

COMMISSION OF THE EUROPEAN COMMUNITIES

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Brussels, 11 june 1980

Proposal for a  
COUNCIL REGULATION

establishing supplementary measures in favour  
of the UNITED KINGDOM

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(submitted to the Council by the Commission)

Explanatory memorandum

1. After the Council meeting of the 29/30 May 1980 dedicated to "convergence and budgetary questions" it was agreed upon that payments would be made to the United Kingdom, on the one hand, through the adapted financial mechanism and, on the other hand, through the supplementary measures proposed by the Commission. The present regulation proposal concerns these supplementary measures.
2. In order to promote the convergence of the economies of the Member States, it is necessary to contribute to the solution of the principal structural problems affecting the United Kingdom. Improving its economic performance may be done by developing the economic and social infrastructure, especially in the assisted areas, as well as by investments for the exploitation of coal resources.
3. In consequence, it has been proposed that the supplementary measures shall be confined to investment expenditure as indicated above and that they shall be carried out in the form of special pluriannual programmes to be approved by the Commission after consultation with the Regional Policy Committee or the Energy Committee. Once the programmes have been approved by the Commission, advances may be accorded, of up to 90 % of the appropriations committed,

Proposal for a Council Regulation instituting supplementary Community measures to contribute to the solution of the principal structure problems affecting the United Kingdom and hence to the convergence of the economies of the Member States of the Community

THE COUNCIL OF THE EUROPEAN COMMUNITIES

Having regard to the Treaty establishing the European Economic Community, in particular Article 235,

Having regard to the proposal of the Commission,

Having regard to the opinion of the European Parliament (1),

Having regard to the opinion of the Court of Auditors (2),

Whereas the Council Conclusions of 30 May 1980(2) indicates that over the period 1980-82 payments should be made to the United Kingdom by means of the adapted Financial Mechanism and supplementary measures proposed by the Commission,

Whereas the need for these payments arises from the lack of convergence between the economies of the Member States of the Community, and whereas the supplementary measures should aim to realise special programmes of investments which contribute to greater convergence and integration of the economic policies of the Member States and are in line with priority Community objectives,

Whereas through these supplementary measures convergence can be promoted by improving the structures of the United Kingdom economy,

Whereas if they are to be fully effective the supplementary measures must be consistent with existing Community policies, especially the Regional Policy, and must respond to the need for improved economic and social infrastructure, especially in the regions with greatest structural problems,

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(1) O J No ...

(2) O J No ...

Whereas the exploitation of coal resources in the United Kingdom is in the interests of the Community's energy policy,

Whereas the supplementary measures should take the form of pluriannual programmes to be approved by the Commission to ensure an effective use of Community resources,

HAS ADOPTED THIS REGULATION :

Article 1

1. In addition to the amounts which will be transferred to the United Kingdom in the application of the Council Regulation (EEC) N° 1172/76 of 17 May 1976 establishing a financial mechanism (1), as amended by Council Regulation (EEC) N° /80 of 1980 (2), the present regulation provides for supplementary Community measures in respect of 1980 and 1981 the aims of which shall be :
  - the reduction of regional disparities and the renewal of urban areas through the improvement of economic and social infrastructure,
  - the exploitation of coal resources.
2. The measures shall be implemented by means of special financial assistance to the realisation of pluriannual programmes submitted for approval by the United Kingdom to the Commission.

Article 2

Provided these are undertaken by public authorities in the form of capital expenditure, the following categories of investments shall be eligible for financial participation by the Community within the framework of the special programmes to be submitted :

- (a) economic and social infrastructure especially transport and communications, telecommunications, transmission of energy, water and sewerage, industrial sites, advance factories, public housing,
- (b) infrastructure necessary to urban renewal programmes,
- (c) investments related to the exploitation of coal resources.

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(1) O J N° L131 of 20.5.76

(2) O J N° . . . .

Article 3

1. In the case of infrastructures, special programmes will be located within the areas covered on 1st January 1980 by the Regional Development Programmes provided for in Article 6, paragraphs 3 and 4 of the Council Regulation (EEC) n° 724/75 of 18 March 1975 (1) establishing a European Regional Development Fund, as amended by Council Regulation (EEC) n° 214/79 of 6 February 1979 (2), herein after referred to as "the Fund Regulation".

Each of these programmes :

- a) will cover a whole region or that part or parts of such a region eligible for assistance from the European Regional Development Fund,
- b) will be consistent with the regional development programmes provided for in Article 6 of the Fund Regulation,
- c) will contain, for the region or part of region covered, the information specified in the annex of the present regulation.

2. However in exceptional cases or where there is a special Community interest special infrastructure programmes may be submitted for areas outside regions referred to in paragraph 1.

For each of these programmes the United Kingdom will submit to the Commission all information specified in the annex of this regulation, with the exception of that indicated in point 3. Moreover it will submit all other information useful for the examination of the special programme, including its impact on the regions referred to in paragraph 1.

3. Before approving the special programmes referred to in paragraphs 1 and 2 above, the Commission shall consult the Regional Policy Committee provided for in Council Decision 75/185/EEC(1) of 18 March 1975 as amended by Council Decision 79/137/EEC(2) of 6 February 1979.

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(1) OJ L 73 of 21.3.1975

(2) OJ L 35 of 9.2.1979

#### Article 4

1. In the case of programmes covering the exploitation of coal resources, the United Kingdom will submit to the Commission a statement of needs, objectives, general physical characteristics of investments, their costs, details of their financing and a time-table of their realisation.
2. Before approving special programmes covering the exploitation of coal resources, the Commission shall consult the Energy Committee provided for in Council Decision of 30 January 1974.

#### Article 5

The following provisions will apply to all special programmes :

1. The Commission can request all additional information required for the examination and assessment of a special programme.
2. When the success of a special programme requires that the public authorities take complementary measures not financed by the Community, these measures will be contained in the programme.
3. A summary of each special programme will be published in the Official Journal of the European Communities. The United Kingdom, by agreement with the Commission, shall take all necessary steps to ensure that assistance granted in accordance with the present regulation is given suitable publicity

#### Article 6

1. The amount of financial assistance as referred to in Article 1 of this Regulation, is calculated in accordance with points 1 to 4 of the Council Conclusions of the 30 May 1980 (1).

The credits will be entered in the budget of the year following the year to which they apply. However in the light of a request from the United Kingdom, the Council acting by qualified majority may decide on a proposal of the Commission that the implementation of the supplementary measures may be brought forward.

In this case the Commission will engage the necessary procedures and in particular those which permit the appropriations which will have been entered for this purpose in Chapter 100 of the budget to be used.

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(1) OJ N°...

2. In approving the special programmes the Commission shall decide on the parts of programmes in the financing of which the Community participates, as well as on the amounts of the participation, in the light of the needs of the area concerned and the appropriations available.

The maximum rate of the financial contribution of the Community to a special programme, or part thereof, will be 70 %.

In deciding on the level of the Community's contribution, account will be taken of investments in receipt of grants from the European Regional Development Fund or from other Community financial instruments.

3. The decision of the Commission shall be considered as commitment in accordance with the provisions of Article 32, paragraph 2 of the Financial Regulation of 21 December 1977 applicable to the general budget of the European Communities (1).
4. The Commission as soon as it has taken the grant decision in accordance with paragraph 3 above will make an advance payment of 90 % of the amount of the Community's participation decided for each special programme in the light of the appropriations available. The transfer of the 10 % balance will be effected immediately after the exhaustion of the above payment, as certified by the government of the United Kingdom, and at the latest before the end of the financial year following that of the commitment, provided the realisation of the special programme proceeds as planned.
5. The Commission shall take into consideration for financial participation payments made by the Member State as from 1 January 1980.

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(1) OJ N° L 356 of 31.12.1977

Article 7

1. The Commission shall ensure the implementation of the special programmes in accordance with the requirements of this Regulation and the provision of the regulations made pursuant to Article 209 of the Treaty. To this end, the United Kingdom shall make available to the Commission all information required and shall take all steps to facilitate such supervision as the Commission may consider useful, including on-the-spot checks by officials of the Commission.
2. At the end of October of each year the United Kingdom shall present to the Commission a report on the progress made in carrying out each special programme. This report should enable the Commission to satisfy itself as to the execution of the programme.
3. When, in the course of implementation, minor adjustments to the programme which do not modify the objectives appear necessary, the Commission may approve them.  
  
If, in exceptional circumstances and for reasons that are fully justified, the United Kingdom intends to introduce major changes, a new special programme will be required.
4. If a special programme is not implemented in conformity with the provisions of the decision of the Commission approving it, the Commission may suspend any payments still to be made. It may also require that sums which have been, or are still to be paid, be allocated to other parts of the same programme or to other special programmes approved by it.

Article 8

The present regulation enters into force the 1980. It is applicable from 1 January 1980.

This regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

For the Council,

## Information to be included in a special infrastructure programme

### 1) General information

An infrastructure programme will contain this general information :

- a) a definition of the region or zone covered;
- b) a general description of the measures envisaged;
- c) the period of time covered.

### 2) Objectives

An infrastructure programme will show firstly the obstacles to development resulting from inadequacies in the infrastructure it covers and then the general objectives and the main lines of policy for such infrastructure.

A programme will make clear the relationship of these objectives with Community aims and measures, which may be in the field of regional policy proper or in that of another Community policy, when this is not done in a regional development programme.

A programme will also contain quantified targets for the infrastructure it covers which will reflect the general objectives and policies referred to in the two preceding paragraphs. These quantified targets will include the increase in capacity, the utilisation of that capacity and the improvement in the quality of service expected from the programme.

A programme will state the benefits for other regions that result from the investments realised under it. It will also indicate investments required for the development of the region but located outside it.

### 3) Consistency with the regional development programmes

There will be a demonstration of the consistency of an infrastructure programme with the relevant regional development programme, in particular with the objectives and the priorities among development measures expressed in the latter. When a regional development programme does not constitute an adequate framework for the appreciation of an infrastructure programme, the additional information required will be given in the infrastructure programme.

#### 4) Description of the investments

An infrastructure programme will contain this information:

- a) the main physical characteristics and location of investments greater than 10 million European units of account;
- b) a global description of the other elements of the programme;
- c) a time-table of construction.

#### 5) Complementary measures

An infrastructure programme will state the measures required for its success which are outside its scope and not financed by the Community and which may involve current as opposed to capital expenditure.

#### 6) Financing of the programme

An infrastructure programme will show the following information for each public authority involved:

- a) the total cost it will incur; within this total, the cost of each main investment and the global cost of other elements of the programme;
- b) the degree of commitment of expenditure;
- c) a time-table of expenditure.