) 33 39 61

SOCIETE DE DEVELOPPEMENT REGIONAL
DU NORD ET DU PAS DE CALAIS
108 rue de Jemappes
F 59000 LILLE
Tél. : (20) 55 62 80

CREDIT INDUSTRIEL D'ALSACE ET DE
LORRAINE (CIAL)
4 avenue Robert Schuman
B.P. 48
F 57021 METZ CEDEX
Tel. : (8) 774 91 52

CAISSE D'EQUIPEMENT DES P.M.E.
14 rue du 4 Septembre
F 75002 PARIS
tél. : 298 80 00

FINANCEDER et Sociétés de =>
Développement Régional

ASSOCIATION NATIONALE DES SOCIETES
DE DEVELOPPEMENT REGIONAL
11 bis rue BALZAC
75008 PARIS
tél. : (1) 359 29 18

IRELAND :

THE INDUSTRIAL CREDIT COMPANY Ltd
26 Merrion Square
IRL DUBLIN 2
tel. : 6 47 71 and 6 27 84

ITALY :

F NLOMBARDA
Piazza Belgioioso 2
I 20121 MILANO
tel. : (06 11) 70 58 57

MEDIOCREDITO PIEMONTESE
Piazza Solferino 22
I 10121 TORINO
tel. : (0 11) 53 47 42

GRAND DUCHY OF LUXEMBOURG :

SOCIETE NATIONALE DE CREDIT ET D'INVESTISSEMENT
3 rue de la Congrégation
L LUXEMBOURG
tél. : 47 83 15

NETHERLANDS :

DE NATIONALE INVESTERINGSBANK
Carnegieplein, 4
NL DEN HAAG
tel. : (70) 46 94 64

UNITED KINGDOM :

INDUSTRIAL AND COMMERCIAL FINANCE
CORPORATION
91, Waterloo Road
UK LONDON SE1 8XP
tel. : (01) 9 28-78 22

CO-OPERATIVE BANK
1 Balloon Street
UK MANCHESTER M60 4 EP
tel. : (0 61) 8 32-34 56

SCOTTISH DEVELOPMENT AGENCY
120 Bothwell Street
UK GLASGOW G2 7JP
SCOTLAND
tel. : (0 41) 2 48-27 00

CLYDESDALE BANK LIMITED
30 St. Vincent Place
UK GLASGOW G1 2HL
tel. : (0 41) 2 48-70 70

WELSH DEVELOPMENT AGENCY
UK Pontypridd
Mid Glamorgan CF37 5UT
tel. : (04 43 85) 26 66

NATIONAL WESTMINSTER BANK Ltd
Domestic Banking Division
41, Lothbury
UK LONDON EC2P 2BP
tel. : (01) 6 06-60 60

BARCLAYS BANK Limited
3 Queen Victoria Street
UK LONDON EC4P 4AT
tel. : (01) 6 26-15 67

THE ROYAL BANK OF SCOTLAND Ltd
PO Box 31
42 St Andrew Square
UK EDINBURGH EH2 2YE
tel. : (0 31) 5 56-85 55

ENERGY DEMONSTRATION PROJECT

Since 1978 the Commission has granted financial aid (repayable under certain conditions) for demonstration projects in the field of energy saving and alternative energy sources (solar and geothermal energy, liquefaction and gasification of solid fuels, wind energy, substitution of hydrocarbons by solid fuels, biomass and energy from waste).

Demonstration is the link between the R & D stage - sometimes tested in a pilot plant - and the later investment stage. It differs :

- from the R & D and pilot stages in the fact that the projects are tested on industrial scale, and the requirement that they show prospects of economic viability
- from the investment stage in that the inherent risks are still considered by the entrepreneurs to be too high.

The projects must be proven by full-scale tests to offer reliable new techniques or technologies which have passed the research stage but whose application is restricted because the technological risks involved are higher than for an conventional industrial project.

The main criteria for project selection are the technical prospects (ratio of energy savings for an energy-saving project and ratio of new energy sources produced for an alternative energy project) and the existence of real prospects that the project will quickly lead to the development and large-scale marketing of the process in question.

I - FUNDING ARRANGEMENTS

Community legislation states that the total amount of Community and/or national aid may be no less than 25 % and no more than 49 % of the total cost of the project. Depending on the size of the project, Community aid varies in general from 10 to 40 % of the cost of the "innovatory and demonstration" part of the project (other costs such as the construction of buildings, etc... cannot be accepted).

If the project is commercially successful, half of the aid must be repaid. Commercial success is defined as any exploitation for commercial ends or the sale of licences. The criteria and the terms of repayment are defined when the contract is concluded between the Commission and the proposer (in particular the target aimed at : energy savings or the production of new energy sources). Interest is payable from the date of "commercial exploitation of the project" (this may be no later than 12 to 15 months after the work has been completed). The interest rates are those of the European Investment Bank at the time the contract is signed and are based on market rates (aid may be granted in ECU or in national currencies and this choice obviously also governs the repayment).

There is no limit to the cost of projects proposed, but the Community contributions do not generally exceed 2 million ECU.

II - REVIEW

Since 1978 nearly 500 projects have been approved. The main ones are listed below :

- energy saving
- solar energy
- geothermal energy
- coal liquefaction and gasification

TITLE	Total cost (ECU)	Community aid (ECU)
<u>ENERGY SAVING</u>		
Gas-engine driven heat pumps for space heating in offices Beil Telephone, ANTWERP BELGIUM.....	521 932	208 770
Combined incineration of domestic and industrial wastes and steam production CCI, BAR-LE-DUC, FRANCE.....	1 984 732	717 557
Energy saving in crop drying by means of an evaporator utilizing waste heat BRIAN FRANK FRASER SMITH, UK.....	241 122	96 450
<u>SOLAR ENERGY</u>		
Glaverbel S.A., BELGIUM.....	51 413	18 543
Solar heating of greenhouses at CAMPORASSO, ITALY.....	180 872	72 340
<u>GEO THERMAL ENERGY</u>		
Sinking of geothermal borehole at Cronenbourg (67) for heating of industrial and residential buildings.....	305 343	91 603
<u>COAL LIQUEFACTION AND GASIFICATION</u>		
Liquefaction by hydrogenation of brown coal, R.B.W. Ag. COLOGNE.....	99 685 000	4 326 800

III - HOW TO APPLY FOR AID ?

Invitations to submit proposals for projects are published in the "C" series of the Official Journal of the European Communities. Any natural or legal person may reply to these invitations. (1)

Between 1979 and 1981 three invitations to submit proposals were issued for energy-saving projects, three for solar energy projects, three for geothermal projects and one for coal liquefaction and gasification.

On average there are 5 to 10 times more applications than projects selected. The budget allocation has been growing steadily each year, as can be seen from the trend in commitment appropriations between 1978 and 1983 :

	ENERGY SAVING	ALTERNATIVE ENERGY SOURCES
1978	4 million ECU	11 million ECU
1983	30 million ECU	25 million ECU

(100 million ECU for 1985). The breakdown of funds by sector depends on the importance and impact of the projects in question, although balance is maintained between energy saving, new energy sources, solid fuels and electricity.

In 1984, the Commission introduced a new procedure whereby at the beginning of each year a single invitation is issued to submit project proposals in all the priority areas, these being for 1984 :

- energy saving
- liquefaction and gasification of solid fuels
- solar energy
- biomass and energy from waste
- hydroelectric power
- wind energy
- use of solid fuels
- use of electricity and heat

Where energy saving is concerned, the demonstration must relate to the quantity of energy saved as a result of the process developed. Where the other areas are concerned, the novelty of the process in question in the area selected is the important factor.

The budget available for 1984 totalled 87 million ECU, and proposals had to be received no later than 31 May 1984, in two of the Official Journals in question (approval decisions are expected by the end of 1984).

It is likely that the invitations to submit project proposals in future years will follow similar procedures.

(1) See lexicon : Official Journal of the European Communities and where to obtain it.

The main conditions which the projects have to satisfy are as follows :

- they must either relate to the creation of full-size installations enabling alternative energy sources to be exploited or energy to be saved or hydrocarbons to be substituted in significant quantities, or relate to the realization of pilot industrial or demonstration installations for the liquefaction or gasification of solid fuels;
- they must exploit innovatory techniques, processes or products or a new application of techniques, processes or products which are already known and whose R & D stage is considered to be over;
- they must be likely to encourage other installations of the same type;
- they must offer promising prospects of industrial and commercial viability as shown by prior studies and research;
- they must present difficulties with regard to finance because of the considerable technical and economic risks involved, to the extent that they would very probably not be carried out without public and/or Community financial support;
- they should, in principle, be carried out within the territory of the Community. Exceptionally, however, insofar as it is apparent that the execution (complete or partial) of a project in a non-Community country, for example in a developing country, is consonant with Community interest, particularly on account of its special characteristics, such a project could benefit from financial support if judged suitable by the Commission and subsequently approved by the Council on a proposal from the Commission.

Any proposals received are examined by the relevant departments of the Commission of the European Communities which, after giving their technical opinion, submit them to an advisory committee comprising representatives of the national authorities.

The Commission's choice of often rival projects is determined by the interest and support shown by these national authorities in the projects submitted.

You are therefore advised to obtain the approval of the national authorities before submitting a proposal and to consult the relevant Directorate of the Commission in advance to ensure that the project is eligible.

COMMISSION OF THE EUROPEAN COMMUNITIES

Directorate-General for Energy

Energy demonstration projects

200 rue de la Loi

B - 1049 BRUSSELS

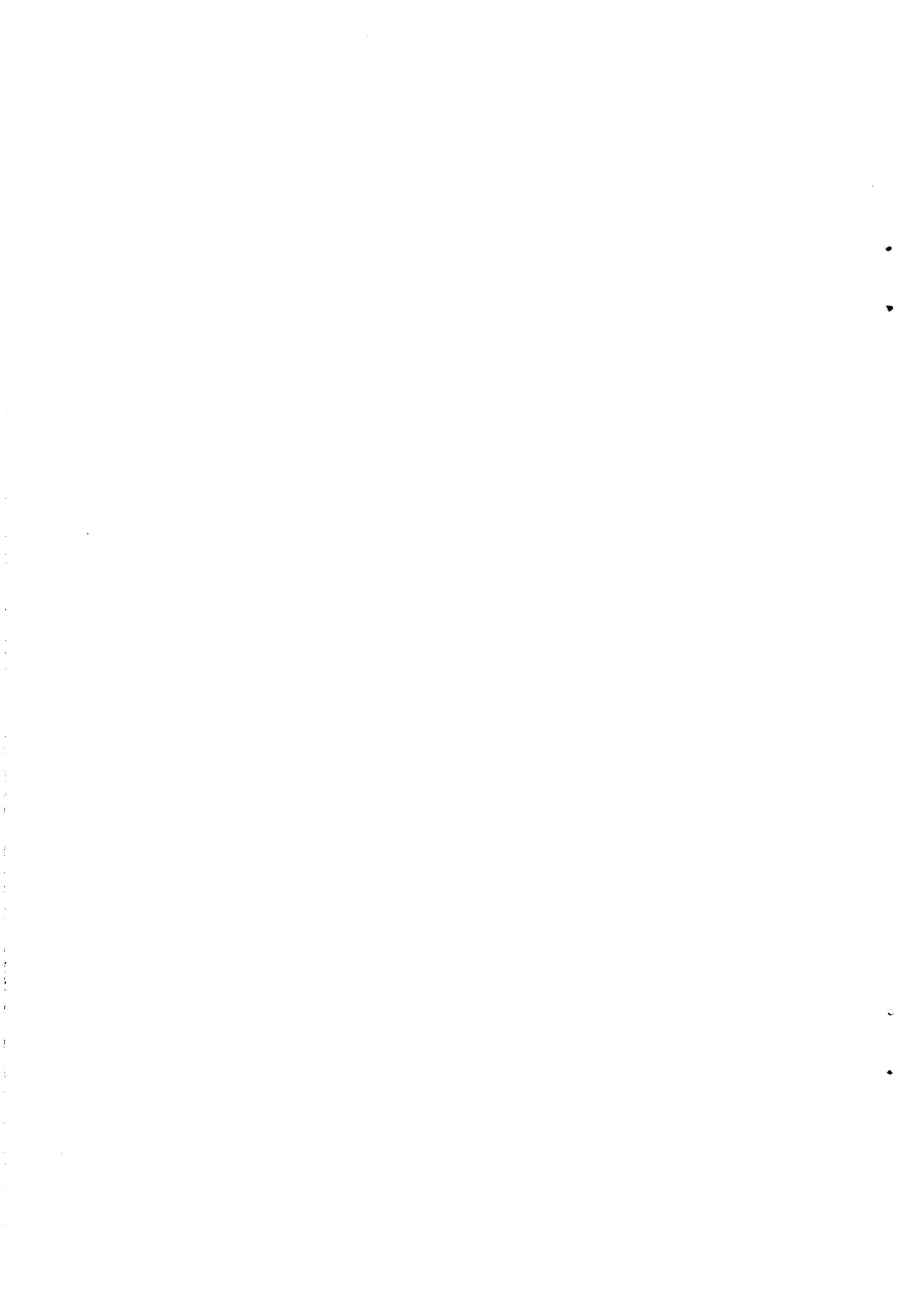
(32) (2)

tel. : 235 11 11

The following are responsible for examining proposals (for 1984) :

- Energy saving :
 - . transport..... Mr ROMA
 - . industry..... Mrs SIRCHIS and Mr BUNGE
 - . buildings..... Mr REPUSSARD

- District heating networks..... Mr COLLING
- Solid fuels..... Mr FURFARI
- Hydroelectric power..... Mr GERINI
- Solar energy..... Mr KAUT, DALDRUP and JOELS
- Biomass..... Mr FERRERO
- Wind energy..... Mr NACFAIRE



COMMUNITY SUPPORT FOR
ACTION RELATING TO THE ENVIRONMENT
(NEW OPERATION)

After two years of pilot experiments, the Council of the European Communities has adopted a Regulation making it possible to finance demonstration projects relating to the environment.

1 - IT IS MAINLY A QUESTION OF :

- Demonstration projects aimed at developing new "clean" technologies, i.e. technologies which cause little or no pollution and which may also be more economical in the use of natural resources, in the following areas : surface treatment, leather industry, chemical industry, textiles industry, cellulose and paper industries, extractive industries and the agri-food industry.
- Demonstration projects aimed at developing new techniques and methods for measuring and monitoring the quality of the natural environment.

2 - BY WAY OF A GUIDE, 6.5 MILLION ECU ARE EARMARKED FOR THESE PROJECTS IN THE 1984 BUDGET.

Financial support from the Community may not exceed 30 % of the cost of the projects involved.

To be eligible, projects must also :

- In the case of the demonstration of clean technologies : implement innovatory technologies or procedures for which the research phase may be considered to have been completed but which are still untested or not yet in existence in the Community; be, by virtue of their demonstration value, such as to encourage the creation of other similar installations which are capable of noticeably reducing adverse effects on the environment; and first and foremost concern installations or processes which, because of the large amount of their emissions or the particularly dangerous nature thereof, seriously harm the environment.
- In the case of the development of new measuring and monitoring techniques and methods : cover first and foremost air, water and soil pollutants and contribute towards the harmonization and comparability of measurement results within the Community

3 - THE INVITATION TO SUBMIT PROJECT PROPOSALS IS PUBLISHED ONCE A YEAR IN THE OFFICIAL JOURNAL OF THE EUROPEAN COMMUNITIES ("C" SERIES)

(1)

Applications are to be sent to the competent authorities of the Member State concerned (Ministry, Secretariat of State or other authority responsible for the environment - usually to their International Relations Directorate) and must contain the following particulars :

- a detailed description of the project, including in particular the organization of its management and the results expected;
- the timetable for carrying out the project;
- the nature and extent of the technical and economic problems inherent in the project;
- the cost of the project, its viability and the financing arrangements proposed;
- the extent to which experience in the matter may encourage introduction of the technique, process or product on a broad scale in the Community, the prospects for general application of the technique, process or product and the benefits that may result from it for the environment and the economy as a whole;
- any other factor which may justify the financial support requested;

4 - CONCLUSION

The small amount of funds available in the budget at present for this type of support makes it even more important to take into account the following factors when formulating and submitting an application :

- it is necessary to have the approval of the competent national authorities, which have to give their opinions on the projects within the Advisory Committee set up for this purpose;
- it is necessary to have the approval of the national (and preferably the European) trade federations in the sectors concerned (chemical industry, leather industry, textiles industry, cellulose and paper industries, extractive industries, and the agri-food industry).

Contact should first be made with the Commission departments concerned :

DIRECTORATE-GENERAL FOR THE ENVIRONMENT
AND CONSUMER PROTECTION

Division XI/A/3 : Protection and management of Land,
the environment and natural resources - economic
aspects and public awareness.

COMMISSION OF THE EUROPEAN COMMUNITIES
200 rue de la Loi
B 1049 BRUSSELS

tel. : (32) (2) 235 11 11

(1) See Lexicon.

SUPPORT FOR INNOVATION AND THE
DISSEMINATION OF SCIENTIFIC AND TECHNICAL INFORMATION
TO FIRMS

Over the last few years the Commission Task Force on Industrial Innovation and the DIRECTORATE-GENERAL for the Information market and Innovation have been attempting to evolve a Community policy in this field.

I - FIRST STEPS

The first steps taken have been designed primarily :

- to provide easier access to Community research results by distributing a review entitled "EURO-ABSTRACTS" (1) (available in English only) and by making the data available on the EABS data bank, which can be accessed via the EURONET (2) and ECHO (3) network;
- to publicize the Community's invitations to submit proposals for research and development projects, events on industrial innovation and details of the latest major publications, either through the EURONEWS (4) service or in the NEWSLETTER (5)
- to promote selected pilot projects to encourage firms in Europe to work together to use new technologies (this programme is being run jointly by the Lyon Chamber of Commerce and Industry and by the East Bavarian Technology Transfer Institute in Regensburg, GERMANY);
- to organize symposia to inform the government, banking and business circles concerned;
- to keep European specialists on scientific and technical information and on practical applications for research informed of the methods used in other countries (e.g. the 1983 mission to JAPAN);
- to work with, and provide start-up aid for, European associations for :
 - . Local authorities who wish to exchange innovations and novel products with a view to encouraging projects tailored to their specifications and requirements in fields such as energy saving, waste treatment and so forth (STECLA) (6);
 - . technology transfer institutes (TII) (7); and
 - . financing specialists (EVCA) (8).

II - On 26 October 1983, the Council of the European Communities approved a "plan for the transnational development of the supporting infrastructure for innovation and technology transfer (1983 to 1985)". (9)

Most of the new measures contemplated by the Community will fit into this plan, which has been allocated a budget of 10 million ECU.

A "Consultative Committee" consisting of representatives appointed by the Member States is the central element of the Plan in so far as it plays the leading part in deciding on the list of priority actions laid down in the Plan.

The first package of measures will entail :

- Setting up a technological "early-warning" office to provide magazines or publications for general distribution with a free supply of specialist articles on new technologies from other European countries (the Community will provide the funds to buy the articles);
- Adding a European dimension to conferences :
 - . by providing financial support for conferences on technologies of Europe-wide interest;
 - . by providing logistic back up for Europe-wide events (in the form of mailing lists, etc...)
 - . by disseminating details of the Community research discussed at these conferences (in the Newsletter, etc...)

The Community also plans to support technology conferences whose findings could be of use to small and medium-sized firms.

- Supporting the TII's activities :
 - . by providing degressive financial support to run the Association;
 - . by funding activities organized by the Association (e.g. the fifteen-day fact-finding stays by technology transfer officials from the Member States);
- Supporting the activities of the STECLA and of the EVCA;
- Encouraging other forthcoming projects to develop relations between universities and industry.

II - Beyond the Plan, the Commission departments concerned also hope to encourage the development of innovation and business-creation centres in regions which have been hit by the steel crisis and are now having to switch to other industries. The Commission Directorate-General for Regional Policy (10) will provide support in the form of :

- financial aid towards studies on the feasibility of setting up centres of this type; and
- support of organizing a Europe-wide network of centres of this type (starting with the organization of a series of conferences).

FURTHER INFORMATION

- (1) EURO-ABSTRACTS : is available from
Mr Hans Ludwig SCHERFF
D.G. XII/A/2
Bâtiment Jean Monnet
Plateau du Kirchberg
LUXE BOURG
tel. : (352) 4301 29 48
- (2) The EURONET-DIANE network, was designed and set up by the Commission and the PTT administrations in the Member States. Its main purpose is to encourage exchanges of scientific, technical and socio-economic data between Community countries. For further details :
 - on technical points : contact the EURONET Department of your country's PTT Administration;
 - on the data bases and data banks accessible : a comprehensive guide can be obtained free of charge by writin to :
EURONET DIANE
LAUNCH TEAM
P.O. Box 777
LUXEMBOURG
- (3) The EABS data base is managed by the ECHO (European Community Host Organization) system : 15 avenue de la Faïencerie LUXEMBOURG
tel. : (352) 20764
- (4) EURONEWS is a computerized system which supplies information, in English only, via the videotex system (PRESTEL in the UNITED KINGDOM, VIDETEL in the NETHERLANDS and BILDSCHIRMTEXT in GERMANY). For further details contact :
Mr Ruggero RAPPARINI
D.G. XIII/A/2
Bâtiment Jean Monnet
Plateau du Kirchberg
LUXEMBOURG
tel. : (352) 4301 27 80
- (5) NEWSLETTER is a freesheet available (in English only) on request from :
COMMISSION OF THE EUROPEAN COMMUNITIES
D.G. XIII/A
PO Box 1907
LUXEMBOURG
or by telephoning (352) 4301 29 18
- (6) STECLA : Standing Technological Conference of European Local Authorities
Contact :
Mr Bruce B. GOODMAN
D.G. XIII/A/3
Bâtiment Jean Monnet
P.O. Box 1907
LUXEMBOURG
tel. : (352) 4301 29 59
STECLA Secretariat :
Mr W. OXBURGH
c/o IUTEP Ltd.
250 Bedford Chambers
COVENT GARDEN
LONDON WC2

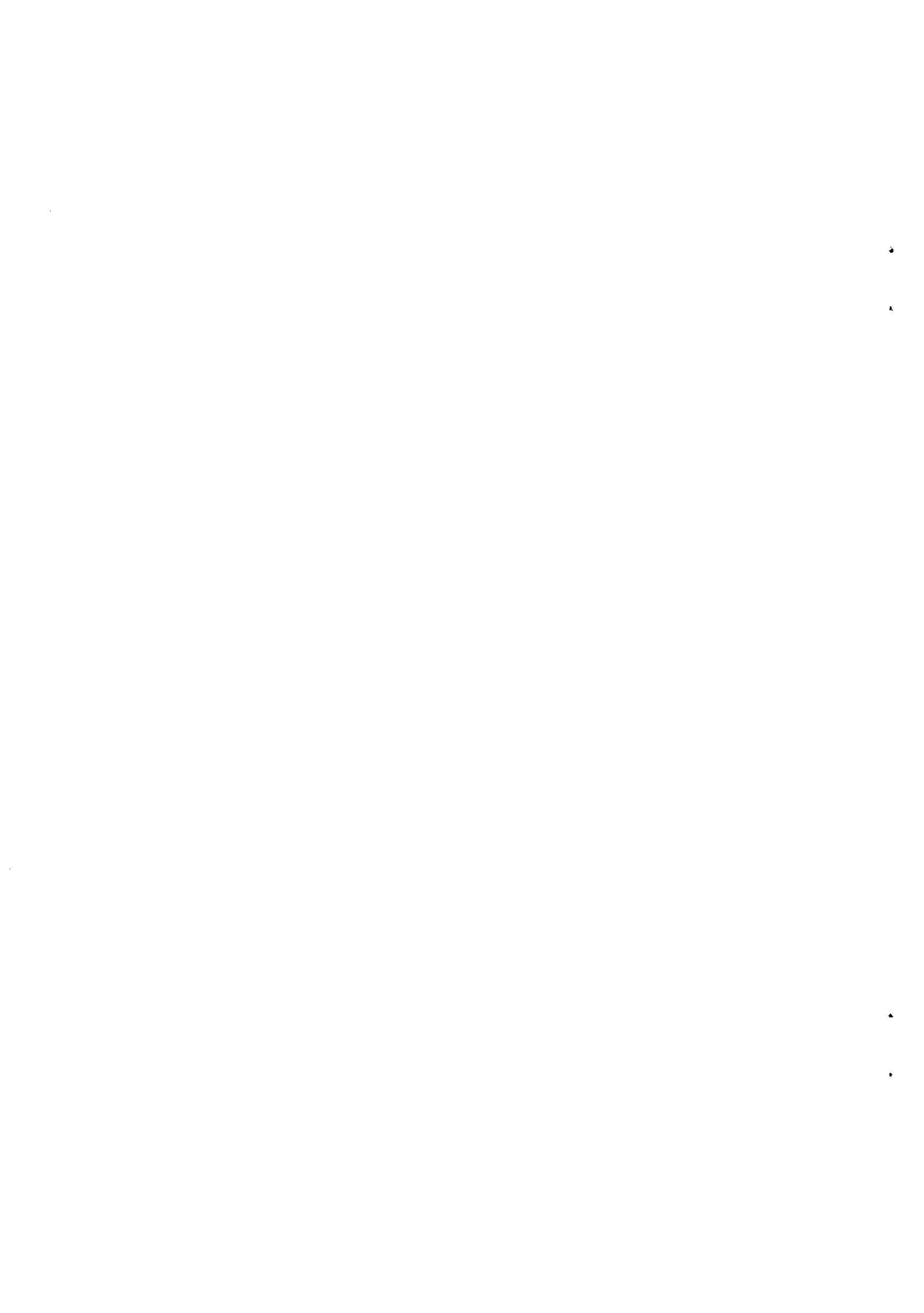
- (7) TII : Association Européenne pour le Transfert de l'Information Industrielle
B.P. 1704 (GISL)
7 rue Alcide DE GASPERI
L 1017 LUXEMBOURG
tel. : (352) 438 096
- (8) ECVA
Philippe ROELANDT
EUROPEAN VENTURE CAPITAL ASSOCIATION LIAISON OFFICE
Clos du Parnasse, 11 F
1040 BRUXELLES
tel. : (32) (2) 511 52 51
- (9) Plan for the transnational development of the supporting infrastructure for innovation and technology transfer (OJ L 353 15 December 1983).
For further details, contact :
Mr J.M. GIBB
COMMISSION OF THE EUROPEAN COMMUNITIES
DIRECTORATE-GENERAL XIII
Division A2
Bâtiment Jean Monnet
LUXEMBOURG
tel. : (352) 4301 2918 / 2197
- (10) Contact :
Mr J. DEKKER
Division XVI / B / 4 "CONVERSION"
COMMISSION OF THE EUROPEAN COMMUNITIES
Rue de la Loi, 200
B 1049 BRUXELLES
tel. : (32) (2) 235 34 20 / 34 21

PART THREE

INTEGRATION OF THE COMMUNITY'S FINANCIAL INSTRUMENTS

1 - INTEGRATED DEVELOPMENT SCHEMES

2 - INTEGRATED MEDITERRANEAN PROGRAMMES (IMPs)



INTEGRATION OF THE COMMUNITY'S FINANCIAL INSTRUMENTS

INTEGRATED DEVELOPMENT SCHEMES

AND

INTEGRATED MEDITERRANEAN PROGRAMMES

I - INTEGRATED DEVELOPMENT SCHEMES

Since 1978, the Commission has been experimenting with a new method of operation designed to offer more effective, more intensive Community and national aid to selected regions.

To promote the development of these regions a coordinated plan will be used combining all the different national and Community structural funds, including the European Regional Development Fund, the European Agricultural Guidance and Guarantee Fund, the European Social Fund, ECSC loans and aid, loans from the European Investment Bank and loans from the New Community Instrument.

A - GENERAL PRINCIPLES

1 - Only regions proposed by the national authorities can be considered for aid by the Commission. It is therefore up to the local authorities, firms and the regional Chambers of Commerce to make the first move before the Community or the national authorities can contemplate a scheme of this type.

One point which must be emphasized is that these experiments are very limited :

- they require relatively extensive preparation and monitoring;
- they are only meaningful in regions where conditions are broadly uniform; and
- the Community always hopes to reach a consensus with all the economic, social and political groups concerned on the programme to be carried out.

Nonetheless, the opening experiments have given a clearer idea of the profile of the "ideal region" :

- either an extremely clearly-delimited inner-city region with grave economic problems (e.g. due to a crisis in one of its leading industries, such as the steel industry, textiles or the shipbuilding industry or because of chronic weaknesses in the economic fabric of the city, as in NAPLES and BELFAST)
- or an underdeveloped agricultural region (e.g. upland regions,

islands or peripheral regions).

The scheme has the best chance of success in regions drawing aid from the Community's most active structural funds, i.e. :

- the internally-generated development programmes promoted by the European Regional Development Fund;
- the specific projects sponsored by the agricultural fund; and
- the ECSC conversion loans and the regional development loans from the European Investment Bank.

2 - All the projects in the programme must apply separately for aid from each of the Funds concerned in line with the usual procedure and must satisfy the relevant rules and criteria for each Fund. however, they are given priority when it comes to awarding the resources available (e.g. they will be guaranteed funds).

Integrated schemes give rise to no extra expenditure apart from :

- appropriations for feasibility studies (to which 2 million ECU were allocated in the 1984 budget);
- payments to fund specific pilot schemes which do not satisfy the usual criteria applied (i.e. 33 million ECU granted for schemes to regenerate the urban environment under the integrated scheme for BELFAST);
- EAGGF payments to support specific agricultural programmes ("integrated development programmes");
- the funds set aside for the Integrated Mediterranean Programmes.

3 - Possible schedule for an integrated scheme :

Stage one : Member State applies for a feasibility study.

Stage two : Implementation of the study under the supervision of a steering committee including representatives of the local and national authorities concerned.

Stage three : Finalization of the programme to provide a general framework for the scheme : definition of the specific objectives, description of the measures planned, timetable, methods of funding and procedure for coordinating the instruments concerned (maximum duration : 4 or 5 years).

Stage four : Implementation of the scheme under the auspices of the national and local authorities, assisted by a special committee consisting of representatives of both sides of industry, of the chambers of commerce and industry, elected politicians and EEC departments.

4 - Fields covered

Integrated Development Schemes should cover all aspects of economic and social life with a bearing on the expansion of the region concerned, e.g. :

- basic infrastructure;
- public capital investment, roads, transport systems and communications;
- energy supplies
- schemes to attract industry;
- agriculture;
- the craft industries, small and medium-sized firms and the service industries;
- tourism;
- conservation of land, forests and the environment in general;
- vocational training;
- scientific research and innovation,
- ...

5 - Conditions for the submission of projects :

- the projects must fit into the programmes agreed
- they must follow the usual channels for each of the Funds
- the national or regional authorities responsible for carrying out the project on the spot will be the partner with whom the Fund authorities deal.

B - SCHEMES IN PROGRESS

NAPLES integrated scheme :

Scheme to attract industry, improve the inner-city environment, expand the port and to create jobs (run by the local authorities).

BELFAST integrated scheme :

Scheme to improve transport infrastructure, improve sewage treatment facilities, etc. (run by the local authorities).

Agricultural integrated development schemes

- . In the Western Isles of the UNITED KINGDOM (run by the local authorities);
- . In the LOZERE Department in FRANCE (run by the Prefect's Office for the Department);
- . South-East BELGIUM (run by the Walloon Regional Authorities).

All these schemes put the accent on developing the region's indigenous resources (e.g. small firms and the craft industries in the UNITED KINGDOM, livestock farming and forestry in LOZERE) by directing EAGGF grants towards specific projects.

In addition, the ERDF grants aids towards infrastructure projects (on the craft industries in LOZERE or on shipping) links with the UNITED KINGDOM and towards internally-generated development schemes in specific regions (promotion of tourism in the Western Isles and aid to small firms in LOZERE)

Schemes planned in the years ahead (on which feasibility studies are now being carried out)

- . FRANCE : Industrial conversion in LORRAINE, NORD PAS DE CALAIS and ARIEGE plus schemes in the upland regions of the MASSIF CENTRAL and PROVENCE.
- . GERMANY : SAARLAND

II - INTEGRATED MEDITERRANEAN PROGRAMMES

In March 1983, the Commission sent the Council proposals for a series of "Integrated Mediterranean Programmes (IMP)". It opened with a review of the situation in the Mediterranean regions and then proposed various programmes to develop rural areas of the Mediterranean.

These programmes are to be spread over six years and to fill in some of the gaps left by the programmes sponsored by the conventional Community funds.

They extend to the whole of GREECE, the MEZZOGIORNO region, LAZIO, TUSCANY, UMBRIA, MARCHE and LIGURIA in ITALY and to LANGUEDOC-ROUSSILLON, CORSICA and PROVENCE - COTE D'AZUR in FRANCE where AQUITAINE and MIDI-PYRENEES also receive support for schemes to promote certain types of Mediterranean agriculture.

However, they do not cover the big towns and cities in any of these regions nor the built-up coastal regions of FRANCE and CENTRAL and NORTHERN ITALY where tourism is a year-round activity.

These programmes are highly detailed, though the precise content is tailored to the country or region concerned. Generally they are split into two sections :

- First, agricultural measures to improve production, marketing and processing structures and to bring agricultural production more into line with market requirements (this section also covers forestry);
- Second, measures to promote small and medium-sized firms, fishing and aquaculture, the craft industries, rural tourism and renewable sources of energy.

In essence, the aim has been to increase the existing instruments' capacity to provide financial aid to these regions with a view to developing southern Europe faster than northern Europe, which is reputed to have gained more than the South from the Community not only for its industrial goods but also for its agricultural produce.

So far the proposals have aroused considerable interest, all the more so since the budget forecasts suggest an extra EEC contribution of 6 628 million ECU over the six-year period, in return for which the Member States receiving the aid will be expected to put up an extra 4 345 million ECU.

Nonetheless, the rate at which the proposals can be put into action all depends on the outlook for the Community budget. At the time that this "Practical handbook" was written the Council still had not formally approved these proposals and it was impossible to foresee exactly what arrangements would be made.

Nonetheless, in 1984 the Commission set an example by embarking on a series of pilot projects to prepare the ground for the IMPs.

The primary aim of these pilot projects is to combine aid from the ERDF, ESF and EAGGF to form integrated schemes (see above) allowing extra support in the form of study grants and top-up funds over a two-year period (December 1983 to December 1985) for measures which fail to satisfy the standard criteria for aid.

COUNTRY	AREA	TOP PRIORITIES	AUTHORITIES RESPONSIBLE
ITALY	OGLIASTRA and NUORO (SARDINIA)	Livestock farming and forestry, craft industries, rural tourism, aquaculture and water supply	SARDINIA autonomous regional authorities
FRANCE	Inland areas of CORSICA	Rural infrastructure, forestry and forest products, measures to raise the market value of agricultural produce, services to be shared by small firms, rural tourism and measures to stimulate the economy	CORSICA Regional Assembly (Office for Rural Development)
FRANCE	Five hill-farming regions in the L'HERAULT Department	Land-use planning, measures to increase the market value of wood, sawmills, seasoning plants and woodworking firms, vocational training, tourism facilities	L'HERAULT general Assembly (Economic Development Department)
GREECE	LESBOS and LEMMOS (2 separate projects)	Study of marine resources, aid towards the development of small firms (services to be shared between several firms), campaign to promote, advertise and coordinate management of the tourism facilities	LESBOS Prefect's Office (in NOMOS)
GREECE	Whole country (fishing and aquaculture only)	Processing and marketing of fish products, experimental project to start up small ice making units, provision of technical assistants and development of aquaculture projects	Ministry of Agriculture, Directorate for Fisheries

COUNTRY	AREA	TOP PRIORITIES	AUTHORITIES RESPONSIBLE
FRANCE	CORSICA, LANGUEDOC-ROUSSILLON, PROVENCE, COTE D'AZUR and AQUITAINE (fishing and aquaculture only)	Protection of the marine environment, test project to develop new products	Fund to promote and organize the market sea-food
ITALY	Aquaculture and fisheries	Similar projects to those in GREECE and FRANCE	Ministry for the Merchant Navy
ITALY	Inland areas in the province of VITERBO	Planting of orchards, marketing centre for agricultural produce and tourism	Latium Regional Authorities
GREECE	IONNINA region EURITANIO area PRESPEs region (separate projects)	Agriculture (livestock farming) rural tourism, vocational training, communications, infrastructure, services to be shared between small firms, starting-up a wood-processing centre, fisheries, seminars to keep small firms informed	Prefect's Office responsible (NOMOS)
ITALY	Rural areas in ABRUZZI	Agriculture (increasing the market value of agricultural produce and by-products), expansion of the craft industries and of small firms (particularly those working with wood and wool), production of energy from agricultural waste and development of rural tourism	ABRUZZI Regional Authorities (L'AQUILA)

PART FOUR

RESEARCH, INDUSTRIAL COOPERATION,

SCHOLARSHIPS - TRAINEESHIPS - EXCHANGES

- 1 - THE COMMUNITY'S CONTRIBUTION TOWARDS RESEARCH PROJECTS
- 2 - THE BUSINESS COOPERATION CENTRE (BCC)
- 3 - THE CENTRE FOR INDUSTRIAL DEVELOPMENT (CID)
- 4 - TRAINEESHIPS IN THE COMMISSION OF THE EUROPEAN COMMUNITIES
- 5 - SCHOLARSHIPS AND STUDENTSHIPS WITHIN THE COMMUNITY
- 6 - EXCHANGES OF YOUNG WORKERS



THE COMMUNITY'S CONTRIBUTION

TOWARDS RESEARCH PROJECTS

With outside help, the Commission of the European Communities is conducting a series of research and development programmes in the form of "indirect action" covering a wide variety of fields, including :

- Energy (both energy saving and new sources of energy);
- Nuclear safety;
- Environmental assessments and protection;
- Environment;
- Recycling of paper and board;
- Climatology;
- Projects to further the development of clean technologies;
- New information technologies (under the ESPRIT programme) (1);
- Machine translation systems;
- Biotechnology;

The Community normally contributes between 25 % and 50 % of the cost of the project, though sometimes more - indeed even the full 100 % in special cases, particularly where the project is of interest to nobody but the Community. Beneficiaries are not required to repay the Community aid, regardless of the outcome of their research.

Calls for the submission of projects are published in the Official Journal of the European Communities ("C" series). They are open to research institutes, companies or private individuals anywhere in the Community.

As soon as the proposals are received, they are examined by the relevant departments of the Commission of the European Communities and then forwarded to an advisory committee for the research programme for its opinion. The Committee is made up of experts designated by the Member States. Applicants are therefore strongly recommended to make sure that they have the support of the competent national authorities before they apply.

The contracts are negotiated directly with the Commission of the European Communities and take one of the following standard forms :

- cost-sharing contracts, where the payment arrangements depend on the amount of aid provided for in the contract;
- contracts of association;
- expert contracts;
- study contracts.

An inventory of the results of the Community's research programmes is published in "EURO-ABSTRACTS".

Further information can be obtained from :

COMMISSION OF THE EUROPEAN COMMUNITIES
Directorate-General XII
Public Relations Department
Dr Ernest BOCK
200, rue de la Loi
B 1049 BRUSSELS
tel. : (32) (2) 235 11 11

The Commission has also published an excellent brochure -entitled "VADEMECUM OF CONTRACT RESEARCH" - which is available in all the major Community languages, from the same address.

(1) Esprit programme (OJ C 47, 20.2.1984).

The programme was adopted in 1984 (although it started up in 1983). It is to run for five years and includes subprogrammes in the following fields :

- . advanced microelectronics
- . software technology
- . advanced information processing
- . office systems
- . computer integrated manufacture

There are to be two types of project :

- type A projects constitute an intermediate stage on the way to long-term R & D activities. As a rule the Community subsidizes 50 % of the project cost, the other 50 % being put up by the industry itself. These project must have a European Community dimension and should involve the participation of at least two companies with no previous connections based in different Member States of the EEC.
- type B projects are projects which require more limited resources and are basically "secondary" activities which can be carried out by small and medium-sized firms (in which case the Community may increase its level of funding beyond the 50 % ceiling). It is not always essential for the project to involve participation by undertakings from at least two Member States.

Proposals in respect of both type A and type B projects are submitted in response to invitations published regularly in the Official Journal of the Communities.

For any further information, please contact :

Mr Richard NOBBS
INFORMATION TECHNOLOGIES TASK FORCE
COMMISSION OF THE EUROPEAN COMMUNITIES
200, rue de la Loi
B 1049 BRUSSELS
tel. : (32) (2) 235 38 59

THE BUSINESS COOPERATION CENTRE

(B C C)

The Business Cooperation Centre was set up in 1973 by the Commission of the European Communities. Popularly known as the "Marriage Bureau", its activities have increased remarkably over the last five years.

I - INDIVIDUAL COOPERATION

The BCC was originally set up to bring into contact with each other European firms seeking forms of cooperation. However, because of shortage of staff and resources the BCC has not been able to perform this task as fully as it would like. It is nevertheless continuing its activities although progress is very slow and priority is being given to requests from PORTUGAL and SPAIN, which have applied to join the EEC and GREECE.

In fact, the BCC is now tending to play the role of adviser to firms seeking partners in Europe by putting them in touch with similar national or regional bodies

II - COLLECTIVE COOPERATION

The BCC has had to concentrate its efforts on PORTUGAL and SPAIN, and GREECE. On 19 march 1981 a first symposium was held in BRUSSELS on industrial investment and cooperation in GREECE followed by a second, more specialized, symposium on the agri-food stuffs industry in ATHENS on 24 and 25 June 1982. On 15 and 16 November 1982 another seminar was held in BRUSSELS on industrial cooperation between the EEC and PORTUGAL in the textiles clothing and ceramics industries.

The aim of such collective events is to enable industrialists and businessmen in the country concerned, be it a new member or an applicant country, to acquaint themselves with the market and to alert industrialists in other Member States to the scope for cooperation on the local market.

The symposia also enable individual industrialists to forge useful contacts with their counterparts outside the official working sessions.

In the 1984, the BCC is organizing a similar symposium with SPAIN on the agri-food stuffs industry as part of the TECNO-ALIMENTARIA Fair in BARCELONA.

At the same time the BCC has helped to arrange information and sectoral training missions for Greek and Portuguese entrepreneurs and has helped with industrial cooperation schemes set up by European trade federations.

III - PROMOTION OF SUB-CONTRACTING

The BCC became active in this area at the behest of the industry and its activities have increased considerably over the years. As more progress was made, it emerged that there was increasing need for transparency, information and cooperation. This has been done by :

- compiling standard nomenclatures : two have already been completed - one for the metals section and the other for the plastics and rubber sectors - and others are being prepared for electrical engineering, electronics, robotics and pneumatic and hydraulic units, wood and wood derivatives, and industrial services. This work is being done at the request of and with the assistance of the industries (see following page).
- compiling a register of trade fairs on sub-contracting and publishing a calendar of events in Europe in order to encourage greater harmonization.
- compiling a register of sub-contractors' exchanges and attempting to coordinate their services by arranging exchanges of information.
- organizing periodic meetings of government sub-contracting experts.

IV - THE FUTURE OF THE B C C

The B C C is also working towards setting up a computerized system to match request for business partners with the offers circulated in the Member States and to exchange information on business cooperation, subcontracting and technology.

It will be possible to extend this system to include non-member countries.

Finally it should be stressed that the BCC is always available to help and advise on any European industrial, technological or service project envisaged between two countries or at European level.

BUSINESS COOPERATION CENTRE
COMMISSION OF THE EUROPEAN COMMUNITIES
5 Rond-Point SCHUMAN
B 1040 BRUSSELS
tel. : (32) (2) 235 45 26

Head : Luigi MOROSI

ANNEX

The metals sector nomenclature has recently been re-edited (and the plastics and rubber nomenclature is in the process of revision).

These publications are designed to encourage sub-contracting both nationally and internationally by providing industrialists, particularly those in small firms, with a standard means of defining their branch of subcontracting in the nine different languages.

These definitions, and their foreign Language equivalents, cover the types of products made by the sub-contractors, means of production and the products made by the principals.

These nomenclatures can be used by sub-contractors and principals as a multilingual tool when defining their business relationships.

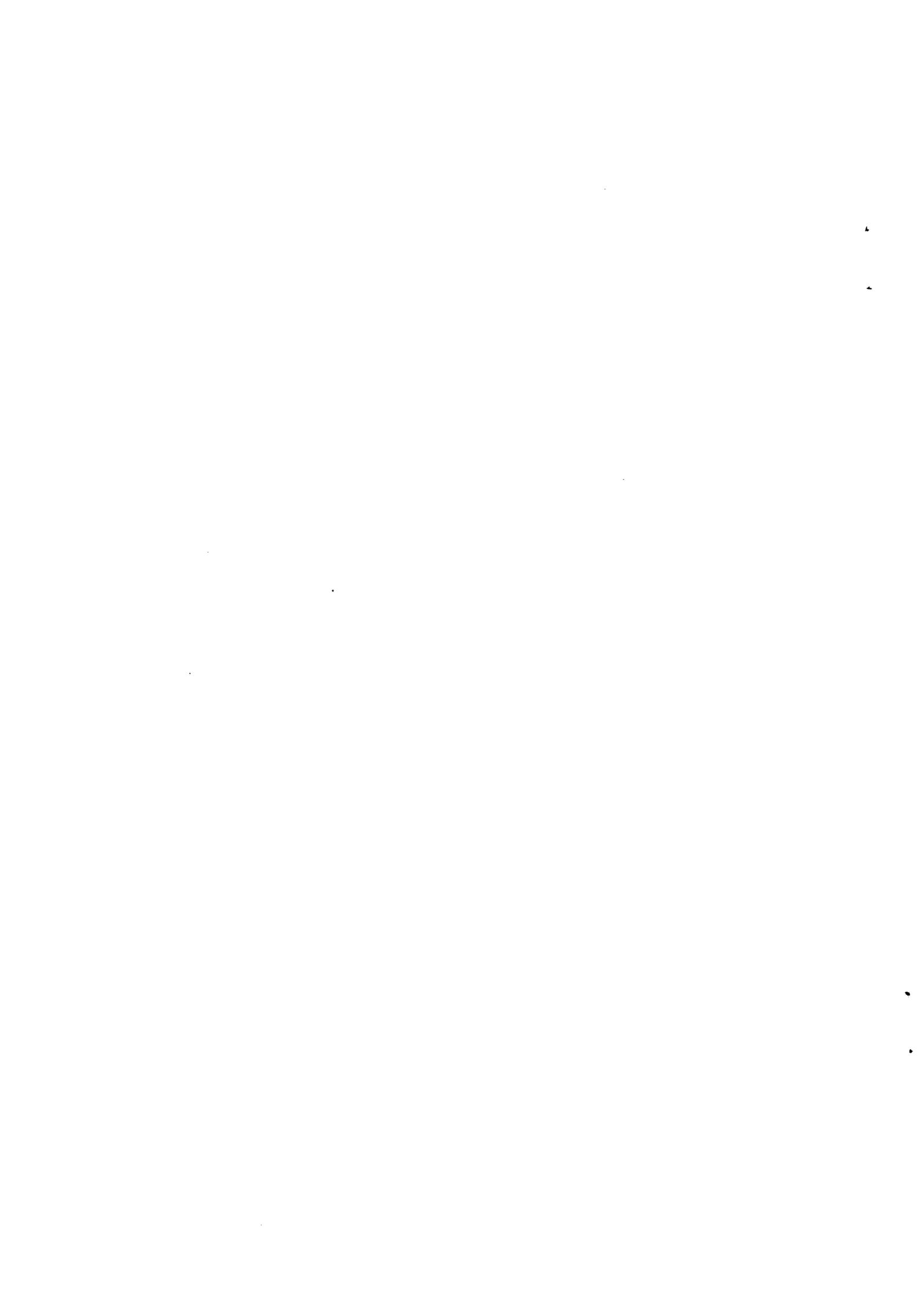
They can also be used as a reference by bodies interested in having a systematic directory of sub-contracting.

The nomenclature on the metals sector is in four parts :

- Part A : NOMENCLATURE OF PRODUCTS MADE BY SUB-CONTRACTORS
This part contains eight chapters and lists the types of products likely to be made on a sub-contracting basis, making it possible to define the production of a sub-contractor and the degree of technical complexity of which he is capable.
- Part B : NOMENCLATURE OF PROCESSES AND MEANS OF PRODUCTION
This part is also in eight chapters and describes the processes and means of production used by sub-contractors, including, if required, the nature of the raw material used, the manufacturing methods available and the technical precision of which the sub-contractor is capable.
- Part C : NOMENCLATURE OF PRODUCTS MADE BY PRINCIPALS
Taken from the Common Nomenclature of Industrial Products (NIPRO), published by the Statistical Office of the European Communities, this lists products made by principals so that it is possible to specify in which areas a firm has worked as a sub-contractor.
- Part D : COMPANY DATA SHEET
This clearly sets out all the information contained in Parts A, B and C and is used to select the sub-contractor best qualified for fulfilling a particular order. The data sheet also describes the sub-contractor's potential and means of production, and his experience.

Published in Danish, Dutch, English, German, Greek, Italian, Portuguese and Spanish, this publication may be obtained wherever the Official Journal of the Communities is on sale (see list) and from the Office for Official Publications of the European Communities.

5 rue du Commerce
L 2985 LUXEMBOURG
tel. : 49 00 81 - 49 01 91.



THE CENTRE FOR INDUSTRIAL DEVELOPMENT

(C I D)

The CID, which was set up in 1977 under the First Lomé Convention, seeks to promote industrial cooperation between the Community and the ACP states (1).

In the initial stages the CID's function is to put European and ACP industrialists in touch with each other. It can do this in two ways :

- by publishing in the ACP Courier or distributing to firms or bodies already on its files industrial cooperation offers from European industrialists or from ACP sponsors seeking European partners;
- holding regular sector meetings in Europe at which industrial cooperation requests selected in the ACP States are put to European industrialists.

Later on the CID offers its assistance to industrialists in the form of advice in negotiations. This assistance may take many different forms such as :

- financing a feasibility study;
- providing standard joint venture, management and marketing agreement forms;
- training ACP nationals in Europe;
- acting as mediator and adviser throughout the project;
- paying the cost of any travel required in the drawing up of a cooperation agreement (in full for an ACP industrialist and up to 50 % for a European SME).

(1) The ACP consists of 64 African, Caribbean and Pacific countries which have cooperation agreements with the Community.

The ACP Courier which is published every two months reports on the state of cooperation and the activities of the CID and the European Development Fund. It is distributed free of charge and may be obtained from Mrs M. VAN DER WERF, Circulation Department, COMMISSION OF THE EUROPEAN COMMUNITIES, 200 rue de la Loi - B 1049 BRUSSELS.

Examples of agreements concluded or assisted by the C I D

- construction of a shipyard (fishing vessels) on Lake TANGANYIKA (feasibility studies);
- Belgian-Gambian joint venture to set up a tannery (assistance and mediation throughout the project);
- restructuring of a brick works in the CONGO (paying sponsor's travel costs to EUROPE).

Examples of meetings held by the C I D

A meeting was held in BRUSSELS on 26 and 27 October 1982 at which food industry projects selected in ECOWAS (Economic Community of West African States) countries were offered to European industrialists.

FINAL REMARKS

Despite the small (financial and staff) resources at its disposal - a fact which does, nevertheless, give it a very large degree of flexibility - the C I D can offer a very wide range of services to small and medium-sized firms which wish to take advantage of industrial cooperation to set up business in an ACP State.

Firms specializing in technical assistance and training bodies may also find markets of interest to them by approaching the CID.

All a firm has to do to be included in its file of industrial enterprises or consultants is to contact the CID. It will then receive details of and be given first refusal of offers relating to its sphere of activity.

The C I D's address :

28, rue de l'Industrie
B - 1040 BRUSSELS
tel. : 513 41 00
Telex : C D I 61427

TRAINEESHIPS IN THE COMMISSION OF THE EUROPEAN COMMUNITIES

Two five-month trainee courses are organized every year by the Commission of the European Communities, one starting in mid-February and the other in mid-September.

Applications must be submitted by 30 April for the traineeship beginning on 15 September and by 30 September for that beginning on 15 February.

I - ADMISSION AND SELECTION OF CANDIDATES

Eligibility criteria :

- The candidate must hold a recognized further degree (doctorate, master's degree, higher diploma from a "grande école", etc...);
- The candidate must have a very good knowledge of at least two Community languages;
- Priority will be given to candidates who can show that :
 - . they have studied problems to do with the Community;
 - . they hold, or will hold once the traineeship is over, in the private or the public sector, a post which requires a knowledge of the Community institutions;
- Age limit : 30

II - SELECTION PROCEDURE

On their application forms candidates must indicate the department (s) in the Commission where they would like to carry out their period of training.

The Trainees Office draws up a short list on the basis of candidate's qualifications, which it then circulates to the different departments in the Commission; the senior official in each case then makes a further selection. It is essential, therefore, that candidates should contact the Directorate's in which they have expressed an interest, as soon as they learn that their name is on the short list.

III - DESCRIPTION OF THE TRAINEESHIP

Having attended a week's lectures, successful candidates are attached to a department, in whose activities they take a full part; they are also able to improve their general knowledge of the Communities through visits and talks.

A trainee receives a small grant every month (from 21 000 to 25 000 BFrs, depending on his circumstances); social security coverage is provided.

It is quite possible for a firm to negotiate with the Commission the length and nature of a training period for one of its young executives whom it wishes to become versed in Community activities.

IV - INFORMATION CAN BE OBTAINED FROM :

Mr. W KRAUS
Trainees Office
Directorate General IX
COMMISSION OF THE EUROPEAN COMMUNITIES
Rue de la Loi, 200
B - 1049 BRUSSELS
tel. : 235 16 31

SCHOLARSHIPS AND STUDENTSHIPS

I - SCHOLARSHIPS

- The Commission offers scholarships of 180 000 Bfrs for research into European integration to young university staff, lecturers and professors. The deadline for applications is always 31 march; information can be obtained from :

THE UNIVERSITY INFORMATION DEPARTMENT
COMMISSION OF THE EUROPEAN COMMUNITIES
200 rue de la Loi
B 1049 BRUSSELS

- The European Parliament offers similar scholarships known as "ROBERT SCHUMAN SCHOLARSHIPS". These are offered to students in higher education or young researchers for research carried out in the Parliament. They amount to 20 000 Bfrs a month and last for 3 months. There is no deadline for applications; information can be obtained from :

THE DIRECTORATE GENERAL FOR RESEARCH AND DOCUMENTATION
EUROPEAN PARLIAMENT
Bâtiment Robert SCHUMAN
Plateau du KIRCHBERG
LUXEMBOURG
Tel. : (352) 430 01

- The "Paul FINET Foundation" operates a scheme for giving financial support to the children of workers employed in the coal and steel industries who, since 30 June 1965 died as a result of an industrial accident or illness. The conditions are as follows :

- the child must be at least 14 years old;
- he / she must be attending a course of vocational training, general secondary education or higher education;
- he / she must have good school reports.

These grants are made annually and can be renewed. The amount is settled on an individual basis, taking into account the applicant's economic circumstances.

The executive Committee of the Paul FINET Foundation reviews applications every year (300 to 400 applicants are accepted annually)

Information can be obtained from :

Mrs. M. LENNERS
Secretary general
Foundation Paul FINET
JMO / C4 / 26 A
Jean MONNET Building
Plateau du Kirchberg
LUXEMBOURG
tel. : (352) 4301 27 39

II - STUDENTSHIPS

Studentships for specialists in training and vocational guidance are granted by the Commission with a view to promoting the exchange of experience gained under the various vocational training systems in the Member States. The latter themselves nominate the applicants and make a short list of candidates. (Government Training Departments).

Financial assistance for the implementation of joint study programmes by higher education establishments in the Member States. This is intended to promote the implementation of joint study programmes by at least two establishments in different Member States.
Applications should be sent to :

Mr Alan SMITH
Programmes Communs d'Etudes
OFFICE DE COOPERATION EN EDUCATION
51, rue Concorde
B 1050 BRUSSELS
tel. : (32) (2) 512 17 34

Grants to administrative and teaching staff in higher education establishments for the purpose of short study visits.

These grants are intended to increase the number of short study visits within the Community with a view to promoting cooperation in higher education.

Requests for information should be sent to :

THE NETHERLANDS UNIVERSITIES FOUNDATION FOR INTERNATIONAL COOPERATION
Study Assessment Division
Badhuisweg 251
PO BOX 20734
NL 2509 LS DEN HAAG

EXCHANGES OF YOUNG WORKERS

When the Treaty of Rome was signed it was planned to expand the exchange of young workers between Member States. This, it was thought, was a good way of promoting and sustaining the idea of Europe.

Oddly enough, relatively few exchanges have taken place so far, except in the agricultural sector.

This has led the Commission of the European Communities to draw up a new programme and to approach the official agencies (see Annex). The European Chambers of Commerce and Industry have come up with an original solution. Their Standing Conference expressed the view that such exchanges of young workers will succeed only if each of the three parties concerned benefits therefrom, the three parties being :

- the original firm,
- the young worker (a wage earner) and,
- the host firm.

If the young worker finds himself in a foreign company which makes little effort to welcome him, the exchange will go badly.

If, however, the original firm already has a business connection with the host firm (e.g. customer, supplier, subcontractor, partner), the exchange will provide those firms with a means of strengthening their technical, commercial and other links, and the young worker with training and promotion opportunities.

In practical terms, the plan is that these exchanges should begin with eight weeks of coaching in the foreign language of the host country, followed by a period of four to ten months in the host firm. In each country, a chamber of commerce and industry has been asked to organize the language course and look after the whole administrative side of the exchange.

The Standing Conference matches applications to offers at regular intervals and every year draws up several programmes with fixed starting dates. The young workers then become the responsibility of the coordinating chamber of commerce and industry in the host country, and then of the firm to which they have been allocated. They receive a weekly allowance of 75 EUA on average to cover their subsistence costs. Seventy-five per cent of the cost of travel (second class rail, except in special cases) is refunded. Wages are usually paid by the host firm (for which applicants will be expected to do work), although alternative arrangements can be made.

OFFICIAL AGENCIES

IRELAND

AnCo THE INDUSTRIAL TRAINING AUTHORITY
M. P. O'TOOLE, MME B. NOLAN
PO BOX 456
Baggot Court
27 - 23 Upper Baggot Str.
DUBLIN 4
tel. : 01 / 685777
telex : 24338 EI

DEUTSCHLAND

CARL DUISBERG GESELLSCHAFT e. V.
Mrs Angelika VIETEN
30 - 32 Hohenstaufenring
5000 KOLN 1
tel. : 221 / 2098225 Telex : 08/881 762 CEDEG

UNITED KINGDOM

CENTRAL BUREAU FOR EDUCATIONAL VISITS AND EXCHANGES
C. B. E. V. E.
Mr A. CLARK MORGAN, Ms Carol BEVIS
SEYMOUR MEWS HOUSE
SEYMOUR MEWS
LONDON W1H 9PE
tel. : 1/486 51 01
telex : 21368 CBEVEX

EUROPEAN COMMUNITY

CONFERENCE PERMANENTE DES CHAMBRES DE COMMERCE ET D'INDUSTRIE DE LA CEE
M. THANASSOULIAS, Mme PARIAT
Square Ambiorix 30
1040 BRUXELLES
tel. : 02 / 735 10 92
735 14 93

DANMARK

D. U. F.
DANSK UNGDOMS FÆLLESRÅD
THE DANISH YOUTH COUNCIL
M. Peter LARSEN, Ms Eva BERTRAM
Scherfigsvej 5
2100 KØBENHAVN Ø
tel. : (45) 1 298888
telex : 16886 DUF DK

ITALIA

ENTE NAZIONALE ACLI
ISTRUZIONE PROFESSIONALE
ENAIPI
Mr. M. DOSIO, Ms. M. CENA
Corso Palestro 5
10122 TORINO
tel. : 11 / 51 54 61

EUROPEAN COMMUNITY

EUROCOOP

EUROPEAN COMMUNITY OF CONSUMER COOPERATIVES

Mr. SCHONE (Secrétaire Général)

17a, rue Archimède

Boîte 2

1040 BRUXELLES

tel. : 02 / 230 14 11

230 15 68

EUROPEAN FEDERATION FOR INTERCULTURAL LEARNING

EFIL

Mr. Philip DEN OUDEN, Ms. VANGANSBEKE

Justitiestraat 35

2000 ANTWERPEN

tel. : 03 / 237 13 02

GROUPEMENT DES CAISSES D'EPARGNE DE LA CEE

M. U. LANZKE, Ms. Anne DE NECK

92-94, square E. PLASKY

Boîte 1

1040 BRUXELLES

tel. : 02 / 736 80 47

FRANCE

INTER-ECHANGES

M. C. VITRE, Mme S. STERZENBACH

9 bis rue de Valence

75005 PARIS

tel. : 1 / 337 42 69

telex : 202322

NEDERLAND

STICHTING UITWISSELING EN STUDIEREIZEN VOOR HET PLATTELAND
(STICHTING BERGEN)

M. H. HIJING, M. ELLING

DUINWEG 5

Postbus 97

BERGEN N H

tel. : 2208 / 6144

telex : 57612 SUSP NL

DEUTSCHLAND

ZENTRALSTELLE für ARBEITXVERMITTLUNG

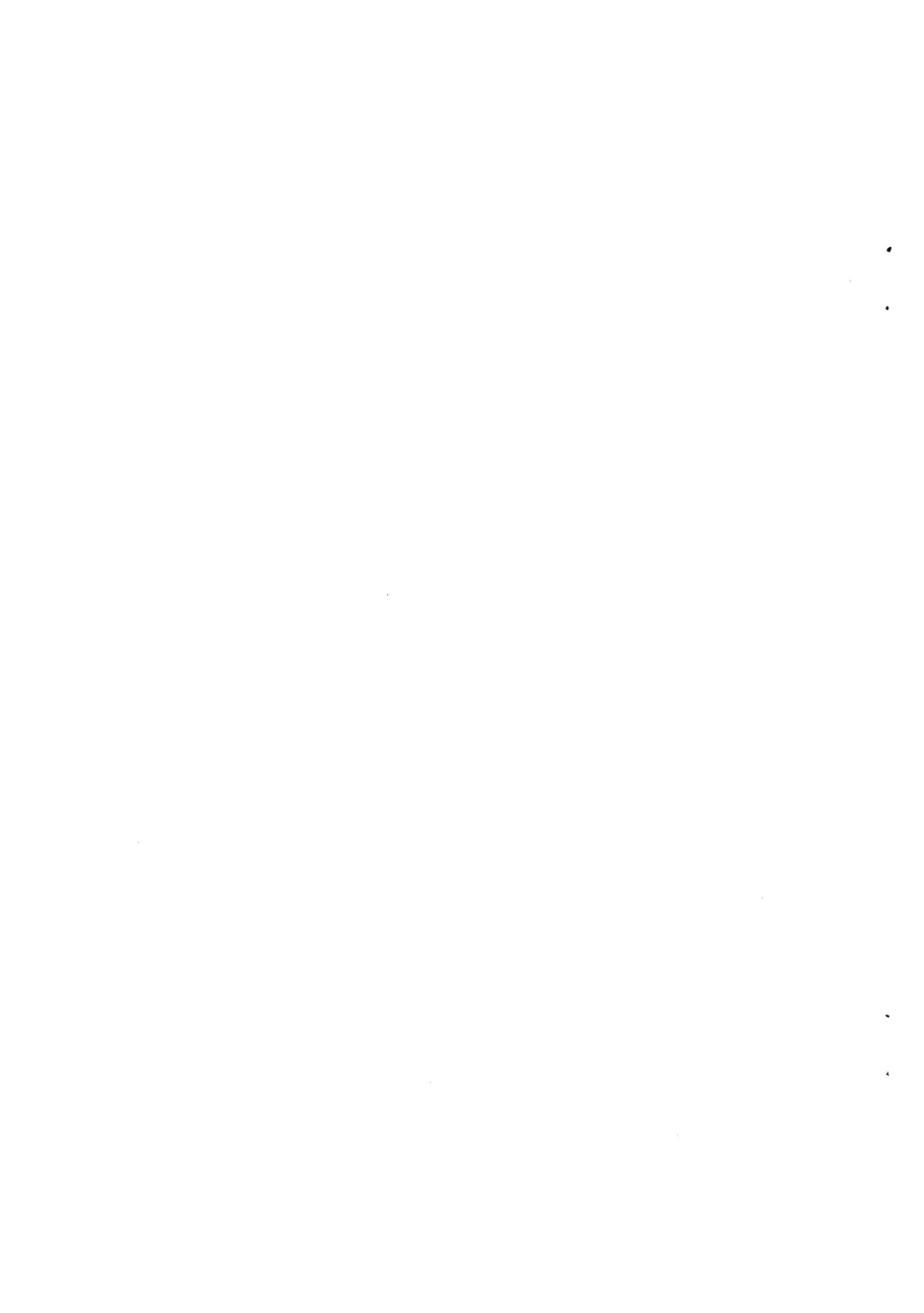
M. RONNEFAHRT, M. GEISHARDT, Ms. GOTTESLEBEN

42 - 46 Feuerbachstraße

6000 FRANKFURT 1

tel. : 611 / 71111

telex : 0411 632



PART FIVE

COMMERCIAL PROBLEMS, PUBLIC CONTRACTS AND EXTERNAL MARKETS

- 1 - THE COMMUNITY'S COMMERCIAL POLICY INSTRUMENTS
- 2 - THE OPENING-UP OF PUBLIC CONTRACTS WITHIN THE COMMUNITY
- 3 - THE MARKETS OFFERED BY THE EUROPEAN DEVELOPMENT FUND (EDF)
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EEC AND MEDITERRANEAN COUNTRIES
- 5 - COMMUNITY MEASURES TO PROMOTE EUROPEAN EXPORTS TO JAPAN

THE COMMUNITY'S COMMERCIAL

POLICY INSTRUMENTS

The Treaty empowers the Community to act on external commercial policy and to ensure that the rules of free internal movement are observed. The Commission possesses direct and indirect means of counteracting illegal import or export practices which may prejudice the interests of one or more firms. It is worthwhile looking at them briefly.

I - AS REGARDS INTRA-COMMUNITY TRADE IN PRODUCTS OF COMMUNITY ORIGIN

Import or export restrictions are prohibited by the Treaty of Rome itself. Temporary safeguard measures are permitted only for new Member States during a transition period (Greece is the only country to be granted this facility at present).

Any measure taken by a Member State or by any other competent authority to curb imports of Community products may be considered an obstacle to trade as defined in Article 30 of the EEC Treaty. It may then be referred to the Commission and / or a case may be taken to the Court of Justice which may find against the State in question to its cost.

Restrictive measures which are incompatible with the Treaty include : technical or qualitative rules prohibiting the sale in one Member State of products which are legally manufactured and sold in other Member States, technical standards, national pricing rules which prejudice imported products in some or another way, restrictions in the awarding of public supply contracts, import formalities, excessive frontier controls, customs clearance procedures which have restrictive effects, compulsory origin marking, stipulation that only national products can bear names which are neither designations of origin or indications of source, discriminatory taxation against products from other Member States, payment and credit restrictions, exclusive rights and industrial and commercial products, import timetables, aid arrangements, technical or professional conditions to be satisfied by importers and legal provisions and practices reserving the right of sale of products to certain categories, discriminatory administrative penalties, advertising rules, price guarantees, obligation to use the language of the country which is not justified as being in consumer's interest and so on.

What can a firm which is the victim of such practices in imports and exports do ?

It must first try to compile a complete dossier, if necessary with the aid of trade organizations or a chamber of commerce, and discuss with them or Commission departments the chances of winning its case and the best ways of doing so. These may be :

- to contact directly or through a national or European trade federation or chamber of commerce the Division, Safeguard measures, Removal of non-tariff barriers, at the Commission (1) which will investigate the matter and either seek to settle amicably with the Member State in question or refer the matter to the Court of Justice;
- b - to inform the national authorities concerned (Ministry of Economic Affairs) which may refer the matter to the Commission or directly to the Court of Justice;
- c - take the matter, if necessary, to the competent court of the place or country concerned. The national court may then refer the matter to the Court of Justice for a preliminary ruling. the Court will give its judgement on the substance of the case and its compatibility with the principles of the Treaty.

II - IMPORTS OR EXPORTS TO AND FROM NON-COMMUNITY COUNTRIES

As regards imports or exports to and from non-Community countries, the Commission also possesses some means of control, safeguard and action under general agreements (GATT) or special agreements it has contracted.

A - In the case of practices prohibited by GATT, subsidies or dumping practices to the advantage of imports from non-Community countries, the Commission possesses an ad hoc Regulation (2) which allows it to apply anti-dumping and countervailing duties for a temporary period. Any complaint should be made by the firm (s) concerned directly to the Commission (3) which is responsible for initiating and conducting the investigation or to the competent national authority which will forward it to the Commission. If a firm is able to deal directly with the Commission it will need the support of its trade organization or chamber of commerce, in particular to compile a dossier which should contain the following information :

-
- (1) Division III/C/1, Head of Division : Mr. Alfonso MATTERA RICIGLIANO
tel. : (32) (2) 235 79 02
 - (2) Regulation (EEC) No 3017 / 79 (OJ No L 339 of 31 December 1979) amended by Regulation (EEC) No 1580 / 82 (OJ No L 178 of 22 June 1982)
 - (3) A practical guide on how to lodge complaints, the necessary questionnaires and any advice can be obtained from Division I / D / 1, Head of Division :
Mr. Jacques BOURGEOIS
tel. : (32) (2) 235 10 81
COMMISSION OF THE EUROPEAN COMMUNITIES
200 rue de la Loi
B 1049 BRUSSELS

- a - What share of Community production is affected by the imports in question ?
 (Community production is normally defined as all the producers of identical or similar products or those producers who account for a major share of Community production. If this major share of producers can only be made up of producers from one or more Member States, a case may be brought in their name even if there are other producers in the Community. Furthermore, in exceptional circumstances, if there is a concentration of imports being dumped in one single region of the Community which has no or only negligible trading relations with other regions in respect of the product in question, the producers of the region concerned may be considered to be Community production).
- b - What injury is suffered by the firm(s) affected (this must be significant and directly attributable to the dumping practice in question) ?
- c - What concrete proof is there of dumping being practised or subsidies being given ? (This should not be confused with the concept of "Low price") The Community Regulation defines the reference value as the price which the foreign supplier usually applies in his own country for comparable sales (if there are no sales of this product in the ordinary course of trade or if these sales do not permit a valid comparison or incur a loss, the normal value can be determined on the basis of the prices of foreign suppliers to other export markets or the production costs of the foreign supplier plus a reasonable margin for overheads, other costs and profit).

It is recommended that the admissibility of the complaint be discussed with the relevant Commission departments and that they be consulted where necessary on the drafting of the requisite questionnaire. (1)

B - Under the terms of Council Regulation (EEC) No 288 / 82, the Community can carry out investigations, introduce surveillance measures and, in extreme cases, take protective measures against imports from non-Community countries likely to cause serious injury to Community producers. Sufficient justifications must be provided to prove that such measures are still compatible with GATT rules and certain preferential provisions entered into by the Community (e.g. the Lomé Convention with developing countries). They are very rarely applied (on average four or five times a year) and are, in principle, contrary to the liberal principles according to which the Community works, particularly as they run the risk of provoking retaliatory commercial measures by the countries concerned. Only the Member States themselves may refer complaints to the Commission. Since such measures may apply to only one Member State from being returned into free circulation after being imported into another Member State.

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- (1) A practical guide to the lodging of complaints, the necessary questionnaires and advice can be obtained from Division I / D / 1 of the Commission (Head : Mr J. BOURGEOIS)
- (2) OJ No L 35 of 9 February 1982.

C - The Commission recently adopted a new instrument to add to its set of measures against illegal commercial practices by non-Community countries not covered by the preceding two procedures. This has been christened the N C P I (New Commercial Policy Instrument). It has two objectives :

- a - to prevent any illegal commercial practice causing any possible injury;
- b - to safeguard the Community's exercise of its rights against certain commercial practices by non-Community countries.

Such practices which are not yet covered by the procedures already mentioned include :

- export subsidies defended by GATT which have an adverse effect on Community exports on the markets of certain non-Community countries;
- restrictions on exports of raw materials applied illegally by non-Community countries;
- systematic exclusion of Community firms from public contracts in non-Community countries;
- violation of the OECD's binding rules on export credit;
- violation of any other bilateral or multilateral agreement to which the Community is a party.

Any company may lodge a complaint directly with the Commission of the European Communities (same address as for the anti-dumping or anti-subsidy procedure). The complaint may also be made by a Member State. The dossier should contain sufficient evidence of proof of these practices. The Commission will check the facts and add any information that may be required in liaison with the national authorities. It will decide on the degree of damage sustained by analysing the following factors :

- a - volume of Community imports or exports concerned, particularly, if it has increased or decreased significantly in absolute terms or in relation to production or consumption on the market in question;
- b - the prices of Community producer's, particularly to determine whether Community producer's prices have been seriously undercut in the Community or on non-Community markets;
- c - The impact on Community production as defined in Article 2 (4), (1) as shown by the trends in certain economic factors such as production, capacity utilization, stocks, sales, market shares, prices (i.e. reductions in prices or prevention of price rises which would have normally taken place), profits, capital return, investment, employment.

(1) Regulation which has not yet been published

III - After it has examined the matter the Commission may, on its own initiative or acting on a decision by the Council, adopt by qualified majority, commercial policy measures compatible with existing international obligations and procedures (in accordance with established practice such as the conducting of a prior conciliation procedure) :

- a - suspension or withdrawal of any concession resulting from commercial policy negotiations;
- b - levying of existing customs duties or introduction of any other import tax;
- c - introduction of quantitative restrictions or any other measure changing import or export conditions or affecting trade with the non-Community countries concerned.



THE OPENING-UP OF PUBLIC CONTRACTS WITH THE COMMUNITY

In 1977, the authorities in BRUSSELS adopted a basic Directive coordinating procedures for the award of public supply contracts in the Community. This Directive entered into force in 1978 supplementing a similar Directive on public works contracts which was introduced in 1972.

These Directive require that any contract of a value exceeding 144 000 ECU, in the case of central administrations, and 200 000 ECU, in the case of other authorities such as local and regional authorities and certain legal persons governed by public law, be published in the Official Journal of the European Communities (S series which is published every day except Sunday and Monday, subscriptions can be obtained by applying to the national bodies which supply the Official Journals (see Annex).

A Community data base called T E D contains all the details published in the Official Journal. Notices are entered in the base when they are type-set for printing in the supplement - whereas the Official Journal is often not received until it is too late.

Unfortunately many Member States are not yet complying with the Directive itself or submitting public contracts in their countries in sufficient time to allow firms to submit tenders.

The creation of T E D is a great step forward. It should be added that, in addition to Community invitations to tender, there are also -through the same system - contracts issued under the auspices of GATT which account for up to three times the volume of Community contracts.

By way of example and to give some idea of the size and value of public supply contracts, it should be noted that their value is estimated (in the Community alone) to be 12 000 million ECU.

They cover a whole range of industrial products :

- over 10 % of contracts : footwear and clothing, food products, metal products and metal structures
- between 5 % and 10 % of contracts : electronic products, oil product, office and data processing equipment, paper pulp
- between 1 % and 5 % of contracts : cars, textiles, plastics, rubber, commercial vehicles, chemicals

USEFUL ADDRESSES

1 - National authorities responsible for public contracts in the Community :

BELGIUM

Administration Logistique
Marchés publics
Rue de la Loi, 16
B 1000 BRUXELLES
Tel. : 513 80 20
Telex : 62400 PRIMIN B

Logistiek Bestuur
Overheidsopdrachten
Wetstraat, 16
B 1000 BRUSSEL
Tel. : 513 80 20
Telex : 62400 PRIMIN B

The person or department to be contacted for further details is indicated in each notice of invitation to tender.

DENMARK

Direktoratet for Statens Indkøb
Bredgade 20
DK 1260 KØBENHAVN K
Tel. : 11 40 11
Telex : 19491 STAPUR DK

FEDERAL REPUBLIC OF GERMANY

Each purchasing agency appoints the department responsible for its administration. Requests for information should be made to the purchasing agency itself.

For further information contact :
Bundesministerium für Wirtschaft
Villemöblerstraße 76
D 5300 BONN
Tel. : 6151
Telex : 886747 A BMWI D

GREECE

Ypourgeio Emporiou
Geniki Dieftynsi Kratikou Promitheion
Plateia Kaningos
ATHINA
Tel. : 361 62 41

FRANCE

Ministère de l'Economie et des Finances
Commission centrale des marchés
41 quai Branly
F 75700 PARIS
Tel. : 550 71 11
Telex : 220200 FIDOUAN PARIS

Details of the contract department are given in each notice under the heading "service responsable du marché"

IRELAND

Government Contracts Committee
Department of Finance
Upper Merrion Street
IRL - DUBLIN 2
Tel. : 76 75 71
Telex : 30 357 GEEC EI

The contact departments are indicated in each notice.

ITALY

The purchasing agency concerned

LUXEMBOURG

Ministère des travaux publics
4 boulevard Roosevelt
L LUXEMBOURG
Tel. : 4781

NETHERLANDS

Ministerie van Economische Zaken
Postbus 20101
Bezuidenhoutseweg 30
NL 2500 EC's GRAVENHAGE
Tel. : 81 40 11
Telex : 31099 ECOZA NL

The purchasing agencies themselves act as contact bodies.

UNITED KINGDOM

H.M. TREASURY
Parliament Street
UK LONDON SW1P 3 AG
Tel. : 233 30 00
Telex : 262405 TRSY G

Purchasing bodies will give the address to which requests for information should be sent in details of invitations to tender.

SWEDEN

EKONOMIDEPARTAMENT
Riddarhusforget 7-9
S 10333 STOCKHOLM
Tel. : 8 / 763 10 00
Telex : 11741

Each body will appoint a person who can be contacted for any relevant information.

SWITZERLAND

BUNDESAMT für Außenwirtschaft
Bundeshaus Ost
3003 BERN
Tel. : 316 122 11

OFFICE FEDERAL DES AFFAIRES ECONOMIQUES
EXTERIEURES

UFFICIO FEDERALE DELL'ECONOMIA ESTERNA

Contact persons or bodies are always indicated in the notice of invitation to tender. More general information can be obtained from the above address.

UNITED STATES

Office of the United Trade Representative
Executive Office of the President
Winder Building
Room 507, 600
17th Street,
N.W. WASHINGTON D. C. 20506
tel. : 202 / 395 46 47
telex : 440051 itt

Each purchasing agency is required to appoint contact person(s) or body / bodies.

2 - The European Community brochure on public supply contracts in the European Community can be obtained by contacting the Press and Information Office of the Commission of the European Communities in each Member State (addresses are given in the Annex)

3 - TED Data Base
ECHO (European Community Host Organization)
15 avenue de la Faïencerie
LUXEMBOURG
Tel. : 20764

THE MARKETS OFFERED BY
THE EUROPEAN DEVELOPMENT FUND (E D F)

The E D F is the main financial instrument of cooperation between the Community and a number of African, Caribbean and Pacific Countries (a total of 61 at present, the so-called ACP States) which, for the most part, have special historical ties with some Member States (former Belgian, Dutch, French or United Kingdom territories).

This cooperation takes the form of five-year Conventions (currently Lomé II) which define the EDF's allocation and funding arrangements (now the fifth EDF).

Virtually all the rules of the Convention (including the EDF) apply to overseas territories which still have close links with some Member States (NETHERLANDS ANTILLES, BRITISH territories such as the FALKLAND ISLANDS, NEW CALEDONIA, WALLIS and FUTUNA ISLANDS, TAHITI and MAYOTTE but not the French overseas departments).

The EDF's funds have steadily grown as can be seen in the following table :

3rd E D F : YAOUNDE II - 1969	900 million ECU
4th E D F : LOME I - 1975	3000 million ECU
5th E D F : LOME II - 1980 - 1985	4600 million ECU
6th E D F : LOME III - 1986 -	7000 to 8000 million ECU

The E D F allocation does not come from the Community budget but from special contributions by the Member States, these consequently serve as an important means of control.

I - TYPE OF FUNDING

A total of 80 % of the 5th E D F is allocated in the form of non-repayable subsidies, 14 % in the form of loans on special terms (annual rate of interest of 1 % over 40 years) and 6 % in the form of risk capital (subordinate loans, conditional loans, loans to financial institutions).

The EDF may finance :

- investment in any phase of the project;
- technical cooperation schemes.

The breakdown of funding in the first four EDFs was as follows :

- transport and communication 31.8 %
(e.g. service roads on several of the FIJI Islands,
modernization of the port of DOUALA in CAMEROUN);
- agriculture and rural industries 27.1 %
(e.g. development of rice growing in RWANDA);
- social development 20.8 %
(e.g. construction of a veterinary school in SENEGAL);
- industrialization and energy 10.1 %
(e.g. installation of solar pumps in the Sahara, sugar
complex in UPPER VOLTA);
- tourism, promotion of trade, vocational training 10.2 %
(e.g. training for population of the interior of islands
by the chamber of commerce and industry of NEW
CALEDONIA).

II - E D F PROCEDURES

Once the total amount of the Fund's allocation and distribution among States is decided during the signature of the Convention, a programming mission led by Commission officials is conducted in each country to determine what projects may be eligible for funding.

The team works closely with national authorities which have the right to modify any programme adopted in the light of their priorities or economic planning imperatives.

This exercise produces an indicative programme of specific projects or specific objectives which is submitted to the representatives of the Member States for appraisal.

The next stage is the preparation of a file by the A C P State or authorities which have the supervisory power for an OCT. This is examined jointly by the E D F delegate and the relevant departments of the Commission on the spot.

After this file has been examined, a proposal for commitment of funds is drawn up. This becomes a funding decision if it is approved by the Member States within the EDF Committee.

The A C P State may now conclude a financing agreement with the Commission.

III - E D F CONTRACTS

In 1981, over 2 000 international invitations to tender were issued for projects financed by the E D F and 91 % of those were awarded to Community firms.

There are two basic principles which govern these contracts :

- they must be open to any Community firm;
- the same conditions must apply to all potential participants (in some cases preference is given to local firms if any).

The firm always deals directly with the A C P State or any body or public or private enterprise authorized by it. In the case of technical assistance it may be the Commission.

Success hinges on obtaining the correct information :

1 - For constructional works and supply contracts :

- a - Invitations to tender are published in the Official Journal of the European Communities (S series) (2) but the deadlines are extremely short : 2 to 3 months at the most;
- b - the A C P Courier (3) regularly publishes a section on the E D F (Operational situation) which reports on current or future projects;
- c - invitations to tender may also be consulted at the E D F Directorate (4), in many cases, several months before they are published in the Official Journal;
- d - in practice, firms are advised to obtain information at source (country-by-country and sector-by-sector programmes) if they wish to have it in time; they may obtain such information from :
 - . the authorities of the ACP State
 - . the EDF delegates in the ACP State (1)
 - . the relevant department in the Directorate-General for Development in the Commission.

2 - For technical assistance contracts :

The EDF departments consult a small number of firms or bodies which are already registered with them.

Contracts may be awarded in two ways :

- a - by mutual agreement. A list of four or five bodies which are always registered with the Commission and which could best perform the services requested is sent to the ACP State which can then make its selection from the proposed list.

- b - In the case of large and particularly complex or technical operations, contracts are awarded after a small number of invitations to tender has been circulated to the bodies registered. The contract is then awarded to the candidate offering the best tender in economic terms. This decision is taken jointly by the Commission and the ACP State.

All firms have to do to be put on the EDF file is to fill in a questionnaire which they can obtain on request (5).

The main criterion, however, on which the EDF assesses the applicant's capacities is of course its experience in external contracts on conditions which resemble those in the ACP States.

Bodies may be consulted in exceptional cases even if they have no actual experience, if they can provide maximum guarantees or if they specialize in an area which is highly sought after.

- (1) See the list of EDF delegations in the ACP States in the Annex.
(2) Official Journal of the European Communities (S series) :
Subscriptions, sale of single copies;

Addresses : See COMMUNITY LEXICON

- (3) The ACP Courier, which appears every two months, reports regularly on cooperation and the activities of the Centre for Industrial Development and the EDF. It can be obtained free of charge from
Mrs M. VAN DER WERF
COMMISSION OF THE EUROPEAN COMMUNITIES
200 rue de la Loi,
B-1049 BRUSSELS
tel. : (32) (2) 235 76 39
(see Annex)
- (4) E D F : Directorate General for Development
COMMISSION OF THE EUROPEAN COMMUNITIES
200 rue de la Loi
B-1049 BRUSSELS
- (5) Directorate-General for Development - Finance and Administration
Directorate VIII / E / 3 - COMMISSION OF THE EUROPEAN COMMUNITIES
200 rue de la Loi
B - 1049 BRUSSELS
Mrs DESPIC
tel. : (32) (2) 235 49 26

COMMISSION DELEGATION

NETHERLANDS ANTILLES

Mgr Kieckensweg, 24
P.O. Box 822, Willemstad, Curaçao
Tel. : 250 84 - 264 33
Telex : 1089 DELEG NA - WILLEMSTAD

BARBADOS

Sunjet House, Fairchild Street
P.O. Box 654 C, Bridgetown
Tel.: 427-4362 / 429-7103
Telex : 2327 DELEGFED WB -
BRIDGETOWN

BENIN

Avenue Roume, Bâtiment administratif
B.P. 910, Cotonou
Tel. : 31 26 84 / 31 26 17
Telex : 5257 DELEGFED - COTONOU

BOTSWANA

P.O. Box 1253
Gaborone, Botswana
Tel. : 55 599
Telex : 2403 - DECEC - GABORONE

BURUNDI

Avenue P. Lumumba, 52
B.P. 103, Bujumbura
Tel. : 34 26 / 33 25
Telex : 31 FED BDI - BUJUMBURA

CAMEROON

Quartier BASTOS
B.P. 847, Yaoundé
Tel. : 22 13 87 / 22 33 67 / 22 21 49
Telex DELEGFED 8298 KN
YAOUNDE - CAMEROON

CENTRAL AFRICAN REPUBLIC

Rue de Flandre
B.P. 1298, Bangui
Tel. : 61 30 53 / 61 01 13
Telex : 5231 RC DELEGFED - BANGUI

CONGO

Avenue Lyautey
(près de l'Hôtel Meridien)
B.P. 2149, Brazzaville
Tel. : 81 38 78 / 81 37 00
Telex 5257 KG DELEGFED -
BRAZZAVILLE

IVORY COST

Immeuble "Azur" - Bd Crozet, 18
B.P. 1821, Abidjan 01
Tel. : 32 24 28 / 33 29 28
Telex : 3729 DELCEE - ABIDJAN

ETHIOPIA

Tedla Desta Building
Africa Avenue (Bole Road) 1st Floor
P.O. Box 5570, Addis Abéba
Tel. : 15 25 1
Telex : 21 135 DELEGEUR - ADDIS ABEBA

GABON

Quartier Batterie IV
Lotissement des Cocotiers
B.P. 321 Libreville
Tel. : 73 22 50
Telex : DELEGFED 5511 GO - LIBREVILLE

GAMBIA

10, Cameroun Street
P.O. Box 512, Banjul
Tel. : 777 - 87 69
Telex : 2233 DELCOM GV - BANJUL

GHANA

The Round House - 65, Cantonments Road,
Cantonments, Accra
Tel. : 74 201 / 74 202
Telex : 2069 DELCOM - ACCRA

GUINEA

CCE Bureau Central du Courrier
Service "Valises diplomatiques" (B 1/123)
Rue de la Loi, 200, 1049 Bruxelles
Tel. : 46 13 25 / 46 13 82 (Conakry/Guinée)
Telex : 628 DELEUR CKY

GUINEA-BISSAU

Rue Eduardo Mandlane, 29
Caixa Postal 359, Bissau
Tel. : 213 360 / 212 878
Telex : 240 PUBLICO BI
ATENCAO DELEGFED BISSAU

GUYANA

64 B Middle Street South Cummingsburg
P.O. Box 10847, Georgetown
Tel. : 639 63/626 15/640 04/654 24
Telex : 2258 DELEG GY - GEORGETOWN

UPPER VOLTA
B.P. 352, Ouagadougou
Tel. : 336 346/336 348
Telex 5242 DELEGFED UV - OUAGADOUGOU

MAURITIUS (AND MAYOTTE)
61/63 Route Floreal Vacoas
P.O. Box 10 Vacoas
Tel. : 86 50 61/86 50 62/86 50 63
Telex 4282 DELCEC IW VACOAS

JAMAICA
Mutual Life Center, 2nd Floor
Oxford Road, Old Hope Rd
P.O. Box 435, Kingston 5
Tel. : 92-930 30/92-930 31/92-930 32
Telex : 2391 DELEGEK KINGSTON 5

KENYA
National Bank Building
Harambee Avenue
P.O. Box 45119, Nairobi
Tel. : 33 35 92
Telex : 22302 DELEGFED - NAIROBI

LESOTHO
P.O. Box 518 MS
Maseru, 100-Lesotho
Tel. : 23 726
Telex : 4351 LO DELEGEUR - MASERU

LIBERIA
34 Payne Avenue Sinkor
P.O. Box 3049, Monrovia
Tel. 26 22 78
Telex : 4358 DELEGFED LI - MONROVIA

MADAGASCAR
Immeuble Ny Havana - 67 hectares
B.P. 746, Antananarivo
Tel. : 242 16
Telex : DELFED MG 22327 -
ANTANANARIVO

MALAWI
Lingadzi House
P.O. Box 30102, Capital City
Lilongwe 3
Tel. : 73 02 55/73 01 73/73 05 93
Telex : 4260 DELEGEUR MI - LILONGWE

MALI
Rue Guégau - Badalabougou
B.P. 115 BAMAKO
Tel. : 22 23 56/22 20 65
Telex : 526 DELEGFED - BAMAKO

MAURITANIA
Ilôt V, Lot N° 24
B.P. 213, Nouakchott
Tel. : 527 24/527 32
Telex : 549 DELEG MIN - NOUAKCHOTT

NIGER
B.P. 10388 Niamey
Tel. : 73 23 60/73 27 73
Telex : 5267 NI DELEGFED - NIAMEY

NIGERIA
13, Karimu Kotun St. Victoria Island
PM Bag 12767, Lagos
Tel. : 61 78 52/61 08 57
Telex : 21868 DELCOM NG LAGOS NIGERIA

UGANDA
Uganda Commercial Bank Building, Plot 12
Kampala Road, 5th Floor
P.O. Box 5244, Kampala
Tel. : 33 303/4/5
Telex : 61139 DELEUR - UGA - KAMPALA

PACIFIC ISLANDS (FIJI, SAMOA, TONGA, TUVALU,
VANUATU, NEW CALEDONIA, WALLIS, FRENCH
POLYNESIA)
Dominion House, 3rd Floor
Private Mail Bag, GPO, Suva, Fiji
Tel. : 31 36 33
Telex : 2311 DELECOM FJ - SUVA

PAPUA NEW GUINEA
8th Floor - Pacific View Apartments
Pruth Street - KOROBOSEA (P.N.G.)
Tel. : 25 92 22
Telex : NE 22307 DELEUR - PORT MORESBY

RWANDA
Avenue Député Kamuzinzi, 14
B.P. 515, Kigali
TEL. : 55 86/55 89
Telex : 515 DELCOMEUR - RW KIGALI

SALOMON
P.O. Box 844 - Honiara
Tel. : 22 765
Telex : 66370 - DELECSI

SENEGAL
Avenue Albert Sarraut 57 (2e étage)
B.P. 3345, DAKAR
Tel. : 21 13 24/21 57 77/21 79 75
Telex : 440 DELGSE - DAKAR

SIERRA LEONE
2 Lamina Sankoh Street
P.O. Box 1399, Freetown
Tel. : 239 75/230 25
Telex : 3203 DELFED SL - FREETOWN

SOMALIA
Via Mak'ala Al Mukarram n° Z-A6/17
P.O. Box 943, Mogadiscio
Tel. : 21 118/21 049/811 18
Telex : 628 FED MOG SM - MOGADISCIO

SUDAN
16th Street N° 3, New Extension
P.O. Box 2363, Khartoum
Tel. : 444 85/445 10/446 75
Telex 24054 DELSU SD - KHARTOUM

SURINAME
Dr S. Redmondstraat, 239
P.O. Box 484, Paramaribo
Tel. : 993 22
Telex : 192 DELEGFED PBO - PARAMARIBO

SWAZILAND
P.O. Box A 36
Mbabane - Swaziland
Tel. : 42 908/42 018
Telex : 2133 WD DELEGFED MBABANE

TANZANIA
Extelcoms House, 9th Floor
Samora Avenue
P.O. Box 9514, Dar es Salaam
Tel. : 311 51/311 52
Telex : 41353 DELCOMEUR - DAR ES SALAAM

CHAD
Concession Setuba S.A., Route de Farcha
B.P. 552, N'Djamena
Tel. : 22 74/22 76
Telex : DELEGFED 5245 KD N'DJAMENA TCHAD

TOGO
Rue de Calais, 22
B.P. 1657, Lomé
Tel. : 21 36 62/21 08 32
Telex : 5267 DELFEDTIO - LOME

TRINIDAD & TOBAGO
2, Champs Elysées - Long Circular
Maraval
P.O. Box 1144, Port of Spain
Tel. : 62-26 628
Telex : 3421 DELEGFED WG

ZAIRE
71, avenue des Trois Z
B.P. 2000, Kinshasa
Tel. : 327 18
Telex : 21560 DECEKIN ZR - KINSHASA

ZAMBIA
P.O. Box 34871
Plot 4899
Brentwood Drive
Lusaka
Tel. : 25 09 06/25 07 11/25 11 40
Telex : 40440 DECEC ZA - LUSAKA

ZIMBABWE
P.O. Box 4252
Stability House (9th Floor)
65 Samora Machel Ave, Harare
Tel. 70 71 20/39/40/43
Telex 4811 ZW HARARE

THE MARKETS OFFERED BY THE FINANCIAL PROTOCOLS BETWEEN
THE EEC AND MEDITERRANEAN COUNTRIES

I - INTRODUCTION

Even before the enlargement of the Community in 1973 agreements of all kinds already existed with a number of Mediterranean countries (non-preferential agreements, etc...). Some of these countries were entitled to special treatment by virtue of their historic ties with some Member States.

In the wake of enlargement it was considered opportune to adopt these early agreements to the new situation and draw up a global Mediterranean Policy.

Between 1974 and 1980 a whole series of agreements was drawn up, amended, supplemented and finally ratified. They cover trade, cooperation and financial matters. These agreements run for an indefinite period but contain five-year, renewable financial protocols which serve as a framework for Community aid.

The scope and depth of these agreements vary widely from one country to another although the principle of financial and technical cooperation is the same. There are agreements with :

- the three MAGHREB countries (ALGERIA, MOROCCO, TUNISIA) with which the Community has the longest cooperation links;
- the four MASHREQ countries (EGYPT, JORDAN, SYRIA and LEBANON) with which the Community would like to have closer relations;
- CYPRUS (with its two communities) and MALTA, the two tiny island states in the Mediterranean;
- TURKEY which is an associate member of the Community and has applied for accession but its political situation is so uncertain that there has been a slowing down in cooperation;
- YUGOSLAVIA, with which a very special agreement was concluded in 1980 by virtue of its unique geographical situation and position as a transit country between the Community and GREECE (this agreement includes a large financial protocol to the value of 200 million ECU in the form of loans to improve communication links to the mutual benefit of YUGOSLAVIA and Community transit);
- ISRAEL, with which a financial protocol of very limited scope has been concluded (solely non-subsidized EIB loans), being considered the most developed country in the Mediterranean.

II - HOW THE FINANCIAL PROTOCOLS WORK

Irrespective of the type of agreement concluded, the financial protocols signed between the Community and the Mediterranean countries all operate in the same way :

- . the protocol is negotiated between the two parties one year before its expiry or renewal. The protocol defines :
 - . the overall amount of Community aid which may be allocated in the form of :
 - .. European Investment Bank Loans (from own resources);
 - .. Loans on special terms from the Community budget;
 - .. non-repayable aid from the Community budget which may take the form of 2 % interest subsidies on the EIB loans referred to above;
 - . general rules governing the use of these funds :
 - .. investment projects forming part of country's development programme (infrastructure, agriculture and rural development, tourism and, through development Banks, industrial projects for small and medium-sized firms). These are funded by (subsidized) EIB loans or loans on special terms which may be granted in the form of contributions to risk capital formation;
 - . preparatory or complementary technical cooperation measures for investment projects or cooperation schemes in the field of training which are usually financed by non-repayable aid.
 - . the protocol also provides that any public or private body or firm may participate in this financial and technical cooperation if it obtains the consent of the government concerned.
- Once the protocol has been concluded, a team of officials and experts from the Commission and the European Investment Bank visits the country to determine what projects are eligible for funding. The team works in conjunction with the national authorities; the latter keep their freedom to modify any programme adopted according to the economic priorities or the constraints of any plans they are preparing. This programming mission draws up an indicative programme which is submitted to the representatives of the Member States within an ad hoc working party for appraisal.
The next stage is the signature, on a project-by-project basis, of a financing agreement for the loans or aid administered by the Commission or for the contracting of a loan with the EIB. The other signatory is always the recipient State.
The authorities or authorized bodies may then submit their applications for financial assistance to Community bodies.

III - REVIEW OF THE FIRST PROTOCOLS

The following breakdown for the MAGHREB and MASHREQ countries gives a clearer idea of the amount of aid awarded in each sector.

- Agriculture.....	4.5 %
- Industry.....	18.7 %
- Infrastructure.....	59.1 %
- Training.....	10.2 %
- Scientific cooperation.....	3.4 %
- Industrial cooperation.....	1.6 %
- Technical cooperation.....	2.0 %
- Promotion of trade.....	0.5 %

Projects of various kinds have been financed since 1977. These include :

- Infrastructure :
 - . improvement work in the PORT OF VALLETTA (MALTA)
 - . canalization in urban areas (JORDAN)
 - . building roads to open up the northern SETIF region (ALGERIA)
- Industry :
 - . funding projects to set up SMI (ALGERIA)
- Agriculture :
 - . protection and revitalization of SOUTHERN JORDAN
 - . replanting of vineyards (ALGERIA)
- Training :
 - . setting up technical training and vocational centres for industry, agriculture and tourism (EGYPT)
- Technical cooperation and assistance :
 - . data banks (MOROCCO)
- Energy :
 - . extension of a thermal power station at DHEKELIA (CYPRUS)

IV - ACCESS TO THE MARKETS OFFERED BY THE PROTOCOLS

The beneficiary State is responsible for the implementation and management of projects under the supervision of the Commission which must ensure that they are carried out under the best economic conditions.

Any natural or legal person in a beneficiary State or a Member State of the Community may participate on the same terms in invitations or calls to tender and contracts which may be eligible for funding.

The Mediterranean countries must apply the same tax and customs rules as applied to other international organizations to any contracts awarded for projects or schemes financed by the Community.

V - FINAL REMARKS

Any interested body or firm needs to know that :

- any eligible project must meet the priorities drawn up by the programming mission and these priorities may be modified by local authorities at any time in the lifetime of the protocol. It is the authorities of the State to which the protocol applies which must be convinced of the value of the project.
- The Commission's representative in the country in question and, to a lesser degree, the relevant departments of Directorate-General VIII of the Commission and of the European Investment Bank may be able to pass on the information required.

FINANCIAL PROTOCOLS WITH THE MEDITERRANEAN STATES

COUNTRY	LIFETIME OF PROTOCOLE	AMOUNT (million ECU)			
		TOTAL	EIB LOANS	SPECIAL LOANS	NON-REPAYABLE AID
MOROCCO.....	1st Protocol: 31.10.76/31.10.81	130	56	58	16
	2nd Protocol: 31.10.81/31.10.86	199	90	42	67
ALGERIA.....	1st Protocol: 31.10.76/31.10.81	114	70	19	25
	2nd Protocol: 31.10.81/31.10.86	156	107	16	28
TUNISIA.....	1st Protocol: 31.10.76/31.10.81	95			
	2nd Protocol: 31.10.81/31.10.86	139	78	24	37
EGYPT.....	1st Protocol: 31.10.76/31.10.81	170	93	14	63
	2nd Protocol: 31.10.81/31.10.86	276	150	50	76
JORDAN.....	1st Protocol: 31.10.76/31.10.81	40	18	4	40
	2nd Protocol: 31.10.81/31.10.86	63	37	7	19
SYRIA.....	1st Protocol: 31.10.76/31.10.81	60	34	7	19
	2nd Protocol: 31.10.81/31.10.86	97	64	11	22
LEBANON.....	1st Protocol: 31.10.76/31.10.81	30	20	2	8
	2nd Protocol: 31.10.81/31.10.86	50	34	5	11
CYPRUS.....	1st Protocol: 31.12.78/31.10.83	30	20	4	6
MALTA.....	1st Protocol: 31.10.78/31.10.83	26	16	5	5
ISRAEL.....	1st Protocol: 31.10.76/31.10.81	30	30	-	-
	2nd Protocol: 31.10.81/31.10.86	40	40	-	-
TURKEY.....	3rd Protocol: 31.10.76/31.10.81	745			
	4th Protocol: 31.10.81/31.10.86	600	225	325	50
YUGOSLAVIA...	1st Protocol: 30.6.80/30.6.86	200	200	-	-

Addresses of the representatives of the Commission in the Mediterranean States :

ALGERIA

13, Bogaz Kokak
Kavaklidere
ANKARA
Tel. : 27 61 45 / 27 61 46
Telex : 42819 ATBE TR

MOROCCO

4 rue Jaafar As Sadik
B.P. 1302
Rabat Agdal
Tel. : 742 95 / 739 15
Telex : 32620 RABAT

EGYPT

4 Gezira Street, 8th Floor
CAIRO ZAMALEK
Tel. : 80 83 88
Telex : 94258 EUROP UN - CAIRO

SYRIA

73 rue Al Rachid
B.P. 11 269
DAMAS
Tel. : 33 52 91
Telex : DELCOM 31319 SY

ISRAEL

2 Rehov Ibn Gvirol
Eliahu House, 10th floor
Tel. : 24 42 22
Telex : 39556 HILTON IL
(attention CEC DELEGATE)

TUNISIA

avenue Jugurtha 21
B.P. 3
Belvédère - Tunis
Tel. : 28 85 35
Telex : 13 596 COMEUR TUNIS

JORDAN

SHMEISANI - Wadi Sagra Circle
PO BOX 926 794
AMMAN
Tel. : 681 91 / 681 92
Telex : 22260 DELEUR JO

TURKEY

13 Bogaz Sokak
Kavaklidere
ANKARA
Tel. : 27 61 45 / 27 61 46
Telex : 42819 ATBE TR

LEBANON

CENTRE GFFINOR, bloc B
B.P. 11 - 40008
rue Clémenceau
BEYROUTH
Tel. : 36 47 58 / 59 - 36 30 30
Telex : DELEUR 23307 LE

YUGOSLAVIA

Klabarska, 29
11040 GEOGRAD
Tel. : 65 14 58 / 65 29 63



COMMUNITY MEASURES TO PROMOTE

EUROPEAN EXPORTS

TO JAPAN

The Commission of the European Communities would like to set up "pilot projects" at Community level to support European exports to JAPAN.

Measures already taken or planned include :

- Stays of 18 months for European executives (see special section below)
- Three-month stays in JAPAN for European executives or the heads of export-promoting bodies (to get to know the Japanese market or spend time in Japanese firms)
- Sectoral market studies for European exporters which may lead to the organization of sectoral seminars
- Funding of pilot projects to inform economic circles about the Japanese market (with special emphasis on language training)
- Sponsoring of one-month visits by European candidates to JAPAN (visits to firms) financed by JETRO.

Other measures which are planned for the future include :

- preparation of a mailing list for European publishers of the main Japanese buyers of scientific, technical and economic journals
- Feasibility study of a project to set up a joint storage centre for European small and medium-sized businesses starting up in JAPAN
- Preparation of a practical and succinct guide to the Japanese market for SMEs in Europe from works and brochures published in Member States
- Launching of discussions on the possibility of cooperation (development of new products, transfer of technology, joint sub-contracting) between SMEs in European and JAPAN which wish to diversify (mainly in relation to major Japanese principals).

For information contact :

Mr Jacques DUGIMONT
D.G.I. / B / 2
COMMISSION OF THE EUROPEAN COMMUNITIES
200 rue de la Loi
1049 BRUSSELS
Tel. : (32) (2) 235 11 80
235 72 01

TRAINING COURSES FOR EXECUTIVES AND YOUNG

EUROPEAN INDUSTRIALISTS IN JAPAN

The Commission of the European Communities is running a training programme for European firms which would like to export to JAPAN. This offers executives in the European Community a 18-month training course in JAPAN including 12 months full-time intensive language courses in business Japanese and six months "on-the-job" training in Japanese firms coupled with a parallel programme of seminars, conferences, visits to firms and professional contacts.

Between 1979 and 1983 some hundred such grants were awarded.

Each grant-holder receives a monthly allowance of some 1 500 ECU over the 18 months. The Commission also pays travel expenses, an installation allowance and reinstallation allowance at the end of the stay.

Candidates must have a very high level of university education (at least a master's degree), a perfect knowledge of English and professional experience in international business affairs. Candidates must be employed by firms which already export to JAPAN or wish to do so or, if appropriate, by bodies such as chambers of commerce which are responsible for promoting exports to JAPAN by small and medium-sized firms on a sectoral or regional basis.

The Commission is prepared to consider the possibility of including in its programme a limited number of candidates put forward and wholly financed by their own companies. Candidates will take part in all programme activities and be entitled to all supporting arrangements.

Candidates are recruited at present only once a year through PEAT, MARWICK MITCHELL and CO in EUROPE.

Addresses in EUROPE : PEAT, MARWICK, MITCHELL and CO

ITALY

M. PASTORELLI
Piazza F. Meda, 3
I 20121 MILAN
Tel. : 77351
Telex : 312604

FEDERAL REPUBLIC OF GERMANY

M. J. STAUDE
Bleidenstrasse 6-10
D 6000 FRANKFURT/MAIN 1
Tel. : 21640
Telex : 416657

U.K.

M. M. CONEY
1 Puddle Dock
Blackfriars
LONDON
Tel. : 2368000
Telex : 8811541

NETHERLANDS

M. J. D. FRENCKEN
Laan van Nieuw Oost-Indie 127
P.O. 93210, 2509 AE THE HAGUE
NL 2593 BM THE HAGUE
Tel. : 472511
Telex : 32455

FRANCE

M. A. DE FAYET
TOUR FIAT
Cédex 16
F 92084 PARIS LA DEFENSE
Tel. : 7962000
Telex : 630554

GREECE

M. T. ZAPHIROPOULOS
Vassilissis Sofias 120
P.O. Box 3111 ATHENS 605 A
ATHENS 609
Tel. : 7752001
Telex : 222476

BELGIUM

M. M. E. HOYDONCKX
ARTS CENTER
Avenue des Arts 19 H
Boite n° 1
Tel. : 2120411
Telex : 26643

DENMARK

M. C. NIRRINGGAARD
Trommesalen 5
DK 1614 COPENHAGEN V
Tel. : 233400
Telex : 27311

COMMUNITY LEXICON

ACCEDING COUNTRIES :

SPAIN and PORTUGAL (both to join the Community on 1 January 1986 in principle)

A C P :

AFRICAN, CARIBBEAN and PACIFIC countries (a total of 64 at present) - most of them formerly dependent on one or other of the Member States - which are now linked to the Community by a Convention (currently Lomé II)

COMMISSION OF THE EUROPEAN COMMUNITIES :

Initiator and executive of the common policies and the main administrative body of the Community. It is headed by the fourteen Members of the Commission and has 20 Directorate-Generals and a number of other services each responsible for one specific sphere of activity.

Address : rue de la Loi 200 - 1049 BRUSSELS

Tel. : (32) (2) 235 11 11

COMMUNITY BUDGET :

Financed by the Community's own resources, i.e. :
• duties and taxes on imports from the rest of the world; plus
• a proportion of the VAT levied in the Member States, not exceeding 1.4 % of the uniform assessment basis.

COMMUNITY PUBLICATIONS :

See the "INDEX CE" computerized system

"EUROPE DATA"

Bredestraat 24

6211 HC MAASTRICHT

NETHERLANDS

Tel. : (31) (0) 435 47 51

COUNCIL OF MINISTERS :

Decision-making body, consisting of ministers from each Member State assisted by a General Secretariat and by the Committee of Permanent Representatives (COREPER) stationed in BRUSSELS.

Each Member State's Minister for Foreign Affairs takes it is turn to act as President of the Council for a six-month period on a rota basis. IRELAND holds the Presidency in the second half of 1984 and ITALY in the first half of 1985.

COURT OF AUDITORS :

Body responsible for checking that the Community budget is implemented correctly.

COURT OF JUSTICE :

Ensures that Community legislation is applied correctly and is compatible with the Treaties. Firms or private citizens are entitled to appeal to the Court if they feel aggrieved by a Commission decision and that the decision is incompatible with the Treaties.

Address : Case postale 96 Plateau du Kirchberg LUXEMBOURG
Tel. : (352) 430 31

ECONOMIC AND SOCIAL COMMITTEE :

A consultative body made up of representatives of employers (Group 1), trade unions (Group 2) and other interested groups such as consumers (Group 3). Small and medium-sized firms are represented in Groups 1 and 3.

Address : rue Ravenstein, 2 - 1000 BRUSSELS
Tel. : (32) (2) 512 39 20

ECU :

European Currency Unit based on a "basket" of the Community's national currencies.

The day's exchange rate can be obtained from an automatic answering device by telexing 23789 BRUXELLES

The exchange rate on 18 July 1984 was : 1 ECU = Bfr 45, DM 2.23, Hfl 2.52, £ 0.50, Dkr 8.17, FF 6.86, Lit 1 374, £Ir 0.73, Dr 88.24, US\$ 0.78, Pta 126.

EUROPEAN COUNCIL :

Non-institutional body in which the Heads of State and Government meet three times a year.

EUROPEAN MONETARY SYSTEM (EMS) :

Mechanism considered the first stage on the road to monetary union. Its most visible effect is that it sets a maximum margin of fluctuation between European currencies and places the Member States under an obligation to reach a joint decision on the action to take whenever one or more of the currencies is forced to move outside that margin.

EUROPEAN PARLIAMENT :

Assembly elected by universal suffrage to examine the Commission's proposals, to vote on the budget and to adopt resolutions on matters of interest to the whole of Europe. It was Parliament's idea to organize the Year of the Small and Medium-Sized Enterprises.

As a general rule, the plenary part-sessions are held in STRASBOURG and committee meetings in BRUSSELS. The Secretariat has its headquarters in LUXEMBOURG :

Address : CENTRE EUROPEEN Plateau du Kirchberg Tel. : (352) 430 01

MEMBER STATES :

The Community has ten Member States : BELGIUM, DENMARK, FRANCE, GERMANY, GREECE, IRELAND, ITALY, LUXEMBOURG, THE NETHERLANDS and THE UNITED KINGDOM.

OFFICIAL JOURNAL OF THE EUROPEAN COMMUNITIES (OJ) :

- . L series : Legislation;
- . C series : Communications;
- . S series : public contracts and contracts to be paid from the European Development Fund.

On sale from : OFFICE FOR OFFICIAL PUBLICATIONS OF THE EUROPEAN COMMUNITIES L 2985 LUXEMBOURG Tel. : 49 00 81

and from the other sales offices throughout the Community (see Annex).

PERMANENT CONFERENCE OF CHAMBERS OF COMMERCE AND INDUSTRY OF THE
EUROPEAN ECONOMIC COMMUNITY :

European body representing all the national chambers of commerce
and industry.

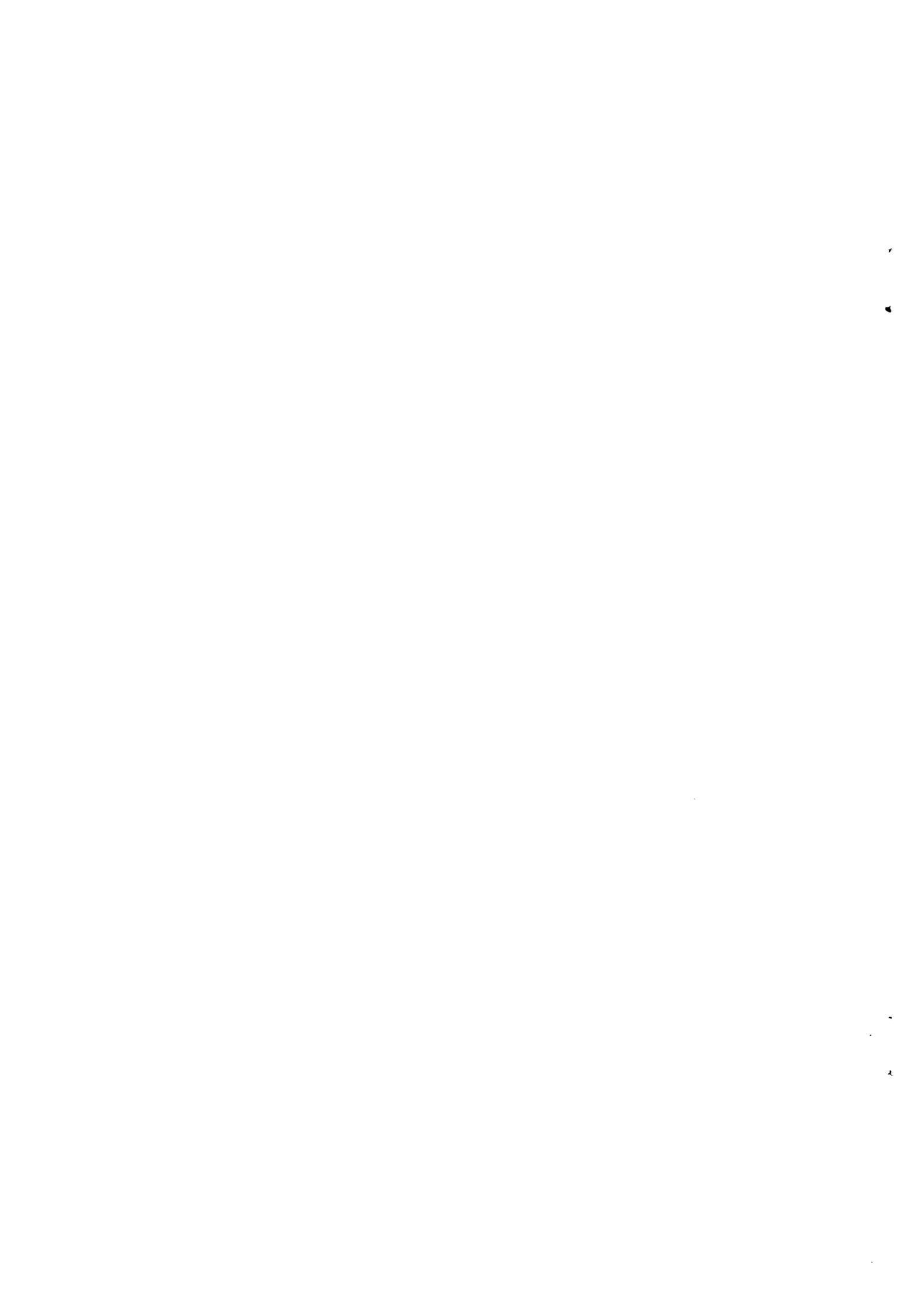
Address : 30 Square Ambiorix 1040 BRUSSELS

Tel. : (32) (2) 735 10 92

SMALL AND MEDIUM-SIZED ENTERPRISES (SMEs - Community definition) :

Firms :

- . employing fewer than 500 people;
- . with less than one third of their assets held by large companies;
- . with fixed assets valued at not more than 75 million ECU.



ANNEX I

SALES AND SUBSCRIPTIONS FOR THE OFFICIAL JOURNAL OF THE EUROPEAN COMMUNITIES

FRANCE.....	Service de vente en FRANCE des publications des Communautés Européennes - JOURNAL OFFICIEL 26 rue Desaix 75732 PARIS Cédex 15 Tel. : 578 61 39
BELGIUM.....	MONITEUR BELGE Rue de Louvain 40/42 1000 BRUXELLES Tel. : 512 00 26 BELGISCH STAATSBLAD Leuvensestraat 40/42 1000 BRUSSEL Tel. : 512 00 26
FEDERAL REPUBLIC OF GERMANY.....	BUNDESANZEIGER Breite StraBe Postfach 108 006 5000 KOLN 1
DENMARK.....	J. H. SCHULTZ BOGHANDEL MØNTERGADE 19 DK 1116 KØBENHAVN K Tel. : 14 11 95
GREECE.....	EIHNICO TYPOGRAFIO KAPODISTRIOU 34 ATHENS G.C. ELEFTHEROUDAKIS SA 4 Nikis Street ATHENS 126 Tel. : (01) 322 22 55
IRELAND.....	STATIONERY OFFICE ST MARTIN's House Waterloo Road DUBLIN 4 Tel. : 78 96 44
ITALY.....	ISTITUTO POLIGRAFICO E ZECCA DELLO STATO LIBRERIA DELLO STATO Piazza G. VERDI 10 00100 ROMA Tel. : (06) 85 08 22 76 - 85 08 22 21 LICOSA SpA Via Lamarmora 45 Casella postale 552 50121 FIRENZE

LUXEMBOURG..... Subscription to the Official Journal can be taken out and paid at any Post Office.

NETHERLANDS..... STAATSDRUKKERIJ EN UITGEVERIJBEDRIJF
Christoffel Plantijnstraat
DEN HAAG
Tel. : (0 70) 78 99 11

UNITED KINGDOM..... H. M. STATIONERY OFFICE
P. O. BOX 569
London SE1 9 NH
Tel. : 01 / 928 69 77 ext. 365

ANNEX II

Addresses of the Commission's Press and Information Offices in the Member States, the acceding countries and the associated countries.

	Head
<u>Germany</u> Zitelmannstraße 22 5300 BONN Tel. : 23 80 41	Ernst WALLRAPP
(Sub-office attached to BONN Office) Kurfürstendamm 102 1000 BERLIN 31 Tel. : 892 40 28	Eckhard JAEDTKE
<u>Belgium</u> Rue Archimède 73 1040 BRUXELLES Tel. : 235 11 11	Jean POORTERMAN
<u>Denmark</u> Højbrohus Østergade 61 Postbox 144 1004 KØBENHAVN K Tel. : 14 41 40	Niels Jørgen THØGERSEN
<u>Spain</u> Calle de Serrano 41 5a Plata MADRID 1 Tel. : 435 17 00 / 435 15 28	Gian Paolo PAPA
<u>France</u> 61 rue des Belles Feuilles 75782 PARIS CEDEX 16 Tel. : 501 58 85	Jacqueline NONON
<u>Greece</u> 2 Vassilissis Sofias T. K. 1602 ATHINA 134 Tel . : 724 39 82 / 724 39 83 724 39 84	Jean SIOTIS
<u>Ireland</u> 39 Molesworth Street DUBLIN 2 Tel. : 712 244	Conor P. MAGUIRE
<u>Italy</u> Via Poli 29 00187 ROMA Tel. : 678 97 22	Gianfranco GIRO
(Sub-office attached to ROME office) Corso Magenta 61 20123 MILANO Tel. : 80 15 05 / 6 / 7 / 8	Giancarlo CHEVALLARD

Luxembourg

Bâtiment Jean MONNET
Rue Alcide DE GASPERI
2920 LUXEMBOURG
Tel. : 430 11

Henri GUILLAUME

Netherlands

Lange Voorhout 29
DEN HAAG
Tel. : 46 93 26

Henry FAAS

Portugal

35 rua do Sacramento à Lapa
1700 LISBOA
Tel. : 60 21 99

Théo HUSTINX

United Kingdom

8 Storey's Gate
LONDON SW1 P 3 at
Tel. : 222 81 22

George Edwin SCOTT

(Sub-offices attached to LONDON office)

WINDSOR HOUSE
9/15 Bedford Street
BELFAST BT 2 7EG
Tel. : 40708

Thomas Geoffrey MARTIN

4 Cathedral Road
Cardiff CF 1 9SG
Tel. : 37 16 31

Hywel Rhodri MORGAN

7 Alva Street
EDINBURGH EH2 4PH
Tel. : 225 20 58

Stanley BUDD

Switzerland

Case postale 195
37/39 rue de Vermont
1211 GENEVE 20
Tel. : 34 97 50

Camille BECKER

Turkey

Kuleli Sokak 15
Gazi Osman Paça
ANKARA
Tel : 27 61 45
27 61 46

Gwyn MORGAN

