



European Communities

EUROPEAN PARLIAMENT

WORKING DOCUMENTS

English Edition

1985-86

1 April 1985

A SERIES

DOCUMENT A 2-5/85

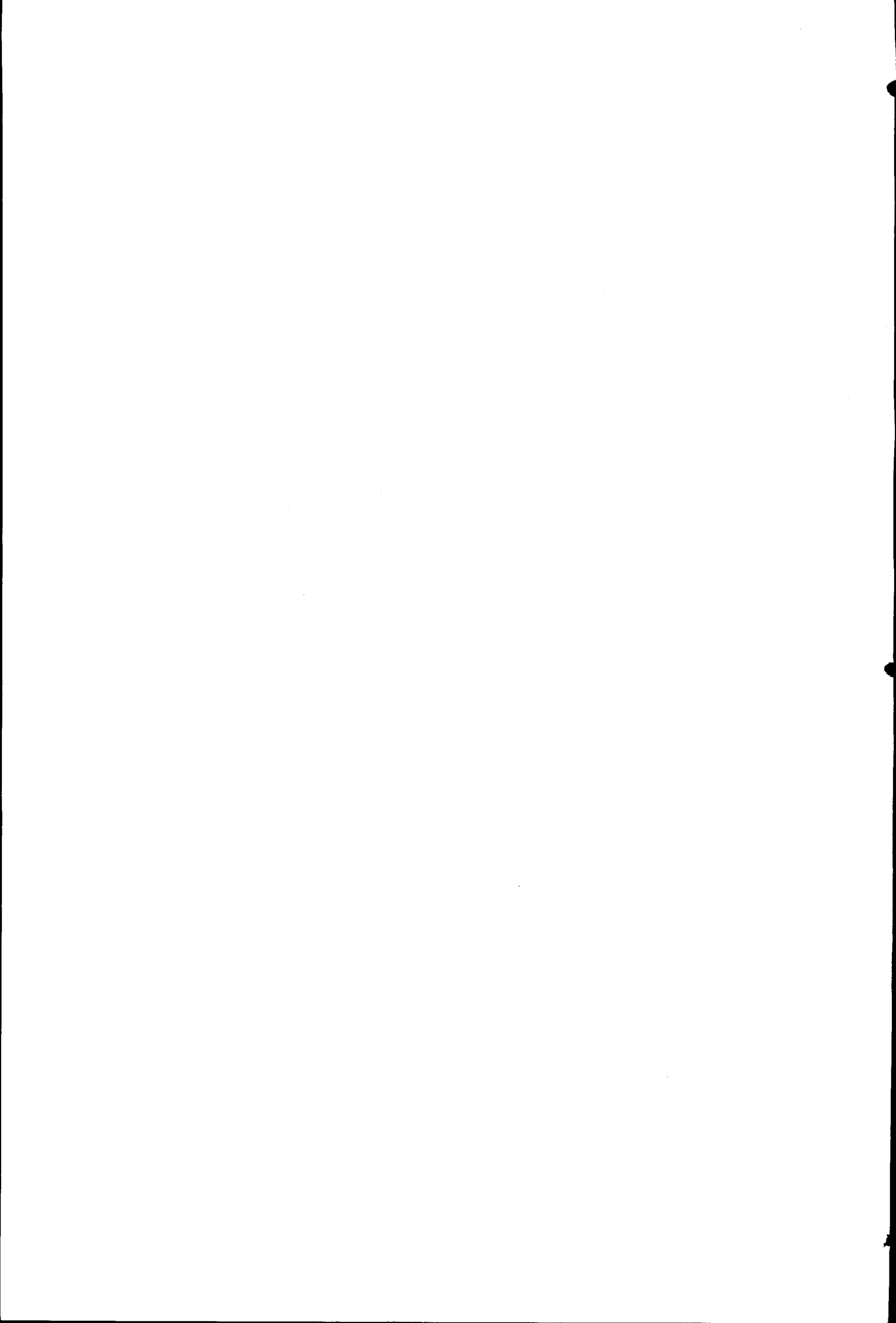
REPORT

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

on the Eighth Annual Report (1982), (COM(83) 566 final),
and the Ninth Annual Report (1983), (COM(84) 522 final),
of the Commission of the European Communities on the
European Regional Development Fund (ERDF)

Rapporteur: Mr Edward NEWMAN

PE 94.654/fin.
Or. En.



By letter of 12 September 1984, the Committee on Regional Policy and Regional Planning requested authorization to draw up a report on the Eighth Annual Report (1982) (COM(83) 566 final) of the Commission of the European Communities on the European Regional Development Fund (ERDF).

At its meeting of 16 November 1984, the enlarged Bureau gave authorization for the committee to report on this subject. The Committee on Budgetary Control was asked for an opinion.

On 20 September 1984, the Committee on Regional Policy and Regional Planning appointed Mr NEWMAN rapporteur.

At its sitting of 12 December 1984, the European Parliament referred the motion for a resolution tabled by Mr DE PASQUALE and others on the Ninth Annual Report (1983) (COM(84) 522 final) of the Commission of the European Communities on the European Regional Development Fund (ERDF) (Doc. 2-1115/84) pursuant to Rule 47 of the Rules of Procedure to the Committee on Regional Policy and Regional Planning as the committee responsible and to the Committee on Budgetary Control for an opinion.

At its meeting of 23 November 1984, the Committee on Regional Policy and Regional Planning decided to draw up a single report on both the Eighth and Ninth Reports and appointed Mr NEWMAN rapporteur.

The committee considered the draft report at its meetings of 24/25 January 1985 and 21/22 March 1985. At the last meeting it adopted the motion for a resolution as a whole by 12 votes to 8 with 1 abstention.

The following were present at the vote: Mr BARRETT, acting chairman; Mr NEWMAN, rapporteur; Mr AVGERINOS, Mr BALFE (deputizing for Mr MARTIN), Mr C. BEAZLEY, Mrs BOOT, Mr CHANTERIE (deputizing for Mr GUIMARRA), Mr CLINTON (deputizing for Mr LIGIOS), Mr COLUMBU, Mr FALCONER (deputizing for Mrs GADIOUX), Mr GERONTOPOULOS (deputizing for Mr CHIABRANDO), Mr GRIFFITHS, Mrs JACKSON (deputizing for Mr HUTTON), Mr LAMBRIAS, Mrs LEMASS, Mr O'DONNELL, Mrs PIERMONT (deputizing for Mr VANDEMEULEBROUCKE), Mr POETSCHKI, Mrs ROTHE (deputizing for Mr HUME), Mr TOKSVIG (deputizing for Mr TAYLOR), Miss TONGUE (deputizing for Mr SAKELLARIOUS) and Mr TRIVELLI (deputizing for Mr DE PASQUALE).

The Committee on Budgetary Control informed the committee by letter that the report on the discharge for 1982 (rapporteur, Mrs BOSERUP) and in particular the working document on the regional sector (draftsman, Mr GOUTHIER) should be considered as its opinion in respect of the 1982 report. Following this procedure their opinion on the Ninth Annual Report will be given in the context of the discharge for 1983 (rapporteur, Mr PRICE).

The report was tabled on 26 March 1985.

The deadline for tabling amendments to this report will be indicated in the draft agenda for the part-session at which it will be debated.

CONTENTS

	<u>Page</u>
A. MOTION FOR A RESOLUTION	5
B. EXPLANATORY STATEMENT	13
<u>ANNEX 1</u> Table on regional unemployment rates.....	20
<u>ANNEX 2</u> Motion for a resolution (Doc. 2-1115/84)	21
<u>ANNEX 3</u> Motion for a resolution (Doc. 2-1113/84)	23
Opinion of Committee on Budgetary Control	25

A

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

MOTION FOR A RESOLUTION

on the Eighth Annual Report (1982), (COM)(83) 566 final), and the Ninth Annual Report (1983), (COM(84) 522 final), of the Commission of the European Communities on the European Regional Development Fund (ERDF)

The European Parliament,

- A. having regard to the Eighth Annual Report (1982) and the Ninth Annual Report (1983) on the European Regional Development Fund submitted by the Commission of the European Communities pursuant to Council Regulation (EEC) No. 724/75 of 18 March 1975, on the establishment of the European Regional Development Fund, as amended by Regulation (EEC) No. 214/79 of 6 February 1979,
- B. having regard to the special report of the Court of Auditors in response to the conclusions of the European Council of 18 June 1983 (OJ C 287 of 24/10/83),
- C. having regard to the annual report of the Court of Auditors for the 1982 financial year (O.J. C 357 of 31/12/83) and for the 1983 financial year (O.J. C 348 of 31/12/84),
- D. having regard to the Second Periodic Report on the social and economic situation and development of the regions of the Community (COM(84) 40 final/2),
- E. having regard to its resolution on the proposal from the Commission for a new regulation for the Regional Fund (O.J. C 127 of 14/5/84 p 236),

- F. having regard to the motion for a resolution tabled by Mr MARTIN on the grant from the ERDF for British Telecom (Doc. 2-735/84),
- H. having regard to the motions for resolution tabled by Mr De Pasquale on the Eighth and Ninth Reports on the ERDF (Doc. 2-1113/84 and Doc. 2-1115/84),
- G. having regard to the report by the Committee on Regional Policy and Regional Planning and the opinion of the Committee on Budgetary Control (Doc. A 2-5/85),
1. Notes that the Eighth and Ninth Reports confirm that despite the operation of the ERDF there was little sign of any narrowing of the gap in living standards between inhabitants of the most and least favoured regions of the Community in 1982 and 1983, nor of a reduction in the exceptionally high level of unemployment affecting the least prosperous regions of the Community;
 2. Emphasises the importance of investment in the less developed regions of the Community as essential to harnessing the human and material assets of those regions, and the vital need for firms to create real job opportunities;

IN RESPECT OF THE FINANCIAL DIMENSIONS OF THE FUND

3. Notes that the level of payments made from the ERDF in 1982 was 973 m ECU representing 4.8% of total expenditure from the Community Budget; stresses that this share of the budget is far too small in relation to the regional policy targets set by the Community institutions;
4. Notes that the level of payments from the ERDF in 1983 was 1256 m ECU representing 5.2% of total payment appropriations in 1983 and notes that the share of regional policy increased by a mere 0.4 percentage points between 1982 and 1983.
5. Observes that Community regional expenditure was less than one tenth of one percent of Community GDP in both 1982 and 1983;
6. Considers that significant increases are required in Community own resources to permit essential additional expenditure on EEC Regional and Social Policies;

IN RESPECT OF JOB CREATION POTENTIAL

7. Notes the high degree of importance given to job creation as a criterion for the granting of ERDF aid and therefore regrets that ERDF aid has done little to bring more effective action from public authorities as regards industrial redevelopment, research and small and medium-sized undertakings and hence to lower unemployment in the poorer regions of Europe; considers that this failure is principally because the total level of funding has been inadequate;
8. Reiterates the misgivings expressed by Parliament in previous years concerning the accuracy of analyses and forecasts of data relating to economic structures;
9. Notes that on the basis of the figures submitted by the Member States the ERDF contributed towards the direct creation of 42,432 jobs and the maintenance of 5,716 jobs in 1982 and the creation of 44,540 jobs and the maintenance of 17,570 jobs in 1983;
10. Underlines the necessity to use a greater volume of ERDF resources in favour of the services, industrial and craft sectors which are more effective in creating jobs than large infrastructure projects, given that these sectors absorbed 13% of ERDF expenditure in 1982 and only 11% in 1983 which are toally insufficient levels;
11. Notes that measures under the non-quota section can cost-effectively assist the creation of employment and regrets that once again the funds provided by the budgetary authority were poorly utilized in both 1982 and 1983; is especially concerned that both commitments and payments were lower in 1983 than in 1982;

ENLARGEMENT

12. Reiterates the point made in previous resolutions that the Commission should accelerate its work on assessing the economic, political and budgetary impact of enlargement on the Community's regions and make proposals to deal with the problems that may arise;
13. Reaffirms Parliament's position on the need for Community aid to compensate the Mediterranean regions for the negative effects of enlargement and urges the Council to adopt the Commission's proposals on the IMP's as soon as possible;

14. Invites firms to make full use of available Community financial instruments to invest in the regions of the accession states for the achievement of projects of Community significance such as the European Airbus;

INSPECTIONS

15. Calls on the Commission to increase the number of its visits to the various projects financed by the ERDF, since they are vital in ensuring effective controls; stresses the importance of this work in ensuring the proper and cost-effective use of Community funds; welcomes the fact that Commission inspectors can now participate in visits to industrial concerns in all Member States; underlines the importance of the Commission's participation in the field inspections of projects and programmes in cooperation with the Member State concerned;

STUDIES

16. Notes that in the period 1980-1983 three Member States took, by far, greatest advantage of the possibility of using ERDF resources for studies;
17. Notes that several studies have been carried out as preparation for the implementation of Integrated Operations, Integrated Mediterranean Programmes and other measures; stresses that if these studies are to have value, the conclusions drawn from them should influence the Commission in drawing up the necessary legislation and administrative guidelines for the substantive programmes;

GREATER CONCENTRATION OF AID

18. Observes that in 1983 a higher proportion of aid was concentrated on regions with the worst structural development problems than in 1982 and strongly approves of this trend;

ADDITIONALITY, COMPLEMENTARITY AND COMMUNITY OBJECTIVES

19. Records its continuing concern over the lack of real and effective additionality and complementarity of ERDF aid, and notes that the Commission shares this concern; repeats its belief that the greater involvement of the ultimate beneficiaries of aid at all stages of the procedure for granting aid should lead to improvements in this regard;

20. Considers that the granting of ERDF aid should be geared to the development of integrated projects where various Community objectives are being realized such as social, economic and cultural renewal;

PROCEDURES FOR GRANTING AID

21. Urges the Commission to devise ways to increase the participation of local and regional authorities in decisions on the allocation of Community aid which affect them thus enhancing their awareness of the ways in which they might benefit from ERDF aid; acknowledges the right of the Member States to define those areas which should benefit from regional aid but notes the effect of arbitrary geographical divisions which in some cases result in areas suffering from similar difficulties having unequal access to aid; urges the Commission to devise ways to increase the participation of local and regional authorities in the drawing up of regional development programmes;

22. Notes in particular the continuing need of potential beneficiaries of aid to receive guidance from the Commission on application procedures as well as on questions regarding the management of the Fund;

THE REGIONAL FUND IN RELATION TO OTHER COMMUNITY INSTRUMENTS

23. Notes that the total amount of ERDF aid is far exceeded by the lending activities of the European Investment Bank (EIB) and stresses, in consequence, the importance of relating Fund activity to the resources available from the EIB;
24. Approves the increasing bias of aid given under the European Social Fund in favour of the least-favoured regions;

PRESENTATION OF THE REPORT

25. Notes the steady improvement in the quality of the presentation of the report and in its comprehensiveness; hopes that this trend will continue and repeats the suggestion made in Parliament's previous reports that a section be added dealing with the effects of other Community policies, in particular the CAP, on the development of regions;

PUBLICITY

26. Calls on the Commission to make a detailed proposal to increase the publicity given to the activities of the ERDF and, in particular, to improve the information given to the Press in those Member States where coverage is particularly poor;
27. Welcomes the Commission's practice of writing directly to investors who have benefited from ERDF aid to inform them of that fact and expects this procedure to be fully supported by the appropriate authorities in the Member States;
28. Recalls that the European citizens whose taxes finance Community regional programmes have the right to be fully informed of the nature of this expenditure and stresses the obligations of the Commission, Members of the European Parliament and Member State authorities to ensure that the standard of disclosure for Community purposes is at the highest level applied in the Member States;

INTEGRATED PROGRAMMES

29. Welcomes the increased emphasis on the coordination of the Community structural policies and the dovetailing of efforts made at Community and national level to redress regional divergencies particularly in the form of integrated programmes;
30. Supports the measures taken by the Commission to promote the integrated operation in the Naples area notably the setting up of a monitoring office and expects that the experience gained from the operation of that office will influence the Commission's plans for future integrated operations;
31. Shares the regret of the Commission that work on the proposed housing scheme in Northern Ireland could not be begun in time because Council failed to reach agreement on the necessary legislation;
32. Regrets the delay in the implementation of the integrated development programme for the South East of Belgium but notes with satisfaction the implementation of the Integrated Programmes in the Western Isles of Scotland and the Lozere regions of France;

WITH REGARD TO THE MOTION FOR A RESOLUTION SUBMITTED BY MR MARTIN ON THE
GRANT FROM THE ERDF TO BRITISH TELECOM (Doc. 2-735/84);

33. Notes that in 1982 some 38.43 million ECUs of ERDF assistance was granted for telecommunication projects of the then publicly owned British Telecom in the United Kingdom and that, in 1983, the corresponding amount was 58.61 million ECUs;
34. Reaffirms the principle that when granting funds the Commission should discourage speculation as far as possible and ensure that the benefits of the projects financed serve the general interest;
35. Draws attention moreover to the economic and social importance of providing funds for investments in infrastructure such as telecommunications and transport in isolated and/or depressed areas which, while unable to guarantee short or medium-term profits, are essential in laying the foundations for the expansion of economic activity;

FUTURE DEVELOPMENTS

36. Believes that the ability of firms to invest in the regions depends firstly on the availability of local people with the right skills, or on the willingness of local people to acquire the right skills, in order to add value to the materials and through services, and secondly on the availability of an efficient infrastructure, both of which can be assisted by the Community's policy instruments;
37. Notes that its specialist committee, the Committee on Regional Policy and Planning, intends to analyse in greater depth the social and economic effects of ERDF expenditure on certain typical regions of the Community;
38. Hopes that in the context of the new Fund Regulation which came into operation on 1 January 1985, many of the difficulties mentioned in the 1982 and 1983 reports will be resolved;
39. Expects the Commission to take full account of the points made in this Resolution in its management of the Fund and in the presentation of the 10th Annual report on the operation of the ERDF in 1984;
40. Instructs its President to forward this resolution to Commission and Council.

EXPLANATORY STATEMENT

I. INTRODUCTION

1. In 1982 and 1983 no major changes were made to the legislation covering the Community's regional policy⁽¹⁾. The annual report reflects this absence of innovation and closely follows the pattern of presentation which has been established over several years. The report is presented in accordance with an obligation written in to the old (and the new) regulations and its rather lacklustre appearance suggests that it is the product more of the faithful execution of duty than of a passion to communicate to a wider public what the Community has achieved through its regional policy in the previous year. That said, the report on 1983 is livelier in presentation than that on 1982 and it is to be hoped that this trend will continue.

II. THE ECONOMIC BACKGROUND

2. The most salient feature of the economy of the European Community in the years under examination was the unrelenting rise of registered unemployment.

	<u>1981</u>	<u>1982</u>	<u>1983</u>
Level of unemployment	8.803m	10,660 m	11,968 m
Percentage rate	7.6	9.2	10.3

Source: Eurostat

3. The general economic climate was not propitious to the rapid growth of the less-developed regions of the Community. Those regions affected by long-term industrial decline found that already high levels of unemployment were exacerbated and those regions which suffer from a lack of basic infrastructure found that little new private or public finance for investment was available

(1) In fact the Fund was operating in a legal vacuum; the 1979 Fund Regulation ceased to apply on 30 December 1981.

at rates of interest they could afford. In some member states the classic post-war approach of counteracting recession through the expansion of public expenditure was not attempted as governments preferred to pursue monetarist economic policies. It is clear that the ERDF (and indeed the entire EEC Budget) is too small to have any substantial counter-cyclical effect on its own. This report does not attempt to analyse the wisdom of the economic policies followed by member states in the period covered by the reports but it should be stressed that high interest rates and the emphasis placed on the containment or reduction of public spending did not facilitate the task of promoting the convergence of the Community's regions.

III. FINANCIAL INFORMATION

4. A substantial part of the reports is devoted to presenting financial information on the ERDF for the year in question. While useful it should be noted that most of this data is available elsewhere in, for example, the budgetary documents.

5. The table below shows the financial dimensions of the ERDF in 1981, 1982 and 1983.

	<u>Commitments</u>		<u>mECU</u>	<u>Payments</u>		
	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>
Quota	1596.2	1812.1	2121.6	791.4	950.7	1246.6
Non-quota	40.6	32.7	5.8	7.3	22.42	9.3
TOTAL	1636.8	1844.8	2127.4	798.7	973.12	1255.9

Source:- Tables 13, 17 and 20 of the 1983 report.

6. These figures reveal that the level of commitments made from the ERDF in 1982 was 14% higher and payments 22% higher than in 1981. As the average rate of inflation in 1982 in the Community was 8.7%, the real increase in Fund activity was of the order of 5% in commitments and 13% in payments. In 1983 the corresponding increases were 15% in commitments and 29% in payments

representing, with an inflation rate of 6.3%, real increases of 8.7% and 22.7%. These figures show substantial growth in the ERDF as a whole but the table above also draws attention to the poor implementation of the non-quota measures to whose development Parliament has consistently attached importance.

IV. THE EFFECTS ON JOB-CREATION

7. The ERDF has as one of its main objectives the narrowing of differences in prosperity between the regions of the Community. It is clear that a major source of these differences is the unemployment and underemployment which afflict the regions of the Community. It is not surprising to find therefore that the Fund Regulations (both old and new) emphasise the importance of job creation. The table given in Annex I shows the rate of unemployment in the least and worst affected areas of the Community in 1982 and 1983.

V. JOB-CREATION AS A CRITERION FOR GRANTING AID

8. Under the old Fund which operated unofficially in 1982 and 1983 a project had to create at least 10 jobs before it could benefit from ERDF aid. In this and other ways job-creation potential has been placed at the centre of the eligibility criteria which are applied to requests for aid under the ERDF. Consequently applicants make extravagant claims for the employment effects of the projects for which they wish to attract aid. It follows that the figures which appear in the annual reports must be treated with the greatest scepticism: nevertheless, they are given below for 1982 and 1983.

	<u>1982</u>	<u>1983</u>
new jobs:	42,432	44,540
jobs maintained:	5,716	17,570

The report for 1983 contains a table giving figures for 1975-83. These suggest that over this period some 485,990 jobs were created and 83,380 preserved.

9. The Commission is frank about the unreliability of these figures. It states: "These figures should therefore be treated with the utmost caution, since they are merely the sum of national estimates which are not fully comparable. They may also change radically after a project has been completed."

10. The rapporteur's misgivings concern not only the encouragement to exaggeration in the system but also the fact that the figures for 'jobs saved' are compiled on certain questionable assumptions. It appears that if a firm benefitting from ERDF aid is also reducing its workforce from say 500 to 300 claiming that this is the only way in which it can remain in existence, the Commission would consider that the ERDF assistance had 'saved' 300 jobs. It could equally well be argued that the Fund had partly financed an operation which had led to the loss of 200 jobs.

11. Comments in the Court of Auditors' reports for 1982 and 1983 and in a special report published in 1982 (O.J. C 345 of 31/12/82) reveal several cases in which the claims of jobs to be created made by applicants for aid were shown to be exaggerated. The rapporteur supports the emphasis placed on the job creation potential of Community regional spending and considers that this criterion should become increasingly important in awarding aid. Such a development will require accurate data on which decisions can be based. He therefore urges the Commission to take these figures more seriously than hitherto and in particular to establish a procedure for systematically monitoring the effect of ERDF spending on jobs.

VI. THE ALLOCATION OF ERDF GRANTS

12. In 1982 only 12.8% of total grants were allocated to industry, craft and services, the remaining 87.2% being devoted to infrastructure. In 1983 the balance between these two elements was tipped even more strongly in favour of infrastructure projects as a greater proportion (89%) of EC aid was given to infrastructure projects than in 1982.

13. The 1983 report shows that while some Member States (Germany and Belgium) gave the greater part of their aid to industries, some almost attained the target of 30% (28% in UK and 25% in Ireland), others, most notably Greece and Italy, gave emphasis to infrastructure projects. As these Member States obtained a large part of ERDF funds, the total figures were strongly biased towards infrastructure.

14. In 1982, of the total given to infrastructure some 36% went to transport and 29% to water engineering. In 1983, energy projects received 34%, water engineering 23% and transport 22%.

15. Figures given in the 1982 report (see table 28) indicate that since 1975 assistance from the quota section has helped to create the largest number of jobs in those Member States (France and the United Kingdom) which have received most aid in the industrial, craft industry and service sectors.

VII. NON-QUOTA MEASURES

16. The specific Community regional development measures, commonly known as the non-quota measures, provided for in Article 13 of the old ERDF Regulation, continued in 1982 and 1983. The problems of implementation of the funds made available by the budget authority did not diminish. Only 33 mECU out of a total of 112 mECU available were used and the payments made, 22.4 mECU, were also low in relation to the 62.2 mECU available. It is to be regretted that the figures for commitments entered into, 5.8 million ECU and payments made, 9.3 million ECU, were even lower than in 1982.

VIII. EFFECTS OF FAILURE TO IMPLEMENT NON-QUOTA SECTOR

17. The rapporteur would stress that the effects of the failure to attain the target balance between infrastructure and service expenditure 70%/30%, and to make full use of the funds provided for the non-quota sector was a diminution in the job-creation potential of the Fund. Despite the doubts which exist regarding the job-creation figures evidence suggests that projects funded under these two headings have a higher propensity for, and a more rapid effect on, job-creation than large-scale infrastructure projects.

18. Neither of the two reports under examination give a full explanation of the delays. The Commission suggests that the blame lies with the Member States for failing to submit a sufficient number of eligible projects. Despite the failings of the Member States, the rapporteur considers that the Commission must take some blame for failing to pursue a sufficiently vigorous policy of encouraging industrial and non-quota measures in 1982 and 1983.

IX. INSPECTIONS

19. The "post hoc" control of EC spending in the regional sector plays an important role in determining whether the funds provided by the budgetary authority have been properly spent in accordance with Community regulations.

While it is disappointing to learn that the number of inspections carried out in 1983 was slightly lower than in 1982, it is nevertheless encouraging, if a little surprising, to find that no irregularities were detected in either of the years under examination during more than 400 inspections. The Commission should, however, provide fuller information on the 'inspections', such as the amount of aid covered by the projects inspected, the duration of a typical inspection and the size of the teams, so that a more refined comparison can be made between years and between the number of inspections and the amount of aid covered.

X. COMPLEMENTARITY AND ADDITIONALITY

20. In many of its reports Parliament has stressed the importance it attaches to the "additionality" of Community expenditure. Recently this preoccupation has become diluted by the increasing weight given to the quality of Community expenditure and to the argument (invoked against those who wish to apply the same criteria to the Community budget as to national budgets) that expenditure at the Community level in certain cases is more cost-effective than that carried out nationally and should accordingly gradually supplant that national expenditure. (The counterpart to this argument is that certain other Community spending should revert to the Member States).

21. It is far from clear that regional spending is best effected at Community level. On the other hand, it is possible that through the Community budget more spending can be directed to the poorest areas than Member States could provide acting on their own. But if this is the justification, Community spending should be highly concentrated (in the least favoured areas) be substantial in relation to the problems posed and be additional. As it is clear that none of these three conditions is genuinely met it is therefore not surprising that ERDF spending does not appear to be attaining the objectives which have been set.

22. In its report on 1982, the Commission states that "it is extremely difficult, particularly at a time of general budget retrenchment to gauge whether fund resources are being used on top of national expenditurethe answer to questions so broadly framed is bound to be hypothetical."

23. It draws a distinction between "overall additionality" and "individual additionality". In the latter case fund contributions to individual projects are passed on directly to investors by national governments and are, therefore, an additional source of financing. But Member States prefer to regard regional fund contributions as a partial replacement of aid which they grant to investors. In the United Kingdom, for example, the government does not, as a rule, authorize local authorities to use savings generated in this way to promote other projects.

COMPLEMENTARITY

24. ERDF Funding should support, or at the very least be consistent with, other policies pursued at Community level. In particular consideration should be given to linking the receipt of ERDF aid to other Community objectives such as the reduction of the working week to 35 hours, the improvement of working conditions, the promotion of equal opportunities and the respect of trade union rights.

25. Each decision taken to grant aid is based on certain value-judgments regarding the form of investment to be undertaken. The rapporteur believes that in arriving at these decisions which appear to be heavily biased towards the 'new technologies', insufficient weight is given to their employment effects. The Commission may argue that it can only act on the basis of the applications coming from the Member States. However this underestimates the way in which the attachment of conditions to the receipt of Community funds can influence the sort of schemes approved at national level.

26. The Commission should give consideration to ways in which it might take account of the suggestions and recommendations made in this report in the management of the Fund under the new regulation.

-0-0-0-

Table 2.4.-4

Comparable regional unemployment rates (4)

(as a percentage of labour force)

	maximum		minimum		Disparity (1)		Average rates	
	1981	1983	1981	1983	1981	1983	1981	1983
EUR9 (2)	14,1	19,2	2,5	5,5	3,3	3,9	7,6	10,9
D	5,7	11,0	1,7	4,5	1,0	1,8	3,6	7,5
F	10,7	15,5	5,0	6,9	1,6	1,8	7,8	9,0
I	13,9	20,3	2,0	4,1	2,7	3,7	7,6	11,0
NL	13,9	19,4	6,0	12,5	2,2	2,6	9,0	15,1
B	16,7	22,0	7,9	12,2	2,1	2,3	12,0	16,2
L	.	.	.	.	.	.	3,3	.
UK	16,0	22,2	6,7	9,9	2,7	3,1	9,8	13,3
IRL (3)	.	.	.	.	.	.	12,8	18,9
DK	.	.	.	.	.	.	11,3	15,4

- (1) Standard deviation weighted by regional share of labour force
- (2) Max and min for the Community = average of 10 regions with highest or lowest rates
- (3) Data which permit the measurement of the labour force/unemployment according to the extended concept are not available for Ireland since 1979. Accordingly the figure shown in the table may be subject to substantial revision when the results of the 1983 Labour Force Survey become available
- (4) Unemployment rates are EUROSTAT estimates using figures for the registered regional unemployed adjusted for national differences in registration practices by Sample Survey results.

Note: Unemployment rates for the two years are not fully comparable (see box 2.4.). They are, however, suitable for comparisons between regions and countries.

MOTION FOR A RESOLUTION (DOCUMENT 2-1115/84)

tabled by Mr DE PASQUALE, Mr DUCARME, Mr NEWMAN and Mr CHIABRANDO

pursuant to Rule 47 of the Rules of Procedure

on the ninth report from the Commission to the Council on the activities of the European Regional Development Fund in 1983 (COM(84) 522 final)

The European Parliament,

- A. whereas this report was drawn up in accordance with Regulation (EEC) No. 724/75 establishing a European Regional Development Fund,
- B. whereas the Commission forwarded this report on 28 September 1984,

Instructs its competent committee to submit a report on this important document as soon as possible.

MOTION FOR A RESOLUTION (DOCUMENT 2-1113/84)

tabled by Mr DE PASQUALE, Mr DUCARME, Mr NEWMAN and Mr CHIABRANDO

pursuant to Rule 47 of the Rules of Procedure

on the eighth report from the Commission to the Council on the activities of the European Regional Development Fund in 1982 (COM(83) 566 final)

The European Parliament,

- A. whereas the former Article 21(1) of the Council regulation establishing the ERDF provided as follows: 'Before 1 October each year the Commission shall present a report to the Council, the European Parliament and the Economic and Social Committee on the implementation of this Regulation during the preceding year',
- B. whereas the Commission forwarded this annual report on 11 October 1983,
- C. whereas the European Parliament normally delivers an opinion on all these annual reports and whereas the previous committee had already appointed a rapporteur,

Instructs its competent committee to submit a report on this important document as soon as possible.

OPINION OF THE COMMITTEE ON BUDGETARY CONTROL

Letter from the chairman of the committee to Mr De Pasquale, chairman of the Committee on Regional Policy and Regional Planning

Luxembourg, 3 November 1984

Dear Mr De Pasquale,

At its meeting of 29/30 September 1984 the Committee on Budgetary Control discussed the discharge in respect of the European Regional Development Fund for the financial year 1982 in connection with its own-initiative report on the report by the Commission (COM(83) 566 final).

The committee drew attention to the fact that Annex VI of the report drawn up by Mrs BOSERUP on the discharge for 1982 (Doc. 1-111/84/Ann.) contains a working paper on the utilization of Regional Fund appropriations in the financial year 1982. The working paper in question was drawn up by Mr A. GOUTHIER and sets out the views expressed in the Committee on Budgetary Control.

The committee's conclusions are set out in paragraph 15 of the abovementioned paper; I would therefore ask you on behalf of my committee to take account of that text when drawing up the motion for a resolution to be put to the House.

Kind regards,

(sgd) Heinrich AIGNER