

EUROPEAN PARLIAMENT

COMPARATIVE TABLE

concerning the

European Regional Development Fund (ERDF)

consisting of

- Regulation (EEC) No. 724/75 of the Council of 18 March 1975 establishing a European Regional Development Fund
- the proposal from the Commission to the Council of 3 June 1977 for a regulation amending Regulation (EEC) No. 724/75 establishing a European Regional Development Fund as amended by the European Parliament
- Council Regulation (EEC) No. 214/79 of 6 February 1979 amending Regulation (EEC) No. 724/75 establishing a European Regional Development Fund

DIRECTORATE-GENERAL FOR
RESEARCH AND DOCUMENTATION

Luxembourg, 28 April 1979

The Regulation establishing the European Regional Development Fund (ERDF)

The European Parliament began in 1966 (Resolution of 27.6.1966, OJ No. 130 of 19.7.1966) to recommend the creation of a 'special fund for the financing of regional development', which would, however, be embodied within the framework of a regional planning policy at Community level.

In October 1972, the Heads of State or Government, meeting in Paris, gave 'high priority to the aim of correcting, in the Community, the structural and regional imbalances which might affect the realization of economic and monetary union', and called on the Community institutions to create a 'Regional Development Fund', to be set up by 31 December 1973.

On 31 July 1973, therefore, the Commission submitted to the Council proposals for the creation of a European Regional Development Fund and a Regional Policy Committee (OJ No. C 86, 16.10.1973, page 7).

On 15 November 1973 Parliament delivered a favourable opinion on these proposals (OJ No. C 108, 10.12.1973, page 51), though it criticized the narrow interpretation of the concept of infrastructure and stressed the need to coordinate and combine measures taken under the Fund and to concentrate action on certain regions.

Discussions in the Council of Ministers on the amount of the endowment of the Regional Fund and its distribution among the Member States delayed its establishment until March 1975.

The Regulation adopted by the Council on 18 March 1975 (OJ No. L 73, 21.3.1975, page 1) after further consultation of the European Parliament on 12 March 1975 (OJ No. C 76, 7.4.1975, page 19) is somewhat different from the text proposed by the Commission in 1973. The Regulation introduces national quotas and also fixes the annual endowment of the Fund for the first three years.

However, Article 18 of the Regulation establishing the Fund stipulates that 'on a proposal from the Commission, the Council shall re-examine this Regulation before 1 January 1978'. Article 2(2) states that, when re-examining the Regulation, the Commission shall make 'the appropriate proposals for the Community's regional policy and for aid from the Fund during the subsequent period'.

The Regulation thus makes an important distinction between, on the one hand, the Community's regional policy, and, on the other, action under the ERDF, which is merely one of the instruments of that policy.

On 21 April 1977 the European Parliament adopted an interim report on 'aspects of the Community's regional policy to be developed in the future'

(OJ No. C 118, 16.5.1977, page 51) setting out a global approach to regional policy which should serve as a framework for action under the ERDF. The European Parliament also proposed the creation of a 'reserve' for specific objectives and certain improvements concerning the functioning of the Fund.

On 3 June 1977 the Commission submitted to the Council a communication concerning 'guidelines in the field of Community regional policy' (OJ No. C 161, 9.7.1977, page 11), which contained a proposal to amend the regulation establishing the European Regional Development Fund providing, in particular, for the creation of a non-quota section.

On 13 October 1977 the European Parliament delivered a generally favourable opinion (OJ No. C 266, 7.11.1977, page 35) containing certain modifications.

The Council has not complied with the deadline fixed for the review of the regulation. The common guidelines which it adopted in June 1978 depart from the opinion adopted by the European Parliament and distort the significance of the non-quota section, which is subject to serious limitations.

Finally, the Regulation amending the ERDF Regulation adopted by the Council on 6 February 1979 (OJ No. L 35, 9.2.1979) does not entirely meet the wishes of the European Parliament.

However the Council has undertaken, within the framework of the conciliation procedure with the European Parliament, to give particular consideration to the matters about which the Assembly is concerned, when it undertakes the further review provided for in Article 22 of this Regulation before 1 January 1981.

Annexed to this introduction is a comparative table of:

- Council Regulation (EEC) No. 724/75 of 18 March 1975 establishing a European Regional Development Fund,
- the proposal from the Commission to the Council of 3 June 1977 for a regulation amending Regulation (EEC) No. 724/75 establishing a European Regional Development Fund as amended by the European Parliament,
- Council Regulation (EEC) No. 214/79 of 6 February 1979 amending Regulation (EEC) No. 724/75 establishing a European Regional Development Fund.

N.B.

1. Terms underlined correspond to the amendments made by the European Parliament to the Commission text.
2. The term 'unchanged' signifies that no change has been made to the text in the right-hand column by comparison with that in the left-hand column.

COUNCIL REGULATION (EEC) No 724/75
of 18 March 1975
establishing a European Regional
Development Fund³

THE COUNCIL OF THE EUROPEAN
COMMUNITIES,

Having regard to the Treaty estab-
lishing the European Economic
Community, and in particular Article
235 thereof;

Having regard to the proposal from
Commission;

Having regard to the Opinion of the
European Parliament¹;

Having regard to the Opinion of the
Economic and Social Committee²;

Whereas, by virtue of Article 2 of
the Treaty, the Community has been
assigned the task of promoting through-
out the Community a harmonious devel-
opment of economic activities;

¹ OJ No C 108, 10.12.1973, p. 51

² OJ No C 8, 31.1.1974, p. 11

PROPOSAL FROM THE COMMISSION¹ TO THE COUNCIL
of 3 June 1977
for a regulation amending Regulation (EEC)
No 724/75 establishing a European Regional
Development Fund as amended by the European
Parliament

THE COUNCIL OF THE EUROPEAN
COMMUNITIES,

Having regard to the Treaty establishing the
European Economic Community, and in partic-
ular Article 235 thereof;

Having regard to the proposal from the
Commission;

Having regard to the Opinion of the European
Parliament²;

Having regard to the Opinion of the Economic
and Social Committee;

¹ OJ No C 161, 9.7.1977, p. 11

² OJ No C 266, 7.11.1977, p. 35

COUNCIL REGULATION (EEC) No.214/79⁴
of 6 February 1979
amending Regulation (EEC) No 724/75
establishing a European Regional
Development Fund

THE COUNCIL OF THE EUROPEAN
COMMUNITIES,

Having regard to the Treaty estab-
lishing the European Economic
Community, and in particular Article
235 thereof;

Having regard to the proposal from
the Commission¹;

Having regard to the Opinion of the
European Parliament²;

Having regard to the Opinion of the
Economic and Social Committee³;

¹ OJ No C 161, 9.7.1977, p. 11

² OJ No C 266, 7.11.1977, p. 35

³ OJ No C 292, 3.12.1977, p. 13
and OJ No. L 35, 9.2.1979, p. 1

⁴ OJ No No L 35, 9.2.1979, p.1

Whereas the Paris conference of Heads of State or of Government¹ in October 1972, desirous of finding a Community solution to regional problems, invited the Community institutions to create a Regional Development Fund whose intervention, in conjunction with national aids, should permit, with the progressive realization of economic and monetary union, the correction of the main regional imbalances in the Community and particularly those resulting from the preponderance of agriculture and from industrial change and structural underemployment;

Whereas this undertaking was reiterated at the conference in Copenhagen in December 1973; whereas it was decided at the conference in Paris in December 1974 that the European Regional Development Fund should be implemented as from 1 January 1975;

Whereas Council Regulation (EEC) No 724/75 of 18 March 1975 establishing a European Regional Development Fund¹ created a European Regional Development Fund intended to correct the principal regional imbalances within the Community;

Whereas Council Regulation (EEC) No 724/75 of 18 March 1975 establishing a European Regional Development Fund¹ created a European Regional Development Fund intended to correct the principal regional imbalances within the Community;

¹ OJ No L 73, 21.3.1975, p. 1

¹ OJ No L 73, 21.3.1975, p.1

¹ OJ No L 73, 21.3.1975, p. 1

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COMMISSION PROPOSAL TO THE COUNCIL AS AMENDED COUNCIL REGULATION (EEC) No 214/79
BY THE EUROPEAN PARLIAMENT

Whereas Article 18 thereof provides that on a proposal from the Commission the Council shall re-examine the said Regulation before 1 January 1978;

Whereas Article 18 of that Regulation provides that on a proposal from the Commission, the Council is to re-examine the Regulation before 1 January 1978;

Whereas pursuant to the decision taken by the Heads of Government at the Paris Conference in 1974, the Fund should be allocated specific amounts for the years 1975 to 1977; whereas, however, it is advisable to reserve the decision as to the nature of the Fund's expenditure for subsequent financial years;

Whereas the Fund's endowment should be fixed each year in the general budget of the European Communities;

Whereas the Treaty does not provide the necessary powers; whereas the Community should be granted such powers pursuant to Article 235 of the Treaty;

Whereas an effective policy on regional structures is an essential prerequisite to the realization of economic and monetary union;

Whereas regional development requires investment in industrial or service activities ensuring that new jobs are created and existing jobs maintained on the one hand, and on the other, investment in infrastructures directly linked to the development of these activities; whereas it is necessary to contribute to the creation in certain less-favoured agricultural areas, of adequate, collective facilities to ensure that farming is continued and a minimum population maintained;

Whereas the principle should be adopted that the Fund's assistance should be allocated according to the relative severity of regional imbalances; whereas account should also be taken of other factors determining the interest of investments from the point of view of the region concerned as well as from that of the Community;

Whereas, in view of the economic and social trends in the Community in recent years and particularly the economic crisis resulting from the increase in the cost of primary products, it is clear that the assistance provided from the Fund must be diversified to enable it both to provide assistance for Community action in support of regional policy measures taken by the Member States and also to assist specific Community regional development measures, in favour of regions experiencing problems of restructuring and reconversion;

Whereas, in particular, it must be possible to extend the geographical scope of Fund assistance to regions for areas other than those established by the Member States under their regional aid systems;

Whereas the general framework in which these specific Community regional development measures would subsequently be adopted and implemented should be laid down;

Whereas the special characteristics of Greenland, of the French overseas departments, of Ireland, of the Mezzogiorno and

Whereas, in view of the economic and social trends in the regions and areas of the Community, it seems necessary to diversify the assistance from the Fund to enable it both to provide assistance for Community action in support of regional policy measures taken by the Member States and also to assist specific Community regional development measures;

Whereas it should be possible for the geographical scope of Fund assistance to be extended for specific Community regional development measures to cover regions or areas other than those established by the Member States under their regional aid systems;

Whereas the general framework in which these specific Community regional development measures will subsequently be adopted and implemented should be laid down;

Whereas the diversity of regional situations in the Community means that the definition of infrastructure

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of Northern Ireland justify Fund participation in the financing of infrastructure investments up to a rate of 50%;

investments eligible for Fund assistance should be adapted;

Whereas provision should be made for an increased rate of participation by the Fund in the financing of some of these infrastructure investments;

Whereas the management of the Fund should be the responsibility of the Commission assisted by a Fund Committee;

Whereas the experience gained in the first three years of operation of the Fund permits the decision-making procedures for Fund assistance to be simplified;

Whereas the experience gained in the first three years of operation of the Fund permits the decision-making procedures for Fund assistance to be simplified;

Whereas aid from the Fund will be effective only if investments benefiting from the Community's aid are included in regional development programmes; whereas the results obtained in each region from year to year should be monitored;

Whereas the provisions relating to regional development programmes, to annual information and to statistical summaries must be adapted to the changes that have taken place;

Whereas the provisions relating to regional development programmes, to annual information and to statistical summaries must be adapted to the changes that have taken place;

Whereas an acceleration of the arrangements for payment from the Fund would facilitate the carrying out of the investments benefiting from the Fund; whereas the introduction, on certain conditions, of a scheme for advanced payment to the Member States will enable this objective to be met;

Whereas an acceleration of the arrangements for payment from the Fund would facilitate the carrying out of the investments benefiting from the Fund; whereas the introduction, on certain conditions, of a scheme for accelerated payments will enable this objective to be met;

Whereas the Fund's assistance should not lead Member States to reduce their own regional development efforts but should complement these efforts;

Whereas the detailed rules for ensuring the complementary character of the assistance provided from the Fund should be specified;

Whereas the procedures for making apparent the complementary character of the assistance provided from the Fund should be specified, and whereas the Commission should, for this purpose, be given the information necessary for it to ascertain that this complementary character is ensured;

Whereas the Commission should ensure, with the cooperation of Member States, the proper administration of investments receiving aid from the Fund and exercise effective control of the operation of the Fund;

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Whereas the extent of the Community's activities requires specific information to be provided to the Council and to the European Parliament in the form of an annual report;

HAS ADOPTED THIS REGULATION:

HAS ADOPTED THIS REGULATION:

HAS ADOPTED THIS REGULATION:

TITLE I

INTRODUCTORY PROVISIONS

TITLE I

INTRODUCTORY PROVISIONS

Article 1

A European Regional Development Fund is hereby established, hereinafter referred to as 'the Fund', intended to correct the principal regional imbalances within the Community resulting in particular from agricultural preponderance, industrial change and structural under-employment.

Article 1

The European Regional Development Fund, hereinafter referred to as 'the Fund', is intended to correct the principal regional imbalances within the Community.

Article 1

The European Regional Development Fund, hereinafter referred to as 'the Fund', is intended to correct the principal regional imbalances within the Community resulting in particular from agricultural preponderance, industrial change and structural under-employment.

Article 2

1. For the period 1975 to 1977, financial assistance from the Fund shall be granted to the applicant Member States, subject to the conditions set out in this Regulation and within the limits

Article 2

1. As from the budgetary year 1978, the allocation for the Fund shall be determined annually by the budget of the European Communities.

Article 2

1. As from the financial year 1978, the endowment for the Fund shall be determined annually in the general budget of the European Communities.

of the following appropriations:

- 300 million units of account in 1975,
- 500 million units of account in 1976,
- 500 million units of account in 1977.

This total amount of 1,300 million units of account shall be financed to the extent of 150 million units of account by the appropriations not presently utilized from the European Agricultural Guidance and Guarantee Fund (Guidance Section).

2. When re-examining the Regulation as provided for in Article 18, the Commission shall in due course make the appropriate proposals for the Community's regional policy and for aid from the Fund during the subsequent period.

3. The annual budget shall indicate for the relevant year under the Fund heading:
(a) commitment appropriations;
(b) payment appropriations.

Save where otherwise provided for in special provisions laid down in this Regulation, the Financial Regulation applicable to the general budget of the Communities shall apply to the management of the Fund.

2. The annual budget shall indicate for the relevant year under the Fund heading:
(a) commitment appropriations;
(b) payment appropriations.

Save where otherwise provided for in special provisions laid down in this Regulation, the Financial Regulation applicable to the general budget of the Communities shall apply to the management of the Fund.

3. The following may be financed by the Fund with a view to contributing to the realization of the objective referred to in Article 1:

2. Unchanged.
(a) Unchanged.
(b) Unchanged.
Unchanged.

3. Unchanged

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(a) Community action in support of regional policy measures taken by the Member States, as provided for in Title II of this Regulation.

(a) Unchanged.

The resources of the Fund shall be distributed in accordance with the following table:

The resources of the Fund intended for financing these activities shall be distributed in accordance with the following table (provisional table contained in the Annex to this Regulation).

The resources of the Fund intended for financing these activities shall be distributed in accordance with the following table:

Belgium	1.5%	Belgium	1.5%	Belgium	1.39%
Denmark	1.3%	Denmark	1.3%	Denmark	1.20%
France	15.0%	France	15.0%	Germany	6.00%
Ireland	6.0%	Ireland	6.0%	France	16.86%
Italy	40.0%	Italy	40.0%	Ireland	6.46%
Luxembourg	0.1%	Luxembourg	0.1%	Italy	39.39%
Netherlands	1.7%	Netherlands	1.7%	Luxembourg	0.09%
Federal Republic of Germany	6.4%	Federal Republic of Germany	6.4%	Netherlands	1.58%
United Kingdom	28.0%	United Kingdom	28.0%	United Kingdom	27.03%

Further, a sum of six million units of account shall be granted to Ireland, which shall be deducted from the share of other Member States with the exception of Italy.

There shall (should) be allocated to Ireland a further sum calculated so as to ensure that it receives an extra 0.5%, which shall be deducted from the shares allocated to the other Member States, except Italy.

(b) Specific Community regional development measures, as provided for in Title 3 of this Regulation.

The whole of the Fund's resources for financing these measures shall be used having due regard to the relative intensity of regional imbalances (especially in relation to the Community average) as shown by, in particular, the following indicators:

- the trend of unemployment rates in the regions during the preceding five years;
- (structural underemployment);
- the proportion of the active population occupied in agriculture;
- (and related industries such as fisheries and forestry);
- the proportion of the active population occupied in declining industrial sectors;
- the migration balance of the regions during the preceding five years;

(b) Specific Community regional development measures, as provided for in Title III of this Regulation. The sum allotted to such measures shall amount to 5% of the Fund's resources. Resources which cannot be used in time for such measures shall be allocated to the supportin action referred to in (a).

The whole of the Fund's resources for financing these measures shall be used, having due regard to the relative severity of regional imbalances in the Community.

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- the development and the level, of the gross domestic product.

Article 3

Regions and areas which may benefit from the Fund shall be limited to those aided areas established by Member States in applying their systems of regional aids and in which State aids are granted which qualify for Fund assistance.

When aid from the Fund is granted, priority shall be given to investments in national priority areas, taking account of the principles for the coordination at Community level of regional aids.

Article 3

1. Regions and areas which may benefit from the Fund shall be limited to those aided areas established by Member States in applying their system of regional aids and in which State aids are granted which qualify for Fund assistance.

2. The Fund may give assistance as part of the measures referred to in Article 2(3) (b), to regions and areas other than those referred to in paragraph 1, provided that the Member State concerned also gives assistance.

Article 3

1. Unchanged.

When aid from the Fund is granted, priority shall be given to investment in national priority areas, taking account of the principles for the coordination at Community level of regional aids.

2. As part of the specific Community regional development measures referred to in Article 2(3) (b), the Fund may also, where appropriate, give assistance in regions or areas other than those referred to in paragraph 1, for the solution of problems forming the subject of Community action, if the

Member State concerned has also given assistance or does so at the same time.

TITLE II
COMMUNITY ACTION IN SUPPORT OF
REGIONAL POLICY MEASURES TAKEN
BY THE MEMBER STATES

Chapter I
SCOPE OF INTERVENTION

Article 4

1. The Fund may contribute to the financing of investments which individually exceed 50,000 units of account, and come under any of the following categories:

(a) Investments in industrial, handicraft, or service activities which are economically sound and which benefit from State regional aids, provided that at least 10 new jobs are created or that existing jobs are maintained. In the latter case, the investments should fall within the framework of a conversion or restructuring plan to ensure that the undertaking concerned is competitive.

Article 4

1. As part of Community action in support of regional policy measures taken by the Member States, the Fund may contribute to the financing of investments which individually exceed 50,000 European units of account, and come under any of the following categories:

(a) Investments in industrial, handicraft, or service activities which are economically sound and which benefit from State regional aids, provided that at least 10 new jobs are created or that existing jobs are maintained. In the latter case, the investments should fall within the framework of a conversion or restructuring plan to ensure that the undertaking concerned is competitive, provided that at least 10 jobs are created or maintained.

TITLE II
COMMUNITY ACTION IN SUPPORT OF
REGIONAL POLICY MEASURES TAKEN
BY THE MEMBER STATES

Chapter I
SCOPE OF INTERVENTION

Article 4

1. Unchanged.

(a) Investments in industrial, handicraft or service activities which are economically sound and which benefit from State regional aid, provided that at least 10 new jobs are created or that 10 existing jobs are maintained. In the latter case, the investments should fall within the framework of a conversion or restructuring plan to ensure that the undertaking concerned

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Preference shall, however, be given to operations which both maintain existing jobs and create new jobs.

Service activities qualifying for assistance shall be those concerned with tourism and those which have a choice of location. Such activities should have a direct impact on the development of the region and on the level of employment.

(b) Investments in infrastructures directly linked with the development of activities covered by (a) above and totally or partially financed wholly or in part by public authorities or by any other agency responsible, on a similar basis as a public authority, for the creation of infrastructures.

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Unchanged.

For the purposes of this Article, a group of investments which are related geographically and financially, and which together comply with the criteria provided for in this Article, may be considered as a single investment in the field of handicraft or tourism.

(b) Investments in infrastructure which contribute to the development of the region in which it is located, financed wholly or in part by public authorities or by any other agency responsible, on a similar basis as a public authority, for the creation of infrastructure.

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is competitive. Preference shall, however, be given to operations which both maintain existing jobs and create new jobs.

Unchanged

Unchanged.

(b) Investments financed wholly or in part by public authorities or by any other agency responsible, on a similar basis to a public authority, for the creation of infrastructures and covering, provided that this is justified by regional development programmes, infrastructures which

(c) Investments in infrastructures cover in Article 3(2) of the Council Directive on mountain and hill farming and farming in certain less-favoured areas, provided that the less-favoured area in question corresponds to or is located within one of the regions or areas covered by Article 3 of this Regulation.

(c) Unchanged.

contribute to the development of the region or area in which they are situated, provided that the total share of the overall assistance granted by the Fund for financing the investments referred to in this point does not exceed 70% of the Fund's assistance.

This percentage must be complied with over a period of three years; however it may be exceeded by a decision of the Council acting on a proposal from the Commission.

In administering the Fund, the Commission shall take account of the particular situation of certain regions on the basis of the programmes referred to above. Member States shall take all steps to enable the provisions of this point to be applied.

(c) Unchanged.

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2. The amount of the Fund's contribution shall be:

(a) In respect of investments covered by paragraph 1 (a), 20% of the investment cost without however exceeding 50% of the aid accorded to each investment by public authorities under a system of regional aids, such contributions being limited moreover to that part of the investment which does not exceed 100,000 units of account per job created and 50,000 units of account per job maintained

The State aids to be taken into consideration in this connection shall be grants, interest rebates, or their equivalent where loans at reduced rates of interest are concerned, whether these aids are linked to the investment or to the number of jobs created. The

2. The amount of the Fund's contribution shall be:

(a) In respect of investments covered by paragraph 1(a), 20% of the investment cost without, however, exceeding 50% of the aid accorded to each investment by public authorities under a system of regional aids, such contributions being limited moreover to that part of the investment which does not exceed 100,000 European units of account per job created and 50,000 European units of account per job maintained.

In the case of services, by way of derogation from the preceding sub-paragraph, the Fund's contribution may exceed 20% of the investment cost, provided that the amount does not exceed in such a case 10,000 European units of account per job created or maintained, or 50% of the national aids.

The State aids to be taken into consideration in this connection shall be grants, interest rebates, or their equivalent where loans at reduced rates of interest are concerned, whether these aids are linked to the investment or to the number of jobs created. These aids include aids paid to undertakings in connection

2. Unchanged.

Unchanged.

The State aids to be taken into consideration shall be grants, interest rebates or their equivalent where loans at reduced rates of interest are concerned, whether such aid is linked to the investment or to the number of jobs created. Such aid

aid equivalent will be calculated in accordance with an implementing Regulation referred to in Article 17. The aid granted in the form of rent rebates or exemptions from payments of rents of factories may also be taken into account, provided that this form of calculation can be applied.

The contribution from the Fund thus defined may, pursuant to a prior decision of the Member State concerned communicated at the same time as the request for this contribution, either supplement aid granted to the relevant investment by public authorities or remain credited to those authorities and considered as a partial repayment of such aid.

(b) In respect of investments covered by paragraph 1(b) and (c), 30% of the expenditure incurred by public authorities when the investment is less than 10 million units of account, and from 10 to 30% maximum for investments of 10 million units of account or more,

with the transfer of workers. The aid equivalent will be calculated in accordance with an implementing Regulation referred to in Article 17. The aid granted in the form of rent rebates or exemptions from payments of rents of buildings, including plant, may also be taken into account, provided that this form of calculation can be applied.

The contribution from the Fund thus defined may, pursuant to a prior decision of the Member State concerned communicated at the same time as the request for this contribution, either supplement aid granted to the relevant investment by public authorities or remain credited to those authorities and considered as a partial repayment of such aid (provided that it is added to the aid granted by the public authorities for other identifiable investments in the same region).

(b) In respect of investments covered by paragraph 1 (b) and (c), 30% of the expenditure incurred by public authorities when the investment is less than 5 million European units of account from 10% to a maximum of 30% for investments of not less than 5 million European units of account. However, the pro-

may include aid granted in respect of an investment in connection with transfer of plant and workers. The aid equivalent shall be calculated in accordance with an implementing Regulation under the terms of Article 16. Aid granted in the form of rent rebates or exemptions from payments of rent for buildings, including plant, may also be taken into account, provided that the same calculation is possible.

The contribution from the Fund thus defined may, pursuant to a prior decision of the Member States concerned communicated at the same time as the request for this contribution, either supplement aid granted to the relevant investment by public authorities or remain credited to those authorities and considered as a partial repayment of such aid.

(b) In respect of investments covered by paragraphs 1(b) and (c), 30% of the expenditure incurred by public authorities where the investment is less than 10 million European units of account and from 10 to 30% maximum for investments of 10 million

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jects which are of particular interest for the development of the region in Greenland, in the French overseas departments, in Ireland, in the Mezzogiorno and in Northern Ireland, the maximum rate may be 50%.

EUA or more. However, the maximum rate may be 40% for projects which are of particular importance to the development of the region in which they are situated.

the Fund's assistance being able to consist wholly or in part of a rebate of three percentage points on loans made by the European Investment Bank, pursuant to Article 130 (a) and (b) of the Treaty, in the regions and areas referred to in Article 3 of this Regulation. In this event, the aid from that Fund shall be paid to the bank in one instalment, the rebate being a capitalized sum expressed as a percentage of the investment.

The Fund's assistance may consist wholly or in part of a rebate of three percentage points on loans made by the European Investment Bank, pursuant to Article 130(a) and (b) of the Treaty in the regions and areas referred to in Article 3 of this Regulation. In that event, the aid from the Fund shall be paid to the Bank in one instalment, the rebate being a capitalized sum expressed as a percentage of the investment.

Article 5

1. The Fund's assistance shall be decided by the Commission in accordance with the procedure laid down in Article 12, according to the relative severity of the economic imbalance of the region where the investment is made and the direct or indirect effect of the investment on employment. The Commission shall examine in particular the consistency of the investment with the range of actions undertaken by the relevant Member State in favour of the region concerned, as apparent from information supplied by Member States pursuant to Article 6 and taking special account of:

(a) the investments contribution to the economic development of the region;

(b) the consistency of the investment with the Community's programmes or objectives;

(c) the situation of the economic sector concerned and the profitability of the investment;

Chapter 2
PROVISIONS RELATING TO PROCEDURE
Article 5

1. The Fund's assistance shall be decided by the Commission according to the relative severity of the economic imbalance of the region where the investment is made and the direct or indirect effect of the investment on employment. The Commission shall examine, in particular, the consistency of the investment and the range of actions undertaken by the relevant Member State in favour of the region concerned, as apparent from information supplied by Member States pursuant to Article 6 and taking special account of:

(a) Unchanged.

(b) the consistency of the investment with the Community regional policy guidelines and priority regional development objectives deriving therefrom, and with any other Community measures;

(c) Unchanged.

Chapter 2
PROVISIONS RELATING TO PROCEDURE
Article 5

1. Unchanged.

(a) Unchanged.

(b) The consistency of the investment with the Community's programmes or objectives;

(c) Unchanged.

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(d) whether the investment falls within a frontier area, that is to say, within adjacent regions of separate Member States;

(e) other contributions made by Community institutions or by the European Investment Bank, either to the same investment or to other activities within the same region. Thus contributions from the Fund will be coordinated with other Community contributions, in such a way as to favour a range of converging and coordinated actions within a given region and to guarantee in particular consistency between regional policy and structural policy for agriculture.

2. In respect of infrastructures costing 10 million or more units of account, the Commission shall, before obtaining the Opinion of the Fund Committee referred to in Article 12, consult the Committee for Regional Policy.

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(d) whether the investment falls within a frontier area, that is to say, within adjacent regions of separate Member States (or in regions adjacent to a third country);

(e) Unchanged.

2.(a) In respect of investment projects costing more than 5 million European units of account, the Fund's assistance shall be the subject of a Commission Decision under the procedure provided for in Article 15;

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(d) whether the investment falls within a frontier area, that is to say, within adjacent regions of separate Member States;

(e) Unchanged.

2.(a) In respect of investments of 10 million European units of account or more, the Fund's assistance shall be the subject of a Commission Decision under the procedure provided for in Article 16.

In respect of investments in infrastructure costing 10 million or more

(b) for investment projects costing less than 5 million European units of account, the Commission shall inform the Fund Committee of decisions taken. The procedure provided for in Article 15, shall, however, apply in the case of:

- negative decisions, where the Member State so requests;
- all other draft decisions in respect of which the Commission wishes to receive an opinion from the Fund Committee.

Article 6

1. Investments may benefit from the Fund's assistance only if they fall within the framework of a regional development programme, the implementation of which is likely to contribute to the correction of the main regional imbalances within the

European units of account, the Commission shall, before obtaining the Opinion of the Fund Committee referred to in Article 15, consult the Regional Policy Committee.

(b) In respect of investments costing less than 10 million European units of account, the Commission shall provide prior information for the Member States in the form of a simplified list of investments for which requests for assistance have been received. The procedure provided for in Article 16 shall apply in the case of:

- Unchanged.
- Unchanged.

Article 6

1. Investments may benefit from the Fund's assistance only if they are part of a regional development programme the implementation of which is likely to contribute to the correction of the main regional imbalances within the Community which may impair the proper working of the common market and the

Article 6

1. Unchanged.

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Community which are likely to prejudice the attainment of economic and monetary union.

converging trend of the Member States' economies, with a view, in particular, to the attainment of economic and monetary union.

2. By way of derogation from paragraph 1 the annual information referred to in paragraph 6 shall take the place of programmes, until such programmes have been prepared for regions where they have not yet been established. A timetable will be set for the preparation of these programmes, such that all programmes will be available by the end of 1977.

2. Regional development programmes shall be established according to the joint outline prepared by the Regional Policy Committee¹.

2. Unchanged.

3. Member States shall notify the Commission of regional development programmes and alterations thereto as and when they are drawn up.

3. Member States shall notify the Commission of regional development programmes and alterations made to the programmes already notified.

3. Unchanged.

4. The programmes shall indicate the objectives and the means for developing the region. For this purpose, one of the priority tasks of the Committee for Regional Policy shall be to study the technical methods for preparing these programmes, so as to

4. The Regional Policy Committee shall be consulted with regard to the programmes. The Commission shall examine these programmes in the light of the guidelines, priorities and other Community measures referred to in Article 5(1) (b). It shall determine priori-

4. The programmes shall be of an indicative nature and specify the objectives of the development of the region concerned and the means to be employed. They shall be the subject of consultation with the Regional Policy Committee. The

¹ Outline of regional development programmes - OJ No C 69, 24.3.1976

provide, by 31 December 1975 at the latest, an outline of the information to be included in these programmes.

5. The Committee for Regional Policy must be consulted about the programmes. The Commission shall examine them, having regard to the provisions of the Treaty and the decisions adopted by Community institutions.

ties within this framework.

5. Before 31 January each year, Member States shall bring the regional development programmes up-to-date by providing the Commission with all relevant information for the current year not contained in the programme on:

- (a) the financial resources allocated to regional development under their programmes;
- (b) the priority measures on regional development which they intend to implement;
- (c) the use they intend to make of Community resources and, in particular, of resources from the Fund, in implementing these priority measures.

6. Member States shall provide the Commission at the beginning of each year, and initially before the begin-

6. Before 1 April each year, Member States shall provide the Commission with an overall statistical summary indicating by region for

Commission shall examine these programmes in the light of the criteria referred to in Article 5 (1)(b) in order to enable it to determine the priorities for assistance from the Fund.

5. Before 31 March each year, Member States shall bring the regional development programmes up-to-date by providing the Commission with all available information for the current year not contained in the programmes on:

- (a) Unchanged;
- (b) Unchanged;
- (c) Unchanged,

Any other relevant information shall be forwarded to the Commission as soon as possible.

6. Before 1 October each year, Member States shall provide the Commission with an overall statis-

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ning of the third month following the entry into force of this Regulation, with all useful information concerning

(a) the development of the economic and social situation of the regions referred to in Article 3;

(b) the resources which they have decided to allocate or which they proposed to allocate to the development of these regions;

(c) the measures envisaged in respect of infrastructure and the creation of economic activity, together with an implementation schedule;

(d) where applicable, the aid ceiling. They shall also provide annually, at the latest by 1 April, an overall statistical summary indicating by region the results achieved during the previous year as a result of action taken in each region. Those results to which the Fund has contributed shall be indicated separately.

Article 7

1. Member States shall submit requests for assistance from the Fund to the Commission, and shall indicate any factors which will allow the Commission to assess the value of the investments

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the previous year:

(a) the results achieved in the region in terms of investment and employment;

(b) the financial means employed;

(c) the actual use of the resources of the Fund;

(d) the total of investments carried out and of investment aids granted by the central and local authorities, broken down according to the main functions of the public authority.

Article 7

1. Member States shall submit requests for assistance from the Fund to the Commission, and shall indicate any factors which will allow the Commission to assess the value of the investments proposed in view of the provisions laid

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tical summary indicating by region for the previous year:

(a) Unchanged.

Article 7

1. Unchanged.

proposed in the light of the criteria laid down in Article 5.

2. In respect of the investments referred to in Article 4(1) of an amount less than 10 million units of account, Member States shall present their global requests at the beginning of each quarter year. They shall group these requests by regions and shall separate investments referred to in Article 4(1)(a) from investments in infrastructure.

These requests shall indicate:

(a) In respect of the investments referred to in Article 4(1)(a), the names of the undertakings concerned, the sector of their activity and the location of each investment, also its character (foundation, extension, conversion or restructuring of the relevant concern), the total amount of investment involved, the predicted overall effect on employment (creation or maintenance), estimates regarding the implementation schedule, total aids granted for which a contribution from the Fund is requested and the schedule laid down for their payment.

down in Articles 5 and 6.

2. In respect of the investments referred to in Article 4(1) of an amount less than 5 million European units of account, Member States shall present their global requests at the beginning of each quarter year. They shall group these requests by regions and shall separate investments referred to in Article 4(1)(a) from investments in infrastructure.

These requests shall indicate:

(a) Unchanged.

2. In respect of the investments referred to in Article 4(1) of an amount less than 10 million European units of account, Member States shall present their global requests at the beginning of each quarter year. They shall group these requests by regions and shall separate investments referred to in Article 4(1)(a) from investments in infrastructure.

These requests shall indicate:

(a) Unchanged.

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(b) In respect of investments in infrastructure, the location of each investment and its character, and its direct link with the development of the activities referred to in Article 4 (1) (a), the predicted total costs and the costs borne by public authorities and the schedule laid down for their payment, the name of the responsible authorities, the total contribution requested from the Fund, and estimates regarding the implementation schedule.

3. In respect of investments of 10 million units of account or more, requests shall be presented separately and shall include the following information:

(a) In respect of the investments referred to in Article 4(1) (a) the name of the undertaking, the sector of activity, the nature of the investment, its location, the effect on employment, the implementation schedule, the grants, interest rebates or loans at reduced rates of interest and the schedule laid down for the payment of such aids, any

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(b) In respect of investments in infrastructure the location of each investment and its character, and its contribution to the development of the region, the predicted total costs and the costs borne by public authorities and the schedule laid down for their payment, the name of the responsible authorities, the total contribution requested from the Fund, and estimates regarding the implementation schedule.

3. In respect of investments of 5 million European units of account or more, requests shall be presented separately and shall include the following information:

(a) Unchanged.

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(b) Unchanged.

3. In respect of investments of 10 million European units of account or more, requests shall be presented separately and shall include the following information:

(a) Unchanged.

other form of aid granted or provided for by public authorities and the financing plan, indicating in particular any other Community aids requested or provided for.

The Member State shall state in its request the total aid which in its opinion should be granted to the undertaking and the contribution it is seeking from the Community.

(b) In respect of investments in infrastructure, the responsible authority, the nature of the investment, its location, its direct link with the development of the activities referred to in Article 4(1)(a), its cost, its financing plan, its implementation schedule and the schedule laid down for payments.

4. Aid from the Fund shall be determined by the Commission:

(a) in the aggregate for each request referred to in paragraph 2;

(b) case by case, for requests covered by paragraph 3.

(b) In respect of investments in infrastructure the responsible authority, the nature of the investment, its location, its contribution to the development of the region, its cost, its financing plan, its implementation schedule and the schedule laid down for payments.

4. Unchanged.

(a) Unchanged.

(b) Unchanged.

(b) In respect of investments in infrastructure, the responsible authority, the nature of the investment, its location, its contribution to the development of the region, its cost, its financing plan, its implementation schedule and the schedule laid down for payments.

4. Unchanged.

(a) Unchanged.

(b) Unchanged.

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5. Member States shall give priority to the presentation of requests for contributions towards investments of 10 million units of account or more.

Article 8

1. The amount of the contribution from the Fund defined, where applicable, by calculating the aid equivalent pursuant to the implementing regulation referred to in Article 4(2)(a), shall be paid pari passu with expenditure upon presentation by the Member State of quarterly statements certifying expenditure and the existence of detailed supporting documents, and containing the following information:

(a) In respect of investments included in the requests referred to in Article 7(2):

- with reference to the request for the Fund's contribution the total payments made, the location of the investment, the total payment reques-

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5. Member States shall give priority to the presentation of requests for contributions towards investments of 5 million European units of account or more.

Article 8

1. Unchanged.

(a) For interim payment requests:

- the name of the undertaking concerned, or for infrastructures, the name of the responsible authority,
- the location of the investment,

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5. Member States shall give priority to the presentation of requests for contributions towards investments of 10 million European units of account or more.

Article 8

1. Unchanged.

(a) Unchanged.

- Unchanged.

- Unchanged.

ted from the Fund, the names of the undertakings concerned or, in respect of infrastructure, of the responsible authorities.

- total public expenditure incurred after the date referred to in Article 11 and that part of the amount for which payment is requested, - Unchanged.
- the amount of payment requested from the Fund, - Unchanged.
- a forecast of future payment requests; - Unchanged.

(b) In respect of investments appearing in the requests referred to in Article 7(3):

(b) For final payments requests, all the information referred to under (a) except the last indent, and,

(b) For final payment requests, all the information referred to in (a) except the last indent, together with:

- with reference to the request for the Fund's contribution, the nature of the expenditure, the investment and its location;

- the amount actually invested and a description of the investment concerned;

- the sum actually invested and confirmation that the investment made conforms with the initial project;

- the authorizing officer, the date, the amount, and the recipient of the payment;

- the date of completion of the investment;

- Unchanged.

- the period of time which the payment covers, compared with:

- the number of jobs created or maintained by the investments referred to in Article 4(1) (a),

- Unchanged.

- the time-scale laid down for the implementation of the investment,

- the amounts of public expenditure.

- Unchanged.

- the phasing or instalments planned for the relevant investment;

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- the location, at the date of request for payment, of the detailed supporting documents covering the expenditure.

2. In cases where the request for payment is made after completion of the investment, the quarterly statement shall also certify that the investment has been carried out and contain the following further information:

(a) In respect of investments included in the requests referred to in Article 7(2):

- the amount actually invested and the nature of the expenditure;
- the date of completion and the number of jobs created or maintained;
- all other information referred to in paragraph 1(b).

(b) In respect of investments appearing in the requests referred to in Article 7(3):

- the amount actually invested, the date of completion and the number of jobs created or maintained.

2. Text as in original paragraph 3

2. Text as in original paragraph.

3. In cases where expenditure provided for by the decisions referred to in Article 7 consists of aids granted in the form of interest rebates or loans at reduced rates of interest, the contribution of the Fund relating to these aids and which is still due when the investments are completed shall be settled in a single payment on presentation of the certificate covering completion of the investments.

4. Member States shall designate the authority or the institution authorized to furnish the certification referred

3. Advance payments may be granted by the Commission to a Member State at the latter's request. They may not exceed 1/3 of the total amount of the aid decision, and may concern only the expenditure provided for in the first two years following the beginning of the execution of each project for which an advance payment has been applied. The balance of the aid from the Fund shall be paid as and when the payments are made by the Member State relating to that part of the Fund's assistance not covered by the advance payment.

4. Member States shall designate the authority or the institution authorized to furnish the certification referred to in

3. Accelerated payments under a decision to grant aid from the Fund may be granted by the Commission to a Member State at the latter's request. They may not exceed 75% of the total amount of the aid from the Fund. Such accelerated payments shall be subject to the condition that at least 30% of the payments constituting the basis for aid from the Fund have been made. Payments already made pursuant to paragraph 1(a) under the decision to grant aid shall be deducted from the accelerated payments.

The balance of the aid from the Fund shall be paid in accordance with paragraph 1 as regards payments by the Member State not covered by the accelerated payment.

Grouped application for accelerated payments shall be submitted on a quarterly basis to the Commission by the Member State concerned.

4. Member States shall designate the authority or the institution authorized to furnish the certification

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to in this Article. The Commission shall make payments to the Member State, to an agency designated by the Member State for this purpose, or if necessary to the European Investment Bank.

Article 9

1. Where an investment which has been the subject of a contribution from the Fund has not been made as planned, or if the conditions of this Regulation are not fulfilled, the contribution from the Fund may be reduced or cancelled, if the Commission so decides after consulting the Fund Committee.

Any sums which have been paid in error shall be repaid to the Community by the Member State concerned or, where applicable, by the European Investment Bank, within 12 months following the date on which the relevant decision has been communicated.

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this Article. The Commission shall make payments to the Member State, or to an agency designated by the Member State for this purpose.

Article 9

1. Unchanged.

Any sums which have been paid in error shall be repaid to the Community by the Member State concerned within 12 months following the date on which the relevant decision has been communicated.

Member States shall repay to the Commission the amount of the Fund's assistance that has

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referred to in this Article. The Commission shall make payments to the Member State, to an agency designated by the Member State for this purpose, or if necessary to the European Investment Bank.

Article 9

1. Unchanged.

Any sums which have been paid in error shall be repaid to the Community by the Member State concerned or, where applicable, by the European Investment Bank, within 12 months following the date on which the relevant decision has been communicated.

Member States shall repay to the Commission the amount of the Fund's

been paid in relation to the national aid that has been repaid by the investor.

2. Unchanged.

They shall notify to the Commission those cases referred to in the first subparagraph of paragraph 1.

3. Unchanged.

assistance wherever national aid used as the basis for calculating the Fund's assistance has been repaid to the Member State by the investor.

2. Member States shall make available to the Commission all the information required for the effective operation of the Fund and shall take all steps to facilitate such supervision as the Commission may consider useful in managing the Fund, including on-the-spot checks. They shall notify the Commission of the cases referred to in the first subparagraph of paragraph 1.

3. Unchanged.

2. Member States shall make available to the Commission all information required for the effective operation of the Fund and shall take all steps to facilitate such supervision as the Commission may consider useful in managing the Fund, including on-the-spot checks.

3. Notwithstanding verification carried out by Member States in accordance with national laws, regulations and administrative provisions, and without prejudice to the provisions of Article 206 of the Treaty or to any inspection arranged on the basis of Article 209(c) of the Treaty, at the request of the Commission and with the agreement of the Member State, the competent authorities of that Member State shall carry out on-the-spot

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checks or enquiries about operations financed by the Fund. Officials of the Commission may take part in these proceedings and the Commission may fix a time limit for carrying them out.

4. The objective of these on-the-spot checks or enquiries about operations financed by the Fund shall be to verify:

(a) the conformity of administrative practices with Community rules;

(b) the existence of supporting documentary evidence and its conformity with the operations financed by the Fund;

(c) conditions under which the operations financed by the Fund are executed and checked;

(d) the conformity of projects implemented with the operations financed by the Fund.

4. Unchanged.

(a) Unchanged.

(b) Unchanged.

(c) Unchanged.

(d) Unchanged.

4. Unchanged.

(a) Unchanged.

(b) Unchanged.

(c) Unchanged.

(d) Unchanged.

5. The Commission may suspend payment of aid to a particular project if an inspection reveals either irregularities, or a substantial change in the character or conditions of the project for which the Commission's approval has not been sought.

6. If a project receiving aid from the Fund is not completed or is implemented in such a manner as no longer to justify payment of part of the aid from the Fund granted on behalf of that project, the outstanding part of the Fund's contribution shall be granted to another investment located in one of the eligible regions of the same Member State under the conditions laid down in this Regulation.

5. Unchanged

6. Unchanged

5. Unchanged

6. Notwithstanding Article 6(2) of the Financial Regulation of 21 December 1977 applicable to the general budget of the European Communities¹, if a project receiving aid from the Fund is not completed or is implemented in such a manner as no longer to justify payment of part of the aid from the Fund granted on behalf of that project, the outstanding part of the Fund's contribution shall be granted to another investment located in one of the eligible regions of the same Member State under the conditions laid down in this Regulation.

¹ OJ No. L 356, 31.12.1977, p. 1

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7. (The Commission shall inform Parliament immediately of any circumstance having a significant effect either on the regularity of the transactions financed by the Fund or their compliance with the principles of publication and complementarity referred to in Articles 10 and 18 of this Regulation).

Article 14

1. The investors concerned shall be informed by agreement with the Member States in question that part of the aid granted to them has been provided by the Community. For infrastructure projects, the Member States, by agreement with the Commission, shall take all necessary steps to ensure that assistance from the Fund is given suitable publicity.

2. The list of projects which have received contributions from the Fund shall be published every six months in the Official Journal of the European Communities.

Article 10

1. Unchanged.
Text as in original Article 14.

2. Unchanged.

Article 10

1. Unchanged
Text as in original Article 14.

2. Unchanged.

3. (This publication shall contain, for each economically significant region and for each programme whatever the amount involved: the identification, nature and amount of investment, the amount of national aid and any other sources of finance, the amount of aid from the Fund and the number of posts created or maintained.)

Article 19
second paragraph

When deciding on the aid to be granted from the Fund, the Commission shall take into consideration expenditure in connection with the investments referred to in Article 4, incurred or still to be incurred after the first day of January 1975.

Article 11

The Commission shall take into consideration for Fund assistance payments made by Member States after the date on which the request for assistance is received by the Commission, concerning investments that have not been completed by that date.

Article 11

The Commission shall take into consideration for Fund assistance payments made by the Member States as from the twelfth month before the date on which it receives the request for assistance in respect of investments not completed by that date. This period shall be increased to 24 months for payments in respect of investments in Greenland.

Article 12

1. The Fund may contribute to the financing of studies which are closely related to Fund operations and are undertaken at the request of a Member State.

TITLE III

SPECIFIC COMMUNITY REGIONAL
DEVELOPMENT MEASURES

Article 12

1. The Fund may participate in financing specific Community regional development measures which in whole or in part differ from the activities referred to in Title II and which concern in particular:

(a) measures related to other Community policies or complementary thereto, intended to reinforce or to complement the convergent efforts of Community policies to correct structural imbalances in the regions, and particularly in the areas referred to in Council Directive 75/268/EEC of 28 April 1975 on mountain and hill farming and farming in certain less-favoured areas¹;

(b) measures made necessary by the regional consequences of other Community policies;

¹ OJ L 128, 19.5.1975

2. Such assistance may not exceed 50% of the cost of the study.

TITLE III

SPECIFIC COMMUNITY REGIONAL
DEVELOPMENT MEASURES

1. The Fund may participate in financing specific Community regional development measures which differ in whole or in part from the types of measure referred to in Title II. These shall be measures:

- either linked with Community policies and with measures adopted by the Community in order to take better account of their regional dimension or to reduce their regional consequences,

- or, in exceptional cases, intended to meet the structural consequences of particularly serious occurrences in certain regions or areas with a view to replacing jobs lost and creating the necessary infrastructures for this purpose.

(c) measures designed to accelerate the creation of jobs in the Community's less-developed regions or in reconversion regions, particularly by facilitating investors' access to the capital market and the location in these regions of investments originating outside them;

(d) development measures to be undertaken in frontier regions;

(e) emergency measures intended to meet unforeseeable regional situations.

2. Without prejudice to the responsibilities of the Commission with regard to State aids under Articles 92 to 94 of the Treaty, the Council, acting by qualified majority on a proposal from the Commission, having consulted the European Parliament, shall determine as necessary for each specific Community regional development measure:

These measures shall not have as their object the internal reorganization of declining sectors but may, by establishing new economic activities, promote the creation of alternative employment in regions or areas in a difficult situation.

These measures shall be financed jointly by the Community and the Member State or States concerned.

2. Member States shall provide the Commission with information on regional problems likely to be the subject of specific measures within the meaning of paragraph 1.

3. Without prejudice to the responsibilities of the Commission with regard to State aid under Articles 92, 93 and 94 of the Treaty, the Council, acting unanimously on a proposal from the Commission and after consulting the European Parliament, shall determine for each of these measures to be implemented pursuant to this Article in the form of a special programme:

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(a) the nature of the investments to which the Fund may contribute;

(a) the nature of the operations to which the Fund may contribute;

(b) the areas and regions which the Fund may assist;

(b) Unchanged

(c) the national public aids taken into consideration in granting the Fund's assistance;

(c) Unchanged

(d) the contribution of the Fund;

(d) Unchanged

(e) the categories of beneficiaries for Fund assistance;

(e) Unchanged

(f) the detailed rules for financing.

(f) Unchanged

4. Requests for Fund assistance for these special programmes shall be submitted to the Commission by the Member States. The fifth subparagraph of Article 4(2) (a) and Article 10 shall apply.

Article 10

1. The Fund may contribute part of its resources to finance studies which are closely related to the operations of the Fund and undertaken at the request of a Member State.

Article 13

1. The Fund may finance, in whole or in part, studies in close relation with the activities referred to in Article 2(3). These studies shall be undertaken on the Commission's initiative or at the request of one or more Member States.

Article 14

1. The Fund may bear all or part of the cost of studies which are closely related to the measures referred to in Article 2(3) and are undertaken at the request of one or more Member States.

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2. The Fund's contribution may not exceed 50% of the cost of the study.

Article 11

1. A Fund Committee (hereinafter referred to as 'the Committee') is hereby established. It shall be composed of representatives of the Member States and chaired by a representative of the Commission.

2. Within the Committee the votes of Member States shall be weighted in accordance with Article 148(2) of the Treaty. The Chairman shall not vote.

Article 12

1. Where the procedure laid down in this Article is to be followed, the Chairman shall refer the matter to the Committee either on his own initiative or at the request of the representative of a Member State.

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2. The Fund's assistance shall be decided by the Commission according to the procedure provided for in Article 15, after consulting the Regional Policy Committee.

TITLE IV

GENERAL AND FINAL PROVISIONS

Article 14

1. A Fund Committee (hereinafter referred to as 'the Committee',) (with a consultative role) is hereby established. It shall be composed of representatives of the Member States and chaired by a representative of the Commission.

2. (Deleted by the European Parliament)

Article 15

1. Text as in original Article 12.

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2. The Commission shall decide whether to grant assistance from the Fund in accordance with the procedure laid down in Article 16 after consulting the Regional Policy Committee.

TITLE IV

GENERAL AND FINAL PROVISIONS

Article 15

1. A Fund Committee (hereinafter referred to as 'the Committee') is hereby established. It shall be composed of representatives of the Member States and chaired by a representative of the Commission.

2. Within the Committee, the votes of Member States shall be weighted in accordance with Article 148(2) of the Treaty. The Chairman shall not vote.

Article 16

1. Text as in original Article 13.

2. The representative of the Commission shall submit drafts of the decisions to be taken. The Committee shall deliver its Opinion on the drafts within the time limit which the Chairman may fix according to the urgency of the questions under consideration. An Opinion shall be adopted by a majority of 41 votes.

3. The Commission shall adopt decisions which shall apply immediately. However, if these decisions are not in accordance with the Opinion of the Committee, they shall forthwith be communicated by the Commission to the Council. In that event the Commission shall defer application of the decisions which it has adopted for not more than two months from the date of such communications. The Council, acting by qualified majority, may take a different decision within two months.

2. The representative of the Commission shall submit the drafts of the decisions to be taken. The Committee shall deliver its opinion on the drafts within the time limit (one month at the latest) which the Chairman may fix according to the urgency of the questions under consideration. An opinion shall be adopted by a majority of 41 votes.

3. The Commission shall adopt decisions which shall apply immediately. However, if these decisions are not in accordance with the opinion of the Committee, (their application shall be deferred for two months, after which the Commission shall take a final decision), they shall forthwith be communicated by the Commission to the Council. In that event, the Commission shall defer application of the decisions which it has adopted for not more than two months from the date of such communications. The Council, acting by a qualified majority, may take a different decision within two months.

2. The representative of the Commission shall submit drafts of the decisions to be taken. The Committee shall deliver its Opinion on the drafts within the time limit which the Chairman may fix according to the urgency of the questions under consideration. An Opinion shall be adopted by a majority of 41 votes.

3. The Commission shall adopt decisions which shall apply immediately. However, if these decisions are not in accordance with the Opinion of the Committee they shall forthwith be communicated by the Commission to the Council. In that event the Commission shall defer application of the decisions which it has adopted for not more than two months from the date of such communications. The Council, acting by qualified majority, may take a different decision within two months.

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Article 13

The Committee may consider any other question concerning the Fund's operations referred to it by its Chairman either on his own initiative or at the request of the representative of a Member State.

Article 17

The necessary measures for the implementation of this Regulation shall be adopted in accordance with the procedure laid down in Article 12.

COMMISSION PROPOSAL TO THE COUNCIL AS AMENDED
BY THE EUROPEAN PARLIAMENT

Article 16

Text as in original Article 13

Article 17

The necessary measures for the implementation of this Regulation shall be adopted in accordance with the procedure laid down in Article 15.

Article 18

1. Member States shall adopt all measures necessary to indicate distinctly, according to the special characteristics of their relevant national systems, more particularly of their national budgets and of the budgets of public bodies, all monies received from the Fund.

2. At the request of the Commission, Member States shall provide information on the allocation of the amounts received from the Fund; this shall be sufficient to confirm the complementary character of the Fund.

COUNCIL REGULATION (EEC) No 214/79

Article 17

Text as in original Article 13

Article 18

The necessary measures for the implementation of this Regulation shall be adopted in accordance with the procedure laid down in Article 16.

Article 19

1. Member States shall adopt the necessary measures to indicate separately, according to the special characteristics of national budget systems, the sums received from the Fund.

2. At the request of the Commission, Member States shall provide it with information on the allocation of the amounts received from the Fund.

Article 15

The provisions of this Regulation shall not prejudice the application of Articles 92 to 94 of the Treaty, particularly as regards establishing and re-aligning the areas aided for regional purposes referred to in Article 3 and in respect of the amount of the contributions from the Fund referred to in Article 4 (2) (a).

Article 16

1. Before 1 July each year the Commission shall present a report to the European Parliament and to the Council on the implementation of this Regulation during the preceding year.

Article 19

Assistance from the Fund shall not change the conditions of competition in a way incompatible with the principles contained in the relevant provisions of the Treaty, spelled out, in particular, in the principles coordinating the general regional aid schemes. In particular, the provisions of this regulation shall not prejudice the application of Articles 92 to 94 of the Treaty, particularly as regards the establishment and re-alignment of regional aid areas referred to in Article 3 and in respect of the amount of the contribution from the Fund.

Article 20

1. Before 1 July each year the Commission shall present a report to the European Parliament and to the Council on the implementation of this Regulation during the preceding year.

Article 20

Assistance from the Fund shall not change the conditions of competition in a way incompatible with the principles contained in the relevant provisions of the Treaty, as elaborated in the principles for the coordination of the general regional aid schemes. In particular, the provisions of this regulation shall not prejudice the application of Articles 92, 93 and 94 of the Treaty, particularly as regards establishing and re-aligning the areas aided for regional purposes referred to in Article 3 and in respect of the amount of the contribution from the Fund.

Article 21

1. 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.

COUNCIL REGULATION (EEC) No 724/75

2. This report shall also cover the financial management of the Fund and the conclusions drawn by the Commission from supervision of the Fund's operations.

Article 18

On a proposal from the Commission, the Council shall re-examine this Regulation before 1 January 1978.

Article 19

This Regulation shall enter into force on the day following its publication in the Official Journal of the European Communities.

When deciding on the aid to be granted from the Fund, the Commission shall take into consideration expenditure in connection with the investments referred to in Article 4, incurred or still to be incurred after the first day of January 1975.

COMMISSION PROPOSAL TO THE COUNCIL AS AMENDED
BY THE EUROPEAN PARLIAMENT

This report shall also cover the financial management of the Fund and the conclusions drawn by the Commission from supervision of the Fund's operations.

2. The Commission may accompany the report referred to in paragraph 1, as necessary, with proposals for amending this Regulation.

Article 21

This Regulation shall enter into force on the third day following its publication in the Official Journal of the European Communities.

COUNCIL REGULATION (EEC) No 214/79

2. This report shall also cover the financial management of the Fund and the conclusions drawn by the Commission from the checks made on the Fund's operations.

Article 22

On a proposal from the Commission, the Council shall re-examine this Regulation before 1 January 1981.

Article 23

This Regulation shall enter into force on the day following its publication in the Official Journal of the European Communities.

COUNCIL REGULATION (EEC) No 724/75

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

COMMISSION PROPOSAL TO THE COUNCIL AS AMENDED
BY THE EUROPEAN PARLIAMENT

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

COUNCIL REGULATION (EEC) No 214/79

COUNCIL REGULATION (EEC) No 724/75

COMMISSION PROPOSAL TO THE COUNCIL AS AMENDED
BY THE EUROPEAN PARLIAMENT

COUNCIL REGULATION (EEC) No 214/79

ANNEX

(Provisional table showing the distribution of the Fund's resources intended for the measures provided for in Article 2(3)(a) :

<u>Belgium:</u>	<u>1.5%</u>
<u>Denmark:</u>	<u>1.3%</u>
<u>France:</u>	<u>15.0%</u>
<u>Ireland:</u>	<u>6.0%</u>
<u>Italy:</u>	<u>40.0%</u>
<u>Luxembourg:</u>	<u>0.1%</u>
<u>Netherlands:</u>	<u>1.7%</u>
<u>Federal Republic of Germany:</u>	<u>6.4%</u>
<u>United Kingdom:</u>	<u>28.0%</u>

There should be allocated to Ireland a further sum calculated so as to ensure that it receives an extra 0.5%, which shall be deducted from the shares allocated to the other Member States, except Italy.)