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continuation:

1st-5th Annual Report on the Implementation of the Reform of the Structural Funds

6th ... [Annual Report on] the Structural Fund in ...

Preface

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1988 was a year of transition for the European Regional Development Fund between the old arrangements and the major reform of the Structural Funds which came into force on 1 January 1989.

The Reform, following the provisions on economic and social cohesion in the Single Act, is an integral part of a continuing effort to make the Structural Funds, including the ERDF, work more efficiently. Thus, in 1988, new efforts were undertaken to concentrate ERDF assistance in the most disadvantaged regions and in addition "programmes" which are now the preferred assistance method accounted for a growing proportion of the Fund's actions.

The new mechanism will permit better coordination and a greater efficiency in the management of the Funds and it is backed up by a significant financial commitment. The Member States themselves must however contribute to the cohesion process with stable and well-coordinated economic policies.

The economic and social cohesion of the European Community is vitally important for its existence. The Structural Funds, including the Regional Fund, have an important role to play in this process.

Note to the reader

The ERDF in brief

Anyone new to the ERDF may be somewhat perplexed by some of the terms and concepts used, such as potential for internally generated development, specific Community measures, geographical concentration, integrated operation, structural Funds, regional development programmes and national programmes of Community interest. This preface therefore provides a brief explanation of some basic terms and concepts to help understanding of the ERDF's day-to-day activities.

- The ERDF, one of the Community's structural Funds¹ was set up in 1975 to help correct the principal regional imbalances within the Community by assisting in the development and structural adjustment of regions whose development is lagging behind and in the conversion of declining industrial regions. Such regions are generally the areas covered by national regional aid schemes, these areas being approved by the Commission in accordance with Articles 92 and 94 of the Treaty establishing the European Economic Community.
- What does the ERDF finance ?
Firstly, infrastructure investments: industrial estates, roads, dams, power stations, etc. The Regulation includes in the annex a list of infrastructure categories that are not eligible for ERDF assistance. The ERDF also helps to finance directly productive investment in industrial, craft industry and service activities to create or maintain jobs. Lastly, it helps to provide firms, particularly small and medium-sized ones, and local and regional authorities with access to advice on marketing, management and innovation.
- In what form does the ERDF provide assistance ?
ERDF assistance may be granted towards programmes (Community programmes or national programmes of Community interest), investment projects or studies. In addition, the ERDF may help to exploit the internally generated development of regions and in particular the potential of small and medium-sized firms, both in the framework of programmes and in the form of a consistent set of projects.
- The ERDF makes grants. In the report the reader will frequently come across references to grants approved or appropriations committed: in the case of projects, these terms are different aspects of the same thing. In the case of programmes, however, the amounts approved at political level relate to the total period covered by the programmes, whereas appropriations committed relate to a single financial year.
- The ERDF's contribution generally amounts to 50% of the public expenditure, but may amount to 55%² in the case of measures of particular importance for the regions in which they are located.
- Commitment and payment appropriations are differentiated, i.e. the ERDF can make an expenditure commitment one year and make the payments over several years as the project is carried out. So as to speed up payments, the ERDF may grant advances within the limits of budget balances and according to the progress made with the operations.
- In 1988, the ERDF carried out its activities under two budget chapters:
 1. Chapter 50, which covers ERDF assistance through the financing of Community programmes, national programmes of Community interest, projects and studies. Within this framework, ERDF resources are used on the basis of ranges which lay down the upper and lower limits of assistance which each Member State may receive over a three-year period.
 2. Chapter 51, which covers financing of specific Community measures, formerly known as non-quota measures, instituted by the Council before 1 January 1985.

¹ There are two other Community structural Funds: the European Social Fund and the Guidance Section of the EAGGF (European Agricultural Guidance and Guarantee Fund, see chap. 7.1)

² This rate may be increased to 70% for regions in Portugal.

Work on reforming the structural Funds was pursued with great vigour in 1988 and culminated in the adoption of the new legislation. This reform - a following to the Single Act - is designed, firstly, to increase the budgetary resources available and, secondly, to reinforce coordination and multiannual planning.

The reform came into force on 1 January 1989.

Note

Article 46 of Council Regulation (EEC) No 1787/84 of 19 June 1984 on the European Regional Development Fund provides:

1. "Before 1 October each year, the Commission shall submit to the European Parliament, the Economic and Social Committee and the Council, a report on the implementation of this Regulation during the preceding year."
2. "The report shall cover in particular the financial management of the ERDF and the conclusions drawn by the Commission from the monitoring carried out in respect of the ERDF's operations."

This 14th Report, which covers 1988, is the last involving the old legislation; it therefore seemed appropriate to take stock of the ERDF's activities since it was set up in 1975.

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Chapter 1. Coordination of regional policies

1.1 Coordination of regional policies

The year 1988 was a period of transition in which much work was done to give effect as far as possible to the broad principles underlying the reform of the Funds in the context of Community regional policy.

The EEC Treaty, as amended by the Single Act, stipulates in Article 130b that Member States are to conduct and coordinate their economic policies in such a way as to attain the principal objectives of economic and social cohesion and convergence. In addition, Article 130c defines the ERDF's prime role as being to reduce the gap between the various regions by participating in the economic development and structural adjustment of the least-favoured regions and in the conversion of declining industrial regions.

Council Regulation (EEC) n°2052/88 of 24 June 1988 lays down the basic principles underlying the reform: objectives and tasks of the structural Funds, methods of assistance, definition of the Community support frameworks, financial arrangements and the setting-up of the committees relating to the various objectives; a number of other Regulations were adopted by the Council in 1988 to implement the framework Regulation, notably Regulation (EEC) n°4253/88 of 19 December as regards coordination of the activities of the different structural Funds between themselves and with the operations of the European Investment Bank and the other financial instruments, and Regulation (EEC) n°4254/88 of 19 December on the European Regional Development Fund.

In keeping with the spirit of the reform, work was carried out on the regional development programmes (RDPs), the key instruments for the coordination of regional policies and the frame of reference for ERDF assistance.

The Regional Policy Committee met on 18 May 1988. It examined and endorsed the RDPs for France and Italy (Mezzogiorno). On the basis of an introductory report from the Commission to the Committee members, the Committee also held a wide-ranging discussion on the main aspects of the reform of the Funds.

In 1988, the Commission examined the RDPs for Spain for the period 1986-90 following approval of the new arrangements for financing the Spanish autonomous communities and of the new boundaries for the areas eligible for regional aid. This brought to an end the submission process for the third-generation RDPs, which were drawn up in the light of the Commission Opinion of 19 June 1984 and the European Parliament Resolution of 12 July 1985 on the second-generation RDPs. It must be emphasized that the quality of the work presented by all the Member States was higher than that of the preceding generation RDPs.

1.2 Completion of the single market and regional impact

In 1988 the Commission launched a number of studies designed to assess the regional impact that completion of the internal market might have. Two of those studies relate to central elements in the internal market programme: the opening up of public procurement and the liberalization of financial services. Other studies examine the consequences in regions or countries with special characteristics: islands, traditional industrial regions, the four least-developed Member States. A sixth study analyses the factors which enhance the competitiveness of regions. The aim of all these studies is to examine the dangers and opportunities arising from the single market and to provide the Commission with clear indications as to how the Communities might help the problem regions to derive maximum benefit from the internal market.

1.3 The economic environment

The economic upturn in the Community, which began at a fairly slow pace in 1983, has proceeded steadily over the last six years. Real productivity growth rose gradually, to reach 3.75% in 1988, while the indicative trend for the rate of growth seems to have increased by 3% a year.

Economic growth, which had been vigorous since mid-1987, continued in 1988, with the main impetus to domestic demand coming from gross fixed capital formation. At the same time, the numbers employed have increased by more than 1% per year and economic activity has been more effective in terms of creating new jobs.

Industrial employment increased slightly in 1988 following many years of massive cutbacks. The service sector created the greatest number of new jobs, a large proportion of which are part-time jobs, which seem to meet the preferences of those looking for employment.

Nevertheless, the unemployment rate has fallen only slightly. This discrepancy between the number of jobs created and the reduction of unemployment is attributable to the parallel increase in the number of job-seekers. Many of the new jobs created have been taken by persons who were previously not part of the labour force.

In 1988, Portugal, Spain and the United Kingdom were the most successful countries in increasing productivity and creating new jobs. Investment grew appreciably more rapidly in those three countries than the Community average. Ireland's performance, by contrast, was among the least satisfactory, with a rate of productivity growth of only 2.5%, a slight fall in employment and stagnating investment. The situation in Greece improved markedly in terms of productivity, employment and investment following two years of weak performances, although GDP growth at the rate necessary for economic convergence at Community level is still elusive.

Overall, there were a number of positive factors at work in 1988. However, even though the growth-induced buoyancy of economic activity has facilitated the desired structural adjustments, the problems faced are far from being solved and the adjustments in question must be vigorously pressed on with. Some Objective 1 regions have seen a level of development which is contributing to real convergence in the Community, while others have still to attain the necessary levels of employment and productivity. What is more, the continuing unemployment and income discrepancies demonstrate the need for a better defined structural policy, as decided on as part of the reform of the structural Funds, which came into force at the beginning of 1989.

1.4 Macroeconomic impact of ERDF assistance

Fund assistance³ in 1988 was equivalent to 0.092% of the Community's gross domestic product (GDP)⁴ and to 0.46% of its gross fixed capital formation (GFCF). However, since this ERDF assistance went to total investment worth some 234% of the amounts committed, total assisted investment was probably equivalent to some 1.1% of Community GFCF; this is a fairly accurate measure of the part played by Fund-assisted investment in the national economies.

However, Fund assistance has had a greater impact in the six countries listed in the table below, the bulk of whose populations live in less-favoured regions. In those countries, which received 86.7% of total ERDF assistance, the macroeconomic impact is apparent from the assistance/GDP and assistance/GFCF ratios, which have a quite significant effect on expenditure and income.

Thus, in Portugal, ERDF assistance was equivalent to 1.23% of GDP and 4.49% of GFCF, while in Greece these ratios were 0.76% and 4.22% respectively.

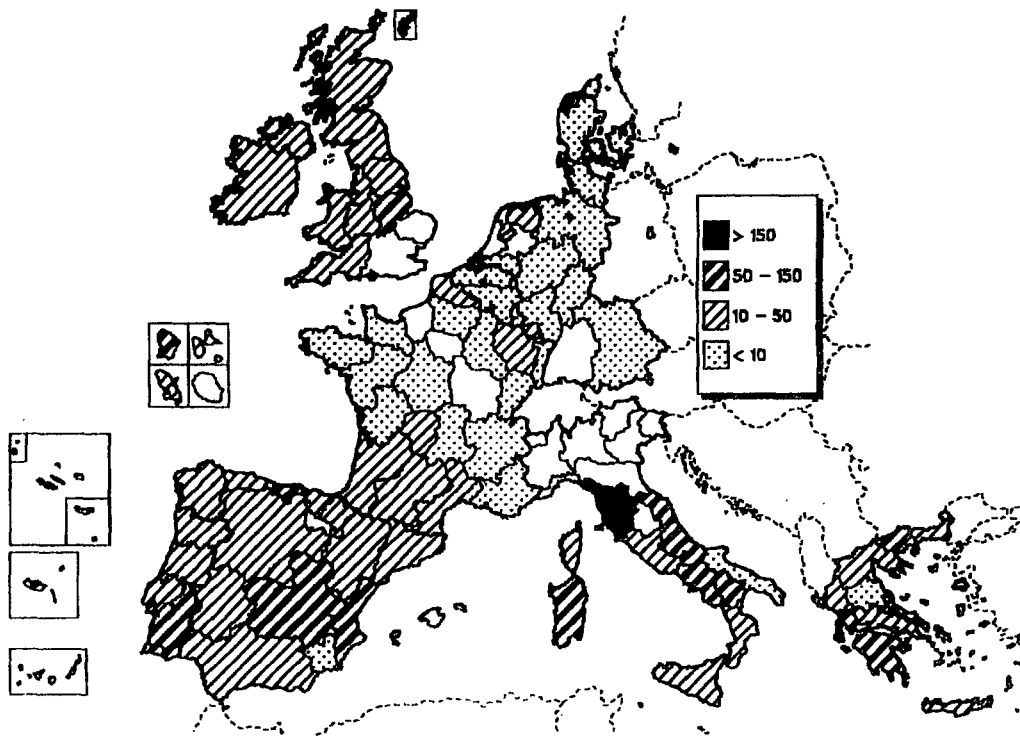
Table 1. Impact of ERDF assistance on six national economies in 1988

Member State	ERDF Assistance Mio ECU	Population		Per capita assistance in eligible areas ECU	Assistance / GDP %	Assistance / GFCF %	Per capita / GDP ECU
		Eligible Mio	Eligible / Total %				
Espana	732.84	25.68	66.4	28.54	0.26	1.16	74
Ellas	340.62	6.55	65.7	52.02	0.76	4.22	54
Italia	964.09	22.21	38.8	43.40	0.14	0.70	104
Ireland	147.93	3.54	100	41.78	0.55	3.23	64
Portugal	429.99	10.21	100	42.12	1.23	4.49	54
United Kingdom	563.30	21.40	37.7	26.32	0.08	0.46	105
Total (6 countries)	3.178.77	89.06	50.8	-	-	-	-
EUR 12	3.667.07	141.6	43.9	25.9	0.092	0.46	100
% Total EUR 12	3.86.7	63.3	-	-	-	-	-

³ Excluding support for specific regional development measures amounting to ECU 160 million.

⁴ GDP in ECUs at current prices

Figure 1. Map N°1 Regional distribution of ERDF assistance per inhabitant in 1988, ERDF operations (ECU)



ERDF assistance in 1988

A total of ECU 3 667 million was committed under the various ERDF schemes during 1988. The following table shows the allocation of funds to programmes, projects and studies.

Table 2. Amounts committed 1988 by Member State

(Mio ECU)

Member State	Programmes			Projects				Studies	Total Commitments
	Commun.	NPCI	Total	Industry, services and craft	Infra-structure	Internally generated develop.	Total		
B	-	9.54	9.54	1.00	14.80	-	15.80	-	25.34
DK	-	4.89	4.89	3.50	4.32	0.37	8.19	0.06	13.14
D	23.06	53.95	77.01	35.92	0.47	-	36.39	-	113.40
GR	-	138.04	138.04	0.35	202.11	-	202.46	0.12	340.62
E	-	48.25	48.25	-	682.21	2.29	684.50	0.09	732.84
F	5.41	71.79	77.20	0.21	227.20	4.27	231.68	0.27	309.15
IRL	18.31	58.84	77.15	22.48	45.88	2.17	70.53	0.25	147.93
I	-	105.20	105.20	43.45	814.40	0.58	858.43	0.46	964.09
L	-	-	-	-	0.74	-	0.74	-	0.74
NL	-	3.86	3.86	-	22.28	-	22.28	-	26.14
P	22.40	65.79	88.19	-	339.98	1.48	341.46	0.34	429.99
UK	1.29	173.00	174.29	72.17	312.25	3.41	387.93	1.08	563.30
Com	-	-	-	-	-	-	-	0.39	0.39
EUR 12	70.47	733.15	803.62	179.08	2666.74	14.57	2860.39	3.06	3667.07

These amounts do not include ECU 160 million committed to specific Community measures.

Figure 2. Grafic N°1 Assistance granted in 1988 by country and by type of operation

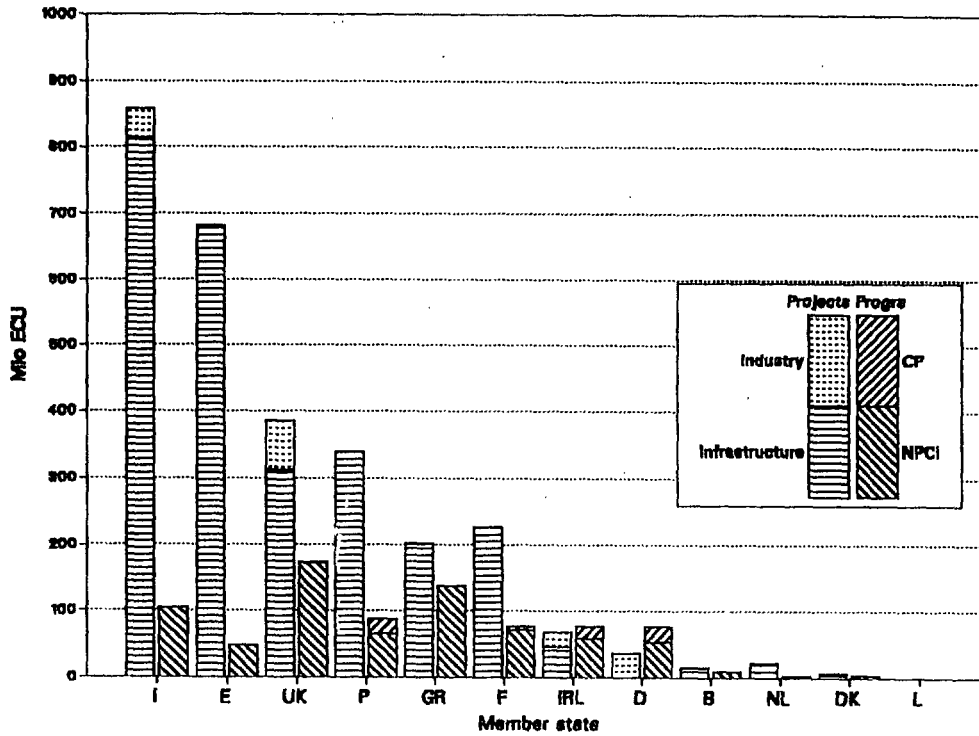
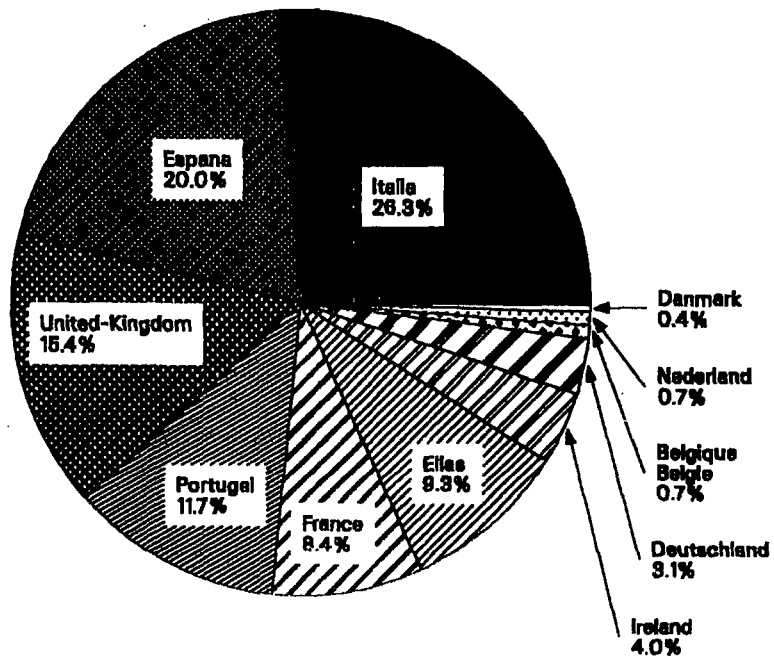


Figure 3. Grafic N°2 Breakdown of grants by country 1988 - Percentage of total



Chapter 2. Operational ERDF programmes

The programme approach, which had been used earlier on an experimental basis in connection with the specific measures, was a major innovation of the 1985 reform.

This new method of financing, which takes the form of national programmes of Community interest or of Community programmes, offers the following main advantages:

- it allows broader consultation between regional, national and Community authorities on the regional strategies and priority measures to be chosen; under the programme approach, the commitments of the various partners regarding the measures agreed are put on a contractual basis;
- it makes provision for improved monitoring of the operations by the various authorities involved; such monitoring should make it possible to implement the various measures in a coordinated manner, to detect any blockages and to propose the necessary improvements.

The programme approach, which absorbed almost 22% of ERDF assistance in 1988, is destined to become the prime form of assistance under the new reform of the Funds.

2.1 Community programmes

As provided for in Article 7 of Regulation (EEC) n° 1787/84, Community programmes are approved through special Council Regulations, adopted on proposals from the Commission. Programmes of this type consist of series of multiannual measures directly serving Community objectives and the implementation of Community policies. Their purpose is to help solve serious problems affecting the socio-economic situation in one or more regions. Their more general aim is to establish better links between the Community's objectives concerning the development and conversion of the regions and the objectives of other Community policies.

As indicated in the 13th annual report, a start was made on implementing the Community programmes STAR (telecommunications) and VALOREN (indigenous energy potential) in 1987.

The two other programmes mentioned in the 13th report as Commission proposals - RESIDER (declining steel areas) and RENAVAL (declining shipbuilding areas) - were adopted by the Council in 1988, and the Member States concerned have already begun to implement them.

2.1.1 Adoption of the RESIDER and RENAVAL Community programmes

On 2 February⁵ and 26 July⁶ respectively, the Council formally adopted, on proposals from the Commission⁷ Regulation instituting a Community programme to assist the conversion of steel areas (RESIDER programme) and the Regulation instituting a Community programme to assist the conversion of shipbuilding areas (RENAVAL programme). Covering a period of five years, these programmes are intended to back up the efforts to restructure the steel and shipbuilding industries in certain areas which are highly dependent on such activities. By promoting new economic activities, they help to create alternative jobs in those Community areas most affected by job losses in the industries concerned.

The areas in question are determined by the Commission on the basis of sectoral and socio-economic criteria. A number of areas in Spain and Portugal were able to participate in the programmes as soon as they came into force. The ERDF's contributions are estimated to amount to ECU 300 million (RESIDER) and ECU 200 million (RENAVAL). Assistance is allocated on the basis of job losses in the industries in question.

These Regulations constitute the framework within which the Commission determines, on the basis of regional socio-economic circumstances, the areas to benefit under the RESIDER and RENAVAL programmes as job

⁵ Council Regulation (EEC) n°328/88, OJ n°L 33, 5.2.1988.

⁶ Council Regulation (EEC) n°2506/88, OJ n°L 225 15.8.88

⁷ OJ n°C272, 10.10.1987 and OJ n°C291, 31.10.1987

losses occur; the Member States in question then draw up aid programmes to be approved by the Commission. The Community contribution may reach 55% of the total public expenditure (70% in the case of Portugal) relating to a series of consistent measures, including the reclamation of derelict industrial sites, schemes to exploit indigenous potential (business services), assistance with investment in small and medium-sized firms and the improvement of infrastructures contributing to the creation, development and adaptation of job-creating economic activities.

First decisions implementing the RESIDER programme

On 29 June 1988 the Commission decided that the employment area comprising the county of South Yorkshire (including the Sheffield area) and the Scunthorpe employment area in the counties of Humberside and Lincolnshire was eligible for the RESIDER programme. On 27 July 1988, the Commission approved the operational programme for this region, which consists of measures to support small businesses and small-scale infrastructure projects. The ERDF contribution to this programme for the period 1988-90 amounts to ECU 5.4 million.

In response to the French Government's request, the Commission adopted on 9 November a decision to include the departments of Moselle, Meurthe-et-Moselle and Nord (excluding the district of Lille) in the RESIDER Community programme.

Having included the labour-market areas ("Arbeitsmarktregionen") of Saarland and Duisburg/Oberhausen, Bochum, Dortmund/Unna (North Rhine-Westphalia) in this programme, the Commission approved in 1988, at the request of the German Government, the programmes of assistance for the Saarland and for the three labour-market areas in North Rhine-Westphalia.

The ERDF contribution to the RESIDER programme for the Saarland amounts to ECU 13.7 million. This programme contains the following main measures: regeneration of run-down areas and industrial sites, promotion of innovation, sectoral studies and analyses designed to provide small and medium-sized firms with information on market potential.

As to the promotion of innovation, the programme lays particular emphasis on new activities by small and medium-sized firms in the region.

The RESIDER programme for North Rhine-Westphalia has been allocated a Community contribution of ECU 64.5 million; it involves operations to reclaim derelict sites (industrial and urban) for use by small and medium-sized firms, the creation and development of advisory bodies and agencies for promoting business initiatives and the promotion of innovation and assistance with investment in small and medium-sized firms. In addition, a substantial proportion of the Fund assistance is earmarked for financing economic infrastructures contributing to the creation and adaptation of activities having an impact on employment (such as the establishment of technology and innovation centres and the setting-up of a craft centre).

2.1.2 Implementation of the STAR and VALOREN programmes

2.1.2.1 Implementation of the STAR programmes in the Member States

STAR-Greece: With an ERDF allocation of ECU 100 million, this programme covers the whole of the country, including the prefecture of Attica for certain operations. Infrastructure projects (principal among which is the digitalization of the national telecommunications network) account for 78.3% of the cost of the programme. The remaining assistance (21.7%) is going to measures to promote the supply of, and demand for, advanced telecommunications services (information measures, assistance for small businesses, etc.)

By the end of 1988, ECU 10.24 million had been committed for the STAR programme for Greece adopted by the Commission in October 1987. The bulk of this (95.5%) was earmarked for infrastructure projects. It has emerged from the two monitoring committee meetings so far held that the delay in implementing the initial phase of the programme should be made up partly in 1989. This improvement will be brought about by the resolution of a number of technical and administrative problems linked to the launching of a number of large projects, including the digitalization project.

STAR-Spain: The STAR-Spain assistance programme covers the same areas as the VALOREN programme, except for a number of differences involving the Madrid region. The ERDF contribution for the period 1987-91 will amount to ECU 210 million, the bulk of the investment being in the creation of infrastructures for advanced telecommunications services.

Great strides were made in implementing the programme in 1988, both in the infrastructure field and in that of promoting advanced telecommunications services. A ministerial decree issued in May laid down the rules governing the submission of grant applications by non-profit-making enterprises and institutions.

STAR-France: Under this programme, assistance totalling ECU 25 million is to be made available to Corsica and the overseas departments (1987-91). With measures to promote the supply of, and demand for, advanced telecommunications services accounting for a major share (more than 45% of the total), the programme has

been launched satisfactorily. A number of groups were set up in 1988 to study the introduction of such services and a number of infrastructure projects (in particular, videotex and Transpac access switches) were carried out or are in the process of being carried out. The committee monitoring the programme met twice; by the end of 1988, ECU 7 million had been committed by the ERDF (28% of the total assistance to be granted).

STAR-Ireland: Implementation of the STAR programme in Ireland, for which ERDF assistance of ECU 50 million is to be provided over the period 1987-91, continued in 1988. A number of infrastructure projects included in the programme were completed during the course of the year, including the installation of an optical-fibre cable between Dublin and Holyhead to link Ireland and Great Britain, the provision of facilities for video conferences in Dublin, Cork and Limerick and the setting-up of a national paging network. The first regional service centres were also inaugurated during the year. Progress was made with the studies on the technical and financial feasibility of projects involving the supply of various advanced telecommunications services. The network providing direct access to information through telecommunications techniques should thus be operational from 1989. Finally, a promotional campaign is to be launched at the beginning of 1989 to make small firms aware of the advantages and uses of the advanced services offered them.

STAR-Italy: This programme, which will receive ERDF assistance totalling ECU 250 million over the period 1987-91, covers all the regions in the Mezzogiorno.

The programme, which provides for new and highly advanced measures in the field of basic telecommunications infrastructures in particular (including a wide-band network for the entire Mezzogiorno), has been delayed mainly by difficulties in determining the administrative structures responsible for the general coordination of the programme. Thus, while operations of some size involving the promotion of the advanced services have been carried out, the infrastructure projects have marked time. Nevertheless, important decisions were taken towards the end of the year for actually launching the various operations following meetings of the monitoring committee and discussions with the various agencies responsible. At the end of 1988, the first ERDF advance payment was made in respect of a contracted commitment corresponding to 8% of the financial package agreed.

STAR-Portugal: The STAR assistance programme for Portugal covers the period 1987-91 and provides for ERDF assistance of ECU 120 million. The programme applies to the whole of Portugal, except for the Lisbon area where only certain operations are accepted.

Generally speaking, the programme has accomplished what had been planned in the assistance programme adopted by the Commission.

Most of the projects approved involve public telecommunications infrastructures. The most important measures relate, on the one hand, to the digitalization of the national network and the installation of public telecommunications services (videotex and data transmission through packet switching networks) and, on the other, to mobile land-based and video conference person-to-person services. To date, the programme has benefited from total ERDF commitments of ECU 42.5 million and from total ERDF payments of ECU 25 million.

A national system to promote advanced telecommunications services (SISAT), which provides for private sector involvement, was adopted on 15 July 1988. The late adoption of this programme led to some delay in the submission of private sector applications. In 1988, various publicity measures were taken, including practical demonstrations of advanced telecommunication services, with a view to promoting awareness of the nature and objectives of the programme.

STAR-United Kingdom: The STAR programme for the United Kingdom provides for ERDF assistance totalling ECU 21.5 million to be granted to Northern Ireland. These funds are to be used to establish fibre optic links with national networks (via Dublin and Great Britain) and for measures to promote the supply of, and demand for, advanced telecommunications services. The companies licensed to operate the telecommunications networks in Northern Ireland were given the opportunity of submitting applications to carry out the infrastructure work provided for in the programme. On completion of this procedure, the competent authorities in the United Kingdom entrusted the project in question to British Telecom. Work began in 1989 and will be completed during the lifetime of the programme. With regard to promotional measures relating to the programme, two studies of the services offered have already begun and preparations are underway for a planned exhibition.

2.1.2.2 Implementation of the VALOREN programmes in the Member States

VALOREN-Greece: With an ERDF allocation of ECU 50 million, this programme covers the whole of Greece, with the exception of zone A of the prefecture of Attica. The main regions to benefit are the Aegean Islands and northern Greece.

Implementation of the VALOREN programme will contribute to the exploitation of local renewable energy resources, to the efficient use of energy and to promoting improved use of energy potential.

The greater part of the budget is intended for infrastructure investment projects, and a significant proportion has been earmarked for investments in small and medium-sized firms.

By the end of 1988, ECU 2.74 million had been committed under the Greek VALOREN programme adopted in October 1987, with the bulk of this sum going to small and medium-sized firms and to geothermal and wind energy projects.

By the end of 1988, two monitoring committee meetings had been held; as there has been an appreciable delay in implementing the programme, the initial timetable could be revised during the first half of 1989.

VALOREN-Spain: The VALOREN assistance programme for Spain provides for an ERDF contribution of ECU 105 million over the period 1987-91. The bulk of the investment is to be in small-scale hydroelectric projects, biomass projects, oil substitution in firms and infrastructures. All the areas covered by the national regional aid scheme (i.e. 15 regions in all) are eligible to benefit under the programme.

Following approval of the programme at the end of October 1987, 1988 saw the implementing arrangements finally established and relatively positive developments ensue. This involved in particular the submission of projects following publication of a ministerial decree in March laying down procedural arrangements. More than 170 projects have been generated in this way.

VALOREN-France: As in the case of the STAR programme for France, this programme concerns Corsica and the overseas departments; it has been allocated a total of ECU 15 million (1987-91). The rate of progress achieved with the operations financed differs according to the maturity of the projects and the prior existence of procedures for granting assistance in the fields covered by VALOREN. Whereas, for example, the installation of solar water-heating equipment and photovoltaic electrification are progressing according to plan, the small-scale hydroelectric and geothermal investment projects are experiencing some delays. Overall, the commitments contracted by the ERDF at the end of 1988 represented 18% of the total assistance to be granted.

VALOREN-Ireland: This programme is centred on large-scale investment projects designed to exploit peat resources, feasibility studies and investments involving the construction of some ten small-scale hydroelectric plants, a feasibility study designed to identify sites for wind-powered generators and measures to promote better use of energy potential. ERDF assistance totalling ECU 25 million has been allocated to the programme. With regard to the programme's implementation, the measures relating to the exploitation of peat resources are currently 20% behind schedule, although this should be made up by the end of 1989. There has also been some delay in the construction of the small-scale hydroelectric plants due to the authorities' refusal to authorize use of certain sites for this purpose. The Electricity Supply Board is on the point of examining the possibilities of using alternative sites, which will enable the project to be completed on time unless major obstacles are encountered. The implementation of other measures is proceeding steadily.

VALOREN-Italy: This programme, which covers all the regions and areas in the Mezzogiorno, is to receive ERDF assistance totalling ECU 125 million over the period 1987-91. Under the VALOREN programme for Italy, there will be true co-financing of the new measures planned by the regions and the various promoters (firms, private and public organizations). At the instigation of the Dipartimento per il Mezzogiorno (the agency responsible for implementing the programme) and following many meetings held during the course of the year, important decisions have been taken since April 1988 leading to the setting-up of technical committees and working parties, which have examined and approved approximately a quarter of the projects submitted by the regions. This programme has played an important role in stimulating investment (public and private) in the hydroelectric, solar, photovoltaic and wind energy fields. However, the fact that firms in southern Italy are very small has prevented the launching of major energy conservation plans. An initial monitoring committee meeting was held. A first ERDF advance payment was made in September, the commitment contracted corresponding to some 9% of the financial package adopted. Payments are expected to accelerate in 1989 as the programme is actually implemented.

VALOREN-Portugal: The VALOREN assistance programme for Portugal covers the whole of the country and provides for an ERDF contribution of ECU 65 million over the period 1987-91.

In 1988, 101 public sector projects and 20 private sector projects were approved.

The largest investment projects related to solid urban waste, biomass and small-scale hydroelectric plants.

The programme benefited from an initial ERDF commitment of ECU 8.95 million. Following two advances of 40% each, ERDF payments under the programme so far total ECU 7.2 million.

The national scheme for promoting efficient use of energy (SIURF) was not adopted until 27 March 1988. The private sector has therefore not been involved since the beginning of the programme.

There has also been some delay in implementing the programme because the local authorities were late in entering the necessary amounts for launching the operations in their budgets.

In order to make good the initial delay, the Portuguese authorities intend to speed up the launching of operations under the programme.

VALOREN-United Kingdom: The programme for Northern Ireland (the only region of the United Kingdom eligible in this context) has been allocated ERDF assistance of ECU 8.04 million. The measures included in

this programme consist of studies and investments relating to hydroelectric and wind energy, the analysis of biomass production potential as an alternative energy source, the extraction and treatment of peat and measures to promote energy efficiency. The largest investment undertaken so far under the programme relates to measures to conserve energy. In addition, special emphasis is being placed on renewable and alternative sources of energy, particularly through measures involving the installation of wind-power generators and hydroelectric generators on the river Bann.

2.1.3 Preparation of new Commission initiatives

Link between regional development and research and technological development policy (STRIDE)

On the basis of the findings of the studies⁸ on the regional dimensions and repercussions of Community research and technological development policy, which were undertaken in 1986, the preparatory work on launching an operational programme to promote the link between regional development and the objectives of research and technological development continued in 1988. The Commission is to examine the possibility of taking such an initiative in the course of implementing the new method of providing Community structural assistance, established by the reform of the structural Funds.

Link between regional development and environmental policy (ENVIREG)

Following the major changes introduced by the reform of the structural Funds, the Commission has decided to take a new initiative in the form of a programme designed to contribute to regional development through measures aimed at protecting and improving the environment. This programme will have to be adopted after 1 January 1989, the date on which the new Regulations come into force. In this context, preparatory work was carried out in 1988 with a view to considering the findings of the studies already made in the light of the new Regulations.

2.2 *National programmes of Community interest (NPCIs)*

A national programme of Community interest consists of a set of consistent multiannual measures in tune with national policies and serving Community objectives and policies. In particular, it assists the convergence of Member States' economies by reducing regional disparities. It translates the indications contained in regional development programmes into operational commitments. It may concern part of a region or one or more regions, in one or more Member States. These areas and regions are limited to the assisted areas established by Member States in applying their regional aid schemes.

There was a very appreciable expansion in NPCIs in 1988 in terms of decisions taken and commitments made.

2.2.1 NPCIs approved in 1988

Belgium

In 1988 the Commission adopted the Turnhout NPCI for the region of Flanders. The ERDF is to contribute ECU 10.4 million to the implementation of this programme over the period 1988-91.

The aim of the programme is to improve the level of prosperity of the region by the use of measures aiming to develop its indigenous potential, particularly as regards small and medium-sized firms and tourism. The programme also provides for measures to extend and improve the development of the economic environment, particularly through an increase in economic infrastructures. The measures envisaged should help create a substantial number of jobs.

Denmark

The aim of the following four NPCIs approved in 1988 is the wider use of new technologies by business:

- programme to promote technological, economic and industrial development in part of the county of Arhus over the period 1988-91; the ERDF contribution is ECU 3.38 million;
- economic development programme for developing regions in part of the county of Viborg (1989-92), with an ERDF contribution of ECU 5.63 million;
- Borntek programme designed to provide information and facilities in the county of Bornholm so as to increase the use of new technologies among small and medium-sized firms. The programme covers the period 1988-92 and the ERDF contribution is ECU 2.53 million;

⁸ For further details of these preparatory studies, see the 13th annual report (paragraph 2.1.3).

- programme to assist the conversion of firms through the dissemination of knowledge relating to new technologies, with firms being advised and guided on how to strengthen their production systems. The programme covers part of the county of South Jutland and relates to the period 1987-91. The ERDF contribution is ECU 5.58 million.

The main purpose of all these programmes is to increase firms' competitiveness. They are made up of a series of measures combining infrastructure operations with major projects designed to develop internally generated development potential. The measures taken under the four abovementioned programmes can be summarized as follows:

1. regeneration of the industrial environment through the use of new technologies, particularly information technologies;
2. information campaign on data processing and other new technologies;
3. supply of business advisory services;
4. formulation of product development strategies;
5. marketing of products and new market research.

Germany

In 1988 the first five NPCIs were approved by the Commission for regions in the Federal Republic. They all cover the period 1988-91. The NPCIs for Lower Saxony (ERDF contribution: ECU 50.146 million) and Schleswig-Holstein (ERDF contribution: ECU 53.836 million) were adopted in July 1988, while those for East Bavaria (ERDF contribution: ECU 42.404 million), North Bavaria (ERDF contribution: ECU 34.695 million) and Rhineland-Palatinate (ERDF contribution: ECU 34.719 million) were adopted in December 1988. The total ERDF assistance for these programmes for 1988 amounts to ECU 58.474 million, while that for the whole programme period comes to ECU 215.8 million.

German regional policy is clearly set out in the joint Federal Government/Länder programme for improving regional economic structures (national framework plan) and aims to reduce disparities within each region rather than between regions. The principal regional policy objectives are to combat unemployment, to convert declining traditional industries and to diversify activities, while at the same time promoting the services sector, and in particular, tourism. The five programmes chosen and adopted by the Commission are consistent with these aims. The measures taken under the programmes mainly involve investment in the productive sector, infrastructures directly linked to that sector and to tourism, and measures to exploit indigenous development potential.

Greece

On 30 November 1988, the Commission adopted two NPCIs relating to the prefectures of Khios and Fokida, with Community contributions of DR 3.65 billion (ECU 21.858 million) and DR 4.075 billion (ECU 24.414 million) respectively.

The prefecture of Khios, which is faced with special problems due to its island situation and serious demographic problems, possesses development assets (particularly in the tourist and craft fields) which the NPCI is designed to exploit through improved use of local productive potential and resources and through improvements to infrastructures, which are essential if the island's isolation is to be ended and new productive investment is to be attracted.

The investment planned under the Khios NPCI is concerned in particular with improving transport and water infrastructures (Khios airport and port and water supplies and sewerage respectively), helping local small and medium-sized firms and developing tourism (infrastructures, promotion and productive investment).

The prefecture of Fokida is among the least favoured in Greece. Its mountain villages are faced with serious problems of depopulation owing to the lack of basic infrastructures and to the reduced scope for developing this mountainous area. In addition, the development potential in the secondary and tertiary (tourism) sectors is poorly exploited.

The Fokida NPCI aims to finance infrastructure development in the region (particularly roads and water supplies) so as to improve access to the mountain villages, to develop local potential by part-financing productive investment and to assist local small and medium-sized firms by making services available to them.

Spain

On 30 November 1988, the Commission approved a grant of ECU 492.85 million for the Spanish NPCI relating to trunk roads.

The drawing-up of a specific NPCI relating to the construction of trunk roads was motivated by the serious deficiency of such infrastructures in Spain, the clear impact made by roads on the structural development of a

country, the high level of investment envisaged under the national road plan and the urgency of its implementation.

The 1988-92 period for implementing the NPCI was chosen so as to make its end coincide with the end of the national road plan. However, it has been delayed by a year owing to technical difficulties in completing certain work.

The roads covered are those of national interest (i.e. those for which the central government is responsible) due to their closer link with the strategy of building the single European market and of integrating the peripheral regions into the EEC. These roads can be regarded as motorways. They are defined by the 1988 Road Network Law as having separate two-lane carriageways in each direction but as not totally restricting access to bordering properties.

The total investment planned for the NPCI amounts to ECU 980.4 million.

The infrastructure selected are as follows:

- The Zaragoza-Madrid-Seville motorway, which forms part of the Narbonne-Barcelona-Madrid-Seville route linking the south-west and the north-east of Spain and continuing towards central Europe via south-east France. It runs through the regions of Andalusia, Castile-La Mancha, Castile-Leon, Aragon and part of Madrid, which has been excluded since it is not an ERDF assisted area.
- The Burgos-Madrid motorway, which forms part of the strategic north-south Irun-Burgos-Madrid-Seville link and which is also a priority Community route.
- The Burgos-Tordesillas motorway: the Spanish section of the European route from Lisbon to Irun via Burgos, which supplements the main links within Castile-Leon and extends the Irun-Burgos route as far as Tordesillas.

Italy

In 1988, the Commission approved three NPCIs relating to the regions of Abruzzi (1988-93), Sardinia (1988-92) and Tuscany (Tuscan Archipelago - 1988-91). These NPCIs provide for basic and priority measures relating to tourism, the modernization and development of small and medium-sized firms, craft enterprises, the environment and infrastructures.

- Tourism

The measures planned are designed to develop tourism, particularly in inland areas. In order to do this, tourist and cultural assets are to be exploited with a view in particular to establishing tourist itineraries, constructing or restoring hotels and providing campsites and holiday villages.

It is also planned to improve ports and moorings for pleasure craft and to construct and improve ski lifts.

- Industry and the craft sector

The measures planned relate to the equipping of craft and industrial estates with a view to preparing them for use by craft firms and small and medium-sized businesses.

Other measures include the setting-up of service centres for the transfer of technology and the part-financing of aid schemes to assist craft firms in particular. This measure also covers the modernization of some of these estates through the creation of structures better suited to the needs of innovative enterprises.

- Environment

The aim of the regions concerned is to clean up natural resources and to manage and protect the environment. A stronger link is to be established between action in the environmental field and the development of tourist resources. Environmental resources will thus play a genuine role as a factor of production rather than just conservation.

- Infrastructures

The regions plan to use productive investment in order to facilitate the provision and use of an improved system of infrastructures in the areas concerned. To this end, it is planned to improve secondary roads, aqueducts, sewerage networks and waste water purification services.

The ERDF is also part-financing major projects designed to limit soil damage - particularly to hill- and mountain-sides - and to increase protection against erosion.

Netherlands

In 1988 the Commission adopted three NPCIs for the Netherlands, relating to the regions of Twente-Helmond, Oostelijk Zuid-Limburg and Noord-Friesland.

The ERDF contribution to the Twente-Helmond programme, which covers the period from July 1988 to July 1991, is ECU 4.3 million. This programme is intended to boost economic development in two regions seriously affected by the decline of the textile industry. The bulk of the measures provided for aim to improve exploitation of the region's indigenous development potential. Among the other measures, priority is given to the renovation/restoration of disused industrial buildings with a view to housing small and medium-sized firms.

The NPCI for Oostelijk Zuid-Limburg covers the period 1988-91. The ERDF is to contribute ECU 7.1 million to its implementation. The aim of the programme is to diversify the region's economic structure with a view to creating new job opportunities. The measures envisaged should therefore improve the unsatisfactory employment situation in the region, notably by eliminating problems stemming from its peripheral location. They include in particular measures to promote certain sectors which show good development prospects, such as tourism, transport, information technology and the small business sector.

Finally, the NPCI adopted by the Commission for the Noord-Friesland region provides for ERDF assistance of ECU 18.7 million. This programme, which covers the period 1988-92, is designed to reinforce the region's economic structures, particularly by providing it with essential basic infrastructures. Priority is also to be given under the programme to measures to promote and develop small and medium-sized firms by improving their competitiveness.

Portugal

PART-FINANCING REGIONAL AID SCHEME

On 18 January 1988 the Commission approved an ERDF contribution of ECU 237.9 million towards a NPCI involving the part-financing of Portugal's regional aid scheme; this will cover the period 1988-91.

The aim of the programme is to contribute to Portugal's economic development and to the reduction of regional inequalities in the country. The aid scheme involves industrial investment (SIBR) and tourism investment (SIFIT) and also provides for the development of a number of services designed to facilitate the setting-up and modernization of firms (SIPI).

The scheme was devised to facilitate small and medium-sized firms' access to assistance and to promote the creation of permanent jobs. It applies to the whole of the country, although the level of assistance provided varies according to the location of the investment: priority is to be given to the regions where the socio-economic development indices are the lowest.

On 19 December 1988, an amending decision was adopted to make the SIBR compatible with the new industrial aid scheme, the SINPEDIP. Overall Community assistance has therefore been increased by ECU 14.8 million in order to promote Portugal's tourist image abroad, a measure connected with SIFIT. These aid schemes have so far been very successful.

PEDIP

On 24 June 1988 the Council adopted a programme for modernizing Portuguese industry and for reinforcing its competitiveness in preparation for the single European market (PEDIP). The PEDIP has four main objectives:

- to reinforce basic industrial infrastructure;
- to provide better vocational training;
- to finance productive investment;
- to increase productivity and industrial quality.

ERDF assistance, which is primarily aimed at achieving the first objective, amounts to some ECU 323 million over five years. An extra ECU 26.5 million from the additional resources available for the PEDIP have been allocated to the programme.

United Kingdom

1. NPCI-Strathclyde (Scotland)

The NPCI for Strathclyde is the principal element of an integrated development operation in this region of Scotland. The ERDF contribution earmarked for the implementation of the programme amounts to ECU 347 million for the period 1988-92.

The aim of this programme is to establish a sound basis for independent and long-term economic development. The strategic objectives adopted are as follows:

- to encourage the setting-up and growth of local enterprises (particularly small and medium-sized firms) in sectors with good development prospects;
- to assist local industry to use new technologies, particularly through the establishment of better links with R&D organisations in the region;
- to develop a sound and vigorous tourist industry in both the urban and rural areas of the region;
- to improve communications so as to help local industry meet the challenges and opportunities of the single market;
- to improve the region's image in order to attract investors to it.

It is estimated that this programme could help create more than 25 000 jobs.

2. NPCI - Dyfed, Gwynedd, Powys (Wales)

These three counties have the lowest population density in England and Wales. Although they cover almost three quarters of the total surface area of Wales, they do not even account for a quarter of its total population.

The programme (which forms part of an integrated development operation) has five objectives:

- to improve the road network, transport and communications in the region in order to reduce the negative effects of its peripheral location;
- to improve the region's economic infrastructure with a view to promoting the activities of the companies or industries already established there, to stimulate the development of industry and tourism (thereby extending the region's economic base) and to encourage local development initiatives;
- to support and promote new industrial initiatives in the region covered by the programme;
- to promote the optimum development of tourism in the region;
- to improve the environmental situation in industrial and tourist development areas in order to reinforce their economic potential.

According to estimates, this programme could help, either directly or indirectly, to create between 12 000 and 16 000 jobs following implementation of the specific measures planned.

3. NPCI - Bradford (England)

This programme, which covers the period 1988-92, constitutes the principal element in an integrated development operation for Bradford which is supported by the Community and is designed to provide a firmer basis for economic development in the city, to restructure the local economy and to reduce the current very high level of unemployment there.

A total of four action programmes are planned, with the following underlying objectives:

- economic development: provision of industrial sites and premises; setting up and development of firms; development of tourism;
- infrastructures: improvements to the water supply network, the sewerage network, the ground drainage system and electricity supplies;
- transport infrastructures: improvements to the road network, access roads for industrial firms and railways;
- work on improving the environment in order to make the city more attractive to visitors and investors.

Implementation of the programme should help create between 10 000 and 12 000 jobs.

4. NPCI for the Yorkshire/Humberside steel area (England)

In December 1988 the Commission adopted a NPCI for the Yorkshire/Humberside steel area. An ERDF contribution of ECU 156.6 million has been earmarked for the programme, which will last until 1991. An initial allocation of ERDF assistance, amounting to ECU 7.9 million, was committed when the programme was adopted.

The programme covers an area of 1 175 km² with a population of 1.45 million. This area is faced with serious structural problems due to its excessive dependence on steel, coal and other heavy industry. The unemployment rate is above the national and regional averages and is tending to rise; this applies particularly to long-term unemployment and unemployment among the young. In addition, there is a mismatch between industry's requirements and the skills of those out of work.

The programme has six prime objectives which are commensurate with the scale of the problems and the need to improve economic structures, particularly through maximum reinforcement of indigenous development potential. These objectives are as follows: (1) to diversify the economy, (2) to ensure the provision of serviced industrial sites and premises, (3) to develop training programmes to provide a flexible and appropriately skilled workforce, (4) to improve the communications network, (5) to improve the quality of the environment through the conversion or demolition of derelict buildings and installations, and (6) to develop tourism.

The European Social Fund is contributing some ECU 15 million towards measures relating to Objective 3, while the ERDF is to provide support for measures relating to the other five objectives. It is estimated that Objectives 2 and 4 will account for more than 75% of the ERDF assistance.

5. NPCI - Highlands and Islands

The Commission has adopted a national programme of Community interest submitted by the United Kingdom covering the Highlands and Islands of Scotland. This peripheral region located in the North of Scotland has an area of 38.700 km² and a population of 368,000 giving a population density of 9.5 persons per/km². The region includes over 90 inhabited islands (pop. 100,000).

Under the programme the ERDF will contribute 110 MECU over the years 1988-1991 to the cost of the programme (£ 156 million approx.). The balance of resources will come from national sources with the private sector expected to put up 10 Million while the remainder will come from local and national public agencies.

A first commitment of 16.7 Million ECU (£ 11 million) has already been made by the ERDF.

The overall aim of the programme is to encourage the economic development of the area through support for industry and tourism, notably Small and Medium sized Enterprises (SMEs), and the provision of adequate supporting infrastructure. The goals of the programme may be summarised as follows :

- increase output and employment
- maintain existing population settlements
- reduce the problems of peripherality
- provide adequate basic services to support economic development
- maximise the potential of the high quality and diverse environment

6. NPCI - Cornwall

The Commission has approved an ERDF-grant of 23.6 million ECU for a National Programme of Community Interest for the County of Cornwall.

The overall aim of this NPCI is to promote regional economic development and associated expansion of employment opportunities and to reduce the adverse differences in incomes and standards of living between Cornwall and the European Community as a whole. The NPCI has been prepared within the 15 years framework of the Cornwall County Structure Plan which over the Programme period, seeks to provide for up to 8,500 additional jobs in the assisted areas.

The key elements in the strategy for economic regeneration can be summarised as follows :

- revitalisation of the existing industrial base by facilitating the expansion of existing industries, including tourism
- diversification of the industrial structures by attracting new industries
- better quality and higher standards from new investments
- improved infrastructure, particularly roads, water supply, and sewerage

7. NPCI - Plymouth

At the end of December, the Commission has approved an ERDF-grant of 22 million ECU for a National Programme of Community Interest in Plymouth.

This programme represents an integrated set of measures to tackle the area's problems and maximise its opportunities in a systematic fashion during the next four years. It seeks to overcome the problems of economic structure and remoteness which have hindered the area's development. It will seek to provide new sources of employment to replace jobs expected to be lost in Devonport Dockyards as a result of severe sectoral shortage of demand. At the same time it will build on the strengths of a skilled and hard-working labour force and the enormous tourism potential of an area with big city attractions, a wealth of historical associations, and a hinterland of exceptional natural beauty.

Analysis of the weaknesses and potential in the area's economy has led to the development of the following strategic objectives :

- diversification of the area's economic base and employment structure to reduce reliance on the single sector of ship repair.
- integration of activity both within the area and into national and community activity by improvements to transport and communications.
- realisation of the area's economic regeneration potential by capitalising on its natural, historical and economic assets.

Table 3. Summary table: funding of NPCIs adopted in 1988

Member State	Total cost of programmes (Mio ECU)	Total ERDF contribution (Mio ECU)	Percentage breakdown of contributions		
			Infrastructures	Productive investment	Internally generated development potential
Belgique	28.9	10.3	92.0	-	8.0
Danemark	34.3	17.1	-	-	100
Deutschland	1207.3	215.8	50.5	47.6	1.9
Ellas	84.5	46.3	83.5	10.0	6.5
España	980.4	493.1	100.0	-	-
France	-	-	-	-	-
Ireland	-	-	-	-	-
Italia	2236.7	684.7	78.5	11.0	10.5
Luxembourg	-	-	-	-	-
Nederland	100.9	30.1	79.0	-	21.0
Portugal	1.093	296.0	14.0	79.0	6.8
United King.	1787.6	879.5	89.8	4.6	5.6
EUR 12	6461.3	2672.9			

2.2.2 Progress with programmes approved before 1988

In 1989 the majority of Member States began to be confronted with the monitoring of programmes, i.e. their implementation and the work carried out by the monitoring committees set up for each of them.

The monitoring committees provide a forum for taking stock of the implementation of programmes and for discussing any problems concerning their implementation on the ground or the adjustment of certain measures. The frequency of their meetings, at which the Commission is represented, is dictated by the specific needs of each programme. Two meetings are planned per year; these are organized under the aegis of the representative of the area concerned by the programme and bring together the national central government department responsible for regional planning, the regional authorities, and representatives from the Commission departments involved in the measures taken.

Spain

The NPCI for Asturias, which covers the period 1987-91, was approved by the Commission on 22 October 1987. It has so far benefited from ERDF commitments amounting to ECU 23.2 million and from ERDF payments amounting to ECU 11 million. These payments represent the two advances from the first annual contribution and the first advance from the second annual contribution.

The programme is proceeding at a satisfactory pace, with the exception of the drainage work on the river basins. The involvement of the Ministry of Public Works in this measure is in the course of being defined.

France

A series of NPCIs were adopted in 1986 and 1987. Some were adopted within the framework of integrated development operations (namely the NPCIs for central Brittany, Limousin, Auvergne, Réunion, east Tarn and south Aveyron, Ariège and Nord/Pas-de-Calais) and others within the framework of IMPs (namely those relating to Aquitaine, Midi-Pyrénées, Languedoc-Roussillon, Corsica and Ardèche), to which the ERDF is contributing.

A number of others are being carried out with ERDF support only, namely the NPCIs for Charente-Maritime, Lozère, the Decazeville area and Lorraine. These programmes are being implemented under fairly satisfactory conditions despite the difficulties encountered in launching them.

Positive effects are now being felt in the areas affected by these programmes thanks to the measures taken to improve communications, to support and develop existing firms and to promote tourism.

Increasingly satisfactory publicity is being given to the programmes in the form of booklets explaining their content to interested parties, articles in the regional press, talks, etc.

Satisfactory arrangements have also been made for promoters to give the measures appropriate publicity (signboards, notices).

With regard to the ERDF funds earmarked for these programmes, the bulk of the 1988 appropriations have been committed.

United Kingdom

The NPCIs adopted before 1988 for the United Kingdom are progressing satisfactorily. The national and local authorities involved have gained more experience in implementing programmes through the work of the coordinating committees. There have nevertheless been delays in the progress and budgetary implementation of some programmes. The relevant authorities and the Commission are following these cases closely.

The Article 15 NPCI for Northern Ireland, which got off to a relatively slow start, should be completed by the end of the year. The authorities concerned believe that the programme has made a major contribution to the development of small and medium-sized firms in Northern Ireland.

2.3 ERDF participation in integrated development operations

Under Article 34 of the ERDF Regulation, measures qualifying for ERDF financing that form part of an integrated development approach, such as integrated operations or programmes, may be accorded priority treatment in the management of the ERDF's resources.

The ERDF thus contributes, in the form of NPCIs, to the funding of integrated development operations (IDOs) and integrated Mediterranean programmes (IMPs). The latter are covered by Council Regulation (EEC) No 2088/85.

2.3.1 Monitoring of IDOs in progress

France

The IDO for Réunion, which was adopted by the Commission in December 1987, is now progressing steadily; this is particularly true of its agricultural and training aspects. However, there have been major delays in implementing the measure relating to the supply of water to the west of the island, which constitutes the keystone of the ERDF section of the IDO. The difficulties encountered in launching this operation stem from the need to obtain a declaration of public benefit from the Council of State which will delay the start of the project until July 1989.

Italy

By the end of 1988, the total volume of investment in respect of which ERDF assistance had been received under the Naples integrated operation amounted to some ECU 6 250 million. The total assistance granted amounts to ECU 1 720 million.

In 1988, eleven new projects were adopted, involving grants of some ECU 203 million. Some of these grants will serve to complete the financing of projects, while others will be used to increase the funds available for providing basic infrastructures, particularly under Law 219/81 on post-earthquake reconstruction.

The main problems which the projects financed in 1988 are designed to overcome relate to transport, the environment and research. These projects include the following:

- transport: the financing of another underground train; work on easing traffic congestion;
- environment: major work on improving the sewerage system of the Posillipo area; improvements to the drainage infrastructures of the Capodimonte area and of Pianura;
- research: equipping the pharmacy faculty; reorganization of the A. Dohrn marine biology research centre.

Portugal

On 27 July 1988 the Commission adopted a NPCI for Norte Alentejano, involving a Community contribution of ECU 44 million over a period of five years.

Focused on the development of tourism, industrial potential, productive infrastructures and protection of the environment, this NPCI forms part of a larger IDO approved by the Commission on 7 November of the same year.

Norte Alentejano is one of the least developed regions of Portugal; its per capita GDP stands at 82% of the national average. The programme is designed to promote the socio-economic development of the region by creating and developing a network of tourist sites likely to speed up the development of all other economic sectors.

2.3.2 The integrated Mediterranean programmes (IMPs)

The IMPs are multiannual programmes which focus in particular on investment in the productive sector, the creation of infrastructure and better use of human resources. They concern various sectors of economic activity: agriculture, fisheries, energy, crafts, industry, building and public works, services (including tourism), etc. Based on a Council Regulation adopted in 1985, the IMPs are primarily concerned with the following three countries:

Greece

The year 1988 saw all the Greek IMPs progress at a steady speed. By 31 December 1988, the Commission had committed ECU 244.3 million for the ERDF sections of all the Greek IMPs, with payments amounting to ECU 153 million.

While it is still too early to make an initial assessment of the implementation of the Greek IMPs, the rate of implementation of the IMPs for Macedonia and Thrace, east central Greece and the Peloponnese and western Greece can be said to be generally more rapid than that of the other Greek IMPs.

The measures administered at local and regional levels by the prefectures are also in general progressing more quickly than those administered by central bodies from Athens, at least as regards measures co-financed by the ERDF.

In the case of the IMP for Crete, the Commission established the breakdown of the appropriations for the period 1988-92 and increased the financial package slightly in the context of the allocation of the amount still to be channelled to Greece pursuant to Regulation (EEC) n°2088/85 on the IMPs, which provides for an overall Community package for Greece of ECU 2 000 million.

Italy

During the course of 1988, the Commission approved the IMPs for the following regions of the Mezzogiorno: Molise, Abruzzi, Basilicata, Sardinia, Lazio, Calabria, Campania, Apulia and Sicily.

The total cost of the IMPs is some ECU 1 400 million, with the Community contribution amounting to ECU 632 million and that of the ERDF (NPCI) to ECU 275 million.

The ERDF is providing assistance for industry, crafts and services. The latter sector includes financial engineering measures (venture capital, guarantee fund and leasing). In addition, the ERDF is financing the construction and equipping of craft and advanced service estates for small and medium-sized firms.

France

The ERDF is providing assistance under some of the IMPs adopted in 1987 for the following regions:

- Aquitaine, Midi-Pyrénées, Languedoc-Roussillon;
- Corsica, Ardèche.

In 1988, satisfactory progress was made in implementing these IMPs.

2.4 Specific Community measures

The general framework of the Community's specific measures was set out in the thirteenth annual Report. These measures, some of which began in 1980, were in fact the first programmes to be financed by the Regional Fund. There was appreciable activity in this field in 1988, since most of these programmes are due to end in 1989 despite the delays in implementing them in the past in some Member States. Overall, the situation was satisfactory in 1988, with most of the programmes progressing well.

2.4.1 Special programmes approved in 1988

Specific measure for steel areas

The Commission approved the granting of additional assistance to three special multiannual programmes under the specific Community regional development measure in progress in the regions most affected by restructuring of the steel industry. These grants, which were calculated on the basis of the final net reductions made in production capacity under the restructuring programmes approved by the Commission, were as follows: ECU 2 million (initial grant: ECU 21 million) for the Nord/Pas-de-Calais region of France to be used to reclaim derelict industrial sites in the department of Nord; ECU 3 million (initial grant: ECU 5 million) for the three Dutch regions of IJmond, Alkmaar and its surrounding area and Kop van Noord-Holland, to be used for existing measures relating, on the one hand, to the reclamation of derelict sites and, on the other, to various measures to assist small and medium-sized firms.

Table 4. Commitments and payments 1981-1988 for specific community measures

(Mio ECU)

Member State	Special programmes	Total allocation	Commitments			Payments			Balance	Commit./ alloc. %	Paym./ commit. %
			1981/87	1988	Total	1981/87	1988	Total			
B	Steel	34.000	12.198	-	12.198	7.710	-	7.710	4.488	35.88	63.21
B	Text. Aalst	5.600	1.951	1.192	3.144	1.213	0.831	2.045	1.099	56.14	65.03
B	Text. Mouscron	2.400	0.027	1.180	1.207	-	0.821	0.821	0.386	50.31	68.03
D	Shipbuild. Bremen	8.000	1.637	2.837	4.474	-	3.094	3.094	1.380	55.92	69.14
D	Shipbuild. Schleswig	3.000	1.470	0.759	2.230	0.712	1.214	1.926	0.304	74.33	86.38
D	Fish. Bremerhaven	4.100	0.592	1.807	2.399	-	2.039	2.039	0.360	58.50	85.00
D	Fisheries Cuxhaven	4.900	1.747	-	1.747	-	1.048	1.048	0.699	35.64	60.00
D	Steel Bayern	1.276	1.155	-	1.155	0.982	-	0.982	0.173	90.55	85.00
D	Steel N.R. Westfalen	21.982	10.540	10.126	20.666	8.959	8.922	17.881	2.785	94.01	86.52
D	Steel Niedersachsen	5.742	0.976	2.643	3.618	0.585	1.830	2.415	1.203	63.01	66.74
D	Steel Saarland	13.000	10.952	-	10.952	7.977	2.382	10.359	0.593	84.25	94.59
D	Text. Bayreuth	2.800	0.950	-	0.950	-	0.808	0.808	0.143	33.95	85.00
D	Text. Nordrh.-west	9.170	0.604	-	0.604	-	0.362	0.362	0.242	6.59	60.00
DK	Fisheries	13.000	2.604	-	2.604	1.040	-	1.040	1.564	20.03	39.93
F	Shipbuild. Loire Att	10.600	4.766	-	4.766	2.860	-	2.860	1.906	44.96	60.00
F	Shipbuild. Var	3.400	1.660	-	1.660	-	0.996	0.996	0.664	48.83	60.00
F	Enlargement	110.000	51.971	23.040	75.011	43.111	29.860	72.972	2.039	68.19	97.28
F	Fisheries Lorient	6.000	3.556	-	3.556	2.134	-	2.134	1.422	59.27	60.00
F	Fisheries Rochelle	3.000	1.541	0.737	2.278	0.925	0.943	1.867	0.411	75.93	81.98
F	Steel Ardennes	7.000	3.563	-	3.563	2.138	0.449	2.587	0.976	50.90	72.60
F	Steel Bourgogne	6.800	3.710	2.090	6.800	2.826	2.773	5.599	1.201	100.00	82.34
F	Steel Lorraine	32.200	18.669	-	18.669	11.201	-	11.201	7.468	57.98	60.00
F	Steel N.P.de Calais	23.000	10.501	2.650	13.151	7.613	5.538	13.151	-	57.18	100.00
F	Text. Alsace	5.300	1.029	3.548	4.577	0.617	2.885	3.502	1.075	86.35	76.52
F	Text. Ardeche	14.000	1.778	7.483	9.261	1.067	5.491	6.558	2.703	66.15	70.81
F	Text. Ariège	6.900	1.749	-	1.749	-	1.487	1.487	0.262	25.35	85.00
F	Text. Gard	5.100	2.023	1.473	3.496	-	2.303	2.303	1.193	68.56	65.88
F	Text. Picardie	4.700	2.388	-	2.388	1.433	0.862	2.295	0.093	50.80	96.12
F	Text. Vosges	14.600	7.317	-	7.317	4.390	-	4.390	2.927	50.12	60.00
F	Text. N.P.de Calais	28.600	14.392	1.698	16.091	10.423	5.668	16.091	-	56.25	100.00
GR	Enlargement	40.000	16.404	14.158	30.562	13.943	16.618	30.561	-	76.40	100.00
GR	Energy	20.000	2.935	9.100	12.035	2.682	9.100	11.781	0.253	60.22	97.90
I	Shipbuild. Genova	5.820	-	2.727	2.727	-	-	-	2.727	46.85	-
I	Shipbuild. Palermo	2.052	-	0.162	0.162	-	-	-	0.162	7.91	-
I	Shipbuild. Trieste	4.128	-	1.792	1.792	-	-	-	1.792	43.40	-
I	Enlargement	130.000	54.018	-	54.018	15.450	-	15.450	38.568	41.55	28.60
I	Energy I	16.000	5.026	-	5.026	1.508	3.519	5.026	-	31.42	100.00
I	Energy II	23.000	14.396	5.076	19.472	-	10.879	10.879	0.353	60.00	60.00
I	Steel Genova	7.344	0.882	-	0.882	-	0.529	0.529	8.544	84.44	56.01
I	Steel Livorno	6.120	0.867	-	0.867	-	0.520	0.520	0.347	14.16	60.00
I	Steel Napoli	13.916	-	10.693	10.693	-	6.416	6.416	4.277	76.84	60.00
I	Steel Taranto	14.620	-	11.513	11.513	-	-	-	11.513	78.75	60.00
I	Text. Acerra	3.550	2.135	-	2.135	1.281	0.534	1.815	0.320	60.14	85.00
I	Text. Bari	7.750	4.891	-	4.891	-	2.935	2.935	1.956	63.11	60.00
I	Text. Como	10.200	7.045	-	7.045	4.227	1.761	5.989	1.057	69.07	85.00
I	Text. Fiume	750.000	0.221	-	0.221	-	0.133	0.133	0.088	63.10	60.00
I	Text. Lecce	3.190	1.340	-	1.340	-	0.804	0.804	0.356	42.00	60.00
I	Text. Palermo	3.530	1.867	-	1.867	-	1.120	1.120	0.747	52.88	60.00
I	Text. Perugia	4.900	3.125	-	3.125	1.875	0.781	2.656	0.469	63.78	85.00
I	Text. Pesaro	2.790	1.752	-	1.752	1.051	0.438	1.489	0.263	62.80	85.00
I	Text. Pistoia	2.790	1.571	-	1.571	0.942	-	0.942	0.628	56.29	60.00
I	Text. Treviso	7.342	5.036	-	5.036	-	3.021	3.021	2.014	68.59	60.00
I	Text. Vercelli	10.540	6.276	-	6.276	3.766	-	3.766	2.510	59.55	60.00
IRL	Textiles	3.000	0.700	-	0.700	0.420	-	0.420	0.28	23.33	60.00
IRL	Border Areas I	16.000	16.000	-	16.000	14.666	1.334	16.000	-	100.00	100.00
IRL	Border Areas II	32.000	1.358	2.384	3.743	3.181	-	3.181	0.561	11.70	85.00
I	Steel	9.000	2.454	6.546	9.000	1.472	7.359	8.831	0.169	100.00	98.12
NL	Steel	8.000	0.766	-	0.766	0.651	-	0.651	0.115	9.58	85.00
NL	Textiles	7.000	2.696	-	2.696	1.932	-	1.932	0.764	38.51	71.66
UK	Shipbuilding	34.000	21.047	5.887	26.935	18.692	7.359	26.052	0.883	79.22	96.72
UK	Fisheries	15.000	1.994	-	1.994	1.196	-	1.196	0.798	13.29	60.00
UK	Steel	81.000	36.718	22.310	59.028	29.797	18.311	48.108	10.920	72.87	81.50
UK	Textile	105.000	47.250	4.429	51.679	33.600	9.712	43.313	8.366	49.22	83.81
UK	Border Areas I	8.000	8.000	-	8.000	7.354	-	7.354	8.000	100.00	100.00
UK	Border Areas II	16.000	1.187	-	1.187	0.573	-	0.573	0.615	7.42	48.22
EC	Total	1084.101	448.974	160.000	608.974	276.995	189.626	466.621	142.352	56.17	76.62

The Commission also approved two final special programmes relating to Italian steel areas, involving the provinces of Naples (grant of ECU 13.92 million) and Taranto (grant of ECU 14.62 million). These two programmes, which were submitted by the Italian authorities on the basis of a decision taken by the Commission in May 1987, are concerned principally with the financing of investment grants for small and

medium-sized firms (body responsible for administering the grants: Agenzia per la Promozione dello Sviluppo del Mezzogiorno) and with the provision of housing for workers (bodies responsible: Campania and Apulia regional authorities). These programmes are due to be completed in 1989.

Specific measure for shipbuilding areas

The Commission approved three special programmes for Italy involving the province of Palermo (ECU 2.05 million), the Trieste-Gorizia area (ECU 4.13 million) and part of the province of Genoa (ECU 5.82 million). Some 30% of the assistance is to go to redeveloping derelict sites and 25% to investment grants for small and medium-sized firms; the substantial remaining proportion is being reserved for advisory activities, common services and the promotion of innovation in small and medium-sized firms. These programmes are due to run until 1991.

2.4.2 Implementation of current programmes

Specific "enlargement" measure

- Special programme for the Greek Islands

The Commission decided on 21 December 1984 to grant ERDF assistance of ECU 40 million to this special programme. It principally involves operations relating to small and medium-sized firms, tourism, transport and the environment in the Greek islands and covers the period from 1985 to 1989.

At the end of 1987, commitments contracted by the ERDF stood at ECU 16.4 million. As a result of a revision of this programme in 1988, ECU 14.2 million were committed at the end of December 1988 and ECU 9.4 million at the beginning of January 1989.

All of the ECU 40 million earmarked will thus have been committed before the programme ends (31 March 1989). Under the revised programme, a substantial proportion of the 1988 and 1989 commitments are to finance a large number of small scale infrastructure projects which are directly linked to tourist activities and which are jointly-financed by the ERDF and the recipient municipalities. Some part of these commitments will be used to part-finance the purchase of two small aeroplanes, which will improve links between the islands and between the islands and the mainland.

- Special programme for the regions of Aquitaine, Languedoc-Roussillon and Midi-Pyrénées in France.

Approved by the Commission in 1986, this amended programme has been allocated ECU 71.6 million for the period 1985 to 1989 in addition to ECU 38.4 million under an initial programme implemented between 1981 and 1985. The programme comprises four courses of action: the development of small and medium-sized firms, innovation, craft industries and rural tourism. Following a number of meetings of the coordinating committee (February and March), the delays in implementing this programme were partly made good as a result of major ERDF commitments (ECU 23 million) being made in 1988; in all, commitments made represent 68% of the total allocation. An additional commitment of ECU 6.2 million will normally be made at the very beginning of 1989.

- Special programme for the regions of the Mezzogiorno in Italy

Taking into account the amount earmarked in 1986 when the amended programme was approved and that arising from the initial programme implemented up to 1985, the total allocation for this programme is ECU 130 million. The programme covers four areas of action: development of small and medium-sized firms, innovation, craft industries and rural tourism.

Following a number of meetings organised by the competent Italian authorities and legislative and administrative changes, the delays in implementing this programme have been made up. On the basis of the payment applications submitted by the end of 1988, the Commission will have committed some 67% of the allocation approved by the beginning of 1989. The bodies responsible for administering the programme have made most of the commitments necessary to ensure that the programme is fully completed.

Specific measure for steel areas

- Steel areas in Belgium

The amended special programme was approved by the Commission in 1986, the grant being ECU 34 million. The programme concerns the provinces of Hainaut, Liège and Luxembourg. The vertical measures administered by local business are progressing satisfactorily. However, because of delays in implementing other operations (site improvements, introduction of investment grants for small and medium-sized firms), the monitoring committee, at a meeting on 19 July, agreed to propose that the Commission revise the programme's financial timetable. This revision, which took place on 3 November, enabled additional commitments of some ECU 9 million to be made at the beginning of 1989.

- Steel areas in the Federal Republic of Germany

Current special programmes concern the Saarland (approved in 1984; ECU 13 million in grants), the labour market areas of Bochum, Dortmund and Duisburg in North Rhine-Westphalia (1985; ECU 22 million in grants), those of Braunschweig/Salzgitter and Osnabrück in Lower Saxony (1985; ECU 5.7 million in grants), and those of Amberg and Schwandorf in Bavaria (1985; ECU 1.3 million in grants).

Minor amendments were made to most of these programmes in 1988 following reallocations of financial resources within the programmes.

Overall, commitments contracted stood at ECU 36.4 million at the end of 1988, or 87% of grants approved, and payments at ECU 31.6 million. Of the four programmes, those relating to Bavaria, North Rhine-Westphalia and Saarland are the most advanced, having absorbed commitments of between 85% and 95%; at the end of 1988, the specific programme relating to Lower Saxony had absorbed 63% of the appropriations available for it.

- Steel areas in France

The four special programmes in progress were approved by the Commission in 1986. They concern the departments of Moselle and Meurthe-et-Moselle (ECU 32.2 million in grants), the Nord/Pas-de-Calais region (ECU 23 million in grants, including the additional ECU 2 million grant approved on 26 May), the north of the department of Ardennes (ECU 7 million in grants) and the districts of Autun and Charolles in Saône-et-Loire (ECU 6.8 million in grants). While the programme relating to Saône-et-Loire was fully committed by the end of 1988, the financial schedules of those relating to Lorraine and Nord/Pas-de-Calais were amended on 22 November and 23 December respectively; as a result of these amendments, a significant proportion of the implementing delays incurred since 1986 should be made up. Overall, total commitments stood, at the end of 1988, at ECU 42.2 million and payments at ECU 32.5 million.

- Steel areas in Italy

The two programmes approved by the Commission at the end of 1987 concern the provinces of Genoa (ECU 7.34 million in grants) and Livorno (ECU 6.12 million in grants). A meeting of the monitoring committee was held in February 1988 and meetings with those responsible at regional and local levels were held in the second half of the year. In the light of the state of progress of certain operations, the Italian authorities adjusted the financial schedules.

- Steel areas in Luxembourg

The special programme for Luxembourg, which was also approved in 1986, was allocated a total grant of ECU 9 million. Following the meeting of the monitoring committee on 24 February, the balance remaining under the programme was committed (ECU 6.5 million); at the end of 1988, only ECU 0.2 million remained to be paid. This special programme can therefore be said to have been virtually completed, with the following economic results: restoration of unused industrial buildings and the creation of a number of industrial estates (Rodange, Differdange), repairs to 200 social housing units in a serious state of disrepair (without the occupiers having to move out) and investment grants for some 50 firms.

- Steel areas in the Netherlands

This programme was approved in 1985; it covers the "corop regions" of IJmond, Alkmaar and Kop van Noord-Holland; it was allocated ECU 8 million, including the additional grant of ECU 3 million made on 26 May.

For the most part, the programme consists of measures linked to the reclamation of derelict industrial areas and the stimulation of the business environment of small and medium-sized firms. At the end of 1988, work on the programme was significantly behind schedule. Commitments made by the Commission at the end of the year were still no more than 10% of total assistance.

- Steel areas in the United Kingdom

The amended special programme involving 12 areas of the United Kingdom affected by restructuring of the steel industry was approved by the Commission in 1984. The Commission decided in 1987 to increase the ERDF assistance for the programme by ECU 3 million, bringing the overall amount to ECU 81 million. This increase was considered to be necessary following the decision to cut capacity in accordance with the restructuring programmes adopted under the steel aid scheme in force up to 1985. On 27 July 1988, the Commission approved the programme amendments proposed by the United Kingdom as being essential following the increase in assistance. The additional grant will go mainly to measures designed to support small firms. At the end of 1988, commitments stood at ECU 59 million (73% of the planned ERDF contribution) and payments at ECU 48.10 million.

Specific measure for shipbuilding areas

- Shipbuilding areas in the Federal Republic of Germany

In 1988 two special programmes were in progress: the first, approved in 1985, concerns the labour market area of Lübeck-Ostholstein (grant of ECU 3 million), for which commitments stood at ECU 2.2 million at the end of 1988; the second concerns the labour market areas of Bremen and Bremerhaven and covers the period from 1987 to the beginning of 1991 (grant of ECU 8 million). Commitments in respect of this latter programme stood at ECU 4.5 million at the end of 1988. Both programmes concentrate particularly on management consultancy and information on innovation for small and medium-sized firms.

- Shipbuilding areas in France

In 1988 two special programmes were in progress: the first, approved in 1986 (grant of ECU 10.6 million), concerns the department of Loire-Atlantique (excluding Nantes); the second, covering the period 1987-90, concerns the assisted areas of Var and the area of La Ciotat (grant of ECU 3.4 million). Payments made in 1988 amounted to ECU 1 million. Overall, ERDF commitments stood at ECU 6.5 million at the end of 1988 (i.e. 46% of the total assistance) and payments at ECU 3.9 million.

- Shipbuilding areas in the United Kingdom

The amended special programme has an overall ERDF allocation of ECU 34 million. It concerns the region of Strathclyde, the counties of Cleveland, Tyne and Wear and Merseyside and the Belfast urban area. The programme progressed satisfactorily in 1988, which should ensure that all of the funds earmarked for it should be committed up to its expiry on 31 March 1989. At the end of 1988, commitments contracted stood at ECU 26.93 million (79.2% of the total allocation) and payments at ECU 26.05 million.

Specific measure for textile and clothing areas

- Textile areas in Belgium

In 1988 two special programmes (covering the period 1986-89) were in the process of being implemented. These related to the districts of Aalst and Oudenaarde (grant of ECU 5.6 million) and of Mouscron (ECU 2.4 million). New commitments in 1988 amounted to ECU 2.4 million; overall commitments at the end of the year stood at ECU 4.3 million (i.e. 54% of the assistance granted) and payments at ECU 2.8 million. The Aalst-Oudenaarde programme is proving to be very successful owing particularly to its MENTOR sub-programme (services for firms), while the MOUSCRON programme is permitting the redevelopment of many derelict sites, and in particular the importance "Centre' Expo" site intended for small and medium-sized firms.

- Textile areas in the Federal Republic of Germany

In 1988, two special programmes approved at the end of 1987 were launched. These concern the labour market areas of Ahaus/Steinfurt (grant of ECU 9.2 million) and Bayreuth (grant of ECU 2.8 million). The programme for the Ahaus/Steinfurt area mainly comprises operations linked to investment grants for small and medium-sized firms, to management consultancy and to the application of innovation in small and medium-sized firms. At the end of 1988, commitments contracted by the Commission stood at only ECU 0.6 million (i.e. 7% of the allocation). The programme covering the Bayreuth area is mainly concerned with the improvement of industrial sites and with investment grants for small and medium-sized firms. At the end of the year, total commitments for this programme stood at ECU 1 million, or 34% of the allocation.

- Textile areas in France

The special programmes in progress in France cover the period 1986-89. They relate to all or part of the following areas: the Nord/Pas-de-Calais region (ECU 28.6 million in grants); the Vosges (ECU 14.6 million); the Loire and the Ardèche (ECU 14.0 million); the assisted areas in Alsace (ECU 5.3 million); the assisted areas in the department of Somme and the cantons of Catelet and Bohain in Aisne (ECU 4.7 million); Ariège and Tarn (ECU 6.9 million); and the assisted areas of Gard (ECU 5.1 million). Following a meeting of the coordinating committee in March, the financial schedules of almost all these programmes were amended during the course of the year. New commitments amounted to ECU 14.2 million and new payments to ECU 18.7 million. Overall, commitments stood at ECU 45 million at the end of 1988 (i.e. 57% of the multiannual allocation), with a further ECU 13.9 million to be committed at the very beginning of 1989.

- Textile areas in Ireland

Approved in 1986, the special programme concerns the planning regions of Donegal, North West and West. At the end of 1988, commitments contracted stood at ECU 700 000 (23% of the overall allocation) and payments at ECU 420 000. Despite the slow start made with this programme, it should be possible for all the funds allocated to it to be committed by the time it expires on 31 March 1989.

- Textile areas in Italy

The programmes in progress, all of which were approved by the Commission in 1987, concern:

- seven areas in central and northern parts of the country, namely the assisted areas of the provinces of Arezzo (grant of ECU 3.55 million), Como (ECU 10.2 million), Perugia (ECU 4.9 million), Pesaro-Urbino (ECU 2.79 million), Pistoia (ECU 2.79 million), Treviso (ECU 7.34 million) and Vercelli (ECU 10.54 million). The monitoring committee met twice, in February and September. Further meetings were held with officials responsible for the programmes at regional and local levels;
- four areas in the Mezzogiorno, namely the provinces of Bari (ECU 7.75 million), Enna (ECU 0.35 million), Lecce (ECU 3.19 million) and Palermo (ECU 3.53 million). The monitoring committee responsible for these programmes met in September.

Following the meetings mentioned, the competent authorities drew up amendments to the financial schedules.

- Textile areas in the Netherlands

The Community measure covers the "corop gebied" of Twente and the textile area of Helmond. Approved in 1984, the special programme is to receive a total grant of ECU 7 million. The main achievements have been the redevelopment of run-down sites and the provision of various services for firms. The rate at which the programme is being implemented slackened in 1988; as a result, commitments contracted stood, at the end of 1988, at almost the same level as at the end of 1987 (i.e. at 40% of the total allocation).

- Textile areas in the United Kingdom

The special programme, approved by the Commission in 1984, has an allocation of ECU 105 million. It concerns Northern Ireland, Tayside and the textile areas in the counties of West Yorkshire, Lancashire and Greater Manchester. At the end of 1988, commitments for this programme stood at ECU 51.67 million (49% of the total allocation) and payments at ECU 43.31 million. Grant applications relating to support for small and medium-sized firms are still playing an important role, whereas the funds available for infrastructure projects have not yet been taken up to the extent anticipated.

Specific measure for fisheries areas

- Fisheries areas in Denmark

The special programme for the fisheries areas of North-Jutland and the island of Bornholm was approved in 1987. Allocated a total of ECU 13 million, commitments stood at ECU 2.6 million at the end of 1988. The programme mainly consists of measures to improve fishing ports, to promote tourism and to provide investment grants and advisory services for small and medium-sized firms. The operations launched in 1988 consisted principally of preparatory studies for the implementation of measures in the field of tourism, conversion work in fishing ports and investment grants for small businesses.

- Fisheries areas in the Federal Republic of Germany

Approved at the end of 1987, the two programmes cover the period from 1987 to the beginning of 1991 and relate to the labour market areas of Bremerhaven (grant of ECU 4.1 million) and Cuxhaven (ECU 4.9 million). The operations financed under these programmes are principally concerned with improving fishing ports so as to attract small and medium-sized firms, promoting tourism (improvements to basic facilities) and providing advisory services for small and medium-sized firms. While commitments contracted in respect of the programme for the Bremerhaven area accounted for 60% (ECU 2.4 million) of the total allocation for this programme, commitments under the Cuxhaven area programme stood at only 36% (ECU 1.7 million) of the total allocation at the end of 1988.

- Fisheries areas in France

The two special programmes approved in 1986 for the period 1986-90 concern the districts of Lorient and Quimper in Brittany (ECU 6 million in grants) and the district of La Rochelle in Charente-Maritime (ECU 3 million). While this latter programme is progressing satisfactorily (overall commitments represented 76% of the total allocation at the end of 1988), there have been no new ERDF commitments for the programme relating to the areas in Brittany owing to the slow progress made with the work (total ERDF commitments stood at 60% of the total allocation).

- Fisheries areas in the United Kingdom

With an allocation of ECU 15 million, the special programme approved by the Commission in 1986 concerns the travel-to-work areas of Blackpool, Hull and Grimsby. In 1988, no new commitments were made for this programme; those made in previous years came to ECU 2 million.

Specific measure concerning energy development in certain regions in the south east of the Community

- Mountain areas of the Mezzogiorno

Taking into account the allocation made in 1987 when the amended programme was approved and that arising from the initial programme implemented up to 1985, the overall allocation for this programme is ECU 39 million. As a result of commitments and payments made during the course of the year, some 62% of the allocation had been committed by the end of the year. Administrative decisions taken during the year (setting up of working parties, technical committees, etc.) made it possible for at least part of the accumulated delays to be made up.

- Greek islands

The Commission approved the special "Energy" programme for the Greek islands on 21 December 1984; ERDF assistance of ECU 20 million was allocated to it.

The programme aims to reduce the Aegean islands' dependence on oil by developing alternative energy sources. It covers the period from 1985 to 1989.

At the end of 1987, commitments contracted by the ERDF for this programme stood at ECU 2.9 million. During 1988, the main technical and administrative difficulties delaying implementation of a number of major projects were overcome. Following a revision of the programme schedule, a commitment of ECU 9.1 million was made at the end of December 1988 and a further commitment of ECU 6 million was made at the beginning of January 1989.

A total of ECU 18 million should thus have been committed by the time the programme expires on 31 March 1989. Implementation of the operations corresponding to the remaining ECU 2 million should be envisaged within the framework of the new Structural Funds' legislation.

Special measure for the border areas of Ireland and Northern Ireland

This measure was introduced in 1980 by Regulation (EEC) n° 2619/80. It was then reinforced and extended in 1985 by Regulation (EEC) n°3637/85. Its aim is to help improve the socio-economic situation in these border areas. The second phase of the programme for the border areas in Northern Ireland (which covers all areas except the Belfast urban area) was approved in 1986, with ECU 16 million being allocated to it. At the end of 1988, commitments contracted stood at ECU 1.18 million (7.42% of the allocation) and payments at ECU 0.57 million. The second phase of the programme for Ireland, which covers the counties of Donegal, Leitrim, Cavan, Monaghan, Louth and Sligo, was approved by the Commission in 1987. It provides for ERDF assistance of ECU 32 million to extend the natural gas network and for measures to promote and develop tourism. At the end of 1988, commitments stood at ECU 3.74 million (11.7% of the overall allocation) and payments at ECU 3.18 million. Budgetary implementation of these two programmes should be speeded up once the preparation and selection of the projects involving tourism facilities are complete.

Chapter 3. Projects

The ERDF may contribute to the financing of investment projects costing more than ECU 50 000 each in industry, in the crafts or service sector or in infrastructure. Regions and areas in which the ERDF may help to finance projects are limited to the assisted areas designated by Member States in applying their regional aid systems.

3.1 Applications for 7 976 projects

During 1988, the Member States submitted to the Commission grant applications concerning 7 976 investment projects, the amount of assistance requested totalled ECU 6 201 million. The table below gives the breakdown by Member State.

Table 5. Breakdown by Member State of grant application for projects in 1988

(Mio ECU)

Member State	Number of projects	Industry, services and crafts	Infrastructure	Internally generated develop. potential (Art. 15)	Total
B	44	3.25	9.66	0.62	13.53
DK	38	1.29	4.48	0.38	6.15
D	193	27.00	58.44	-	85.44
GR	132	0.60	474.22	-	474.82
E	983	117.11	1.644.54	8.30	1.769.95
F	122	-	195.31	4.21	199.52
IRL	236	35.32	98.65	4.39	138.37
I	3.465	256.21	1.852.43	4.01	2.112.65
L	-	-	-	-	-
NL	6	-	14.71	-	14.71
P	1.835	-	794.47	1.39	795.86
UK	922	74.26	506.40	9.28	589.95
EUR 12	7.976	515.05	5.653.32	32.58	6.200.94

More applications were submitted in 1988 than in the previous year (4 707). This was because, with 1988 being the last year for submitting applications under the old legislation, the three main recipients of ERDF assistance (Spain, Italy and Portugal) wished to benefit from that legislation, particularly in respect of small projects. The breakdown of applications by project category is as follows:

Industry: 748 projects (ECU 515.05 million);

Infrastructure: 7 054 projects (ECU 5 653.32 million);

Article 15: 174 projects (ECU 32.58 million).

3.2 3 910 projects approved

During the same period, commitments⁹ totalling ECU 2 860 million (see Table 6) were made for 3 910 projects, broken down as follows:

Industry: 487 projects (ECU 179.08 million);

Infrastructure: 3 354 projects (ECU 2 666.74 million);

Article 15: 69 projects (ECU 14.57 million).

To rule out misleading comparisons, it should be made clear, firstly, that many projects submitted during the year were not decided on in 1988, and, secondly, that the 1988 commitments also cover projects submitted in previous years.

Table 6. Projects assisted in 1988

(Mio ECU)

Member State	Industry, services and crafts		Infrastructure		Internally generated develop. potential		total	
	Number	Assistance	Number	Assistance	Number	Assistance	Number	Assistance
B	5	1.00	44	14.80	-	-	49	15.80
DK	64	3.50	18	4.32	1	0.37	83	8.19
D	28	35.92	-	0.47	-	-	28	36.39
GR	1	0.35	92	202.11	-	-	93	202.46
E	-	-	428	682.21	3	2.29	431	684.50
F	3	0.21	122	227.20	40	4.27	165	231.68
IRL	38	22.48	81	45.88	1	2.17	120	70.53
I	120	43.45	1313	814.40	2	0.58	1435	858.43
L	-	-	1	0.74	-	-	1	0.74
NL	-	-	9	22.28	-	-	9	22.28
P	-	-	887	339.98	3	1.48	890	341.46
UK	228	72.17	359	312.35	19	3.41	606	387.93
EUR 12	487	179.08	3354	2666.74	69	14.57	3910	2860.39

Despite a 3.8% increase in total commitments in 1988 compared with 1987, commitments for projects fell during the same period by 4%. As a result, the share of total ERDF commitments taken by projects, which had stood at 84.5% in 1987, also fell to 78% in 1988. The proportion of total assistance accounted for by projects thus declined by more than six percentage points in 1988.

This fall was primarily due to the growing share taken by programmes in 1988, which, according to the old Regulation, are to be given priority.

The reduction in assistance for projects was not evenly spread across the twelve countries:

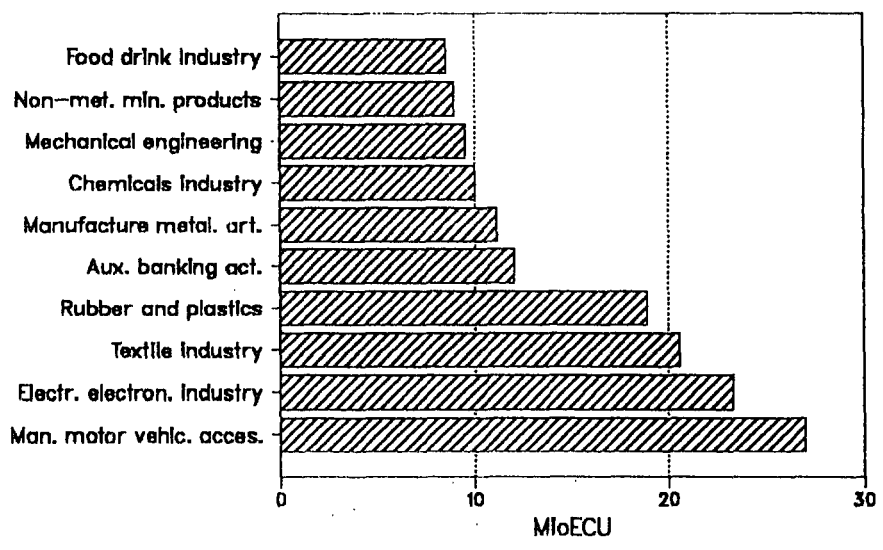
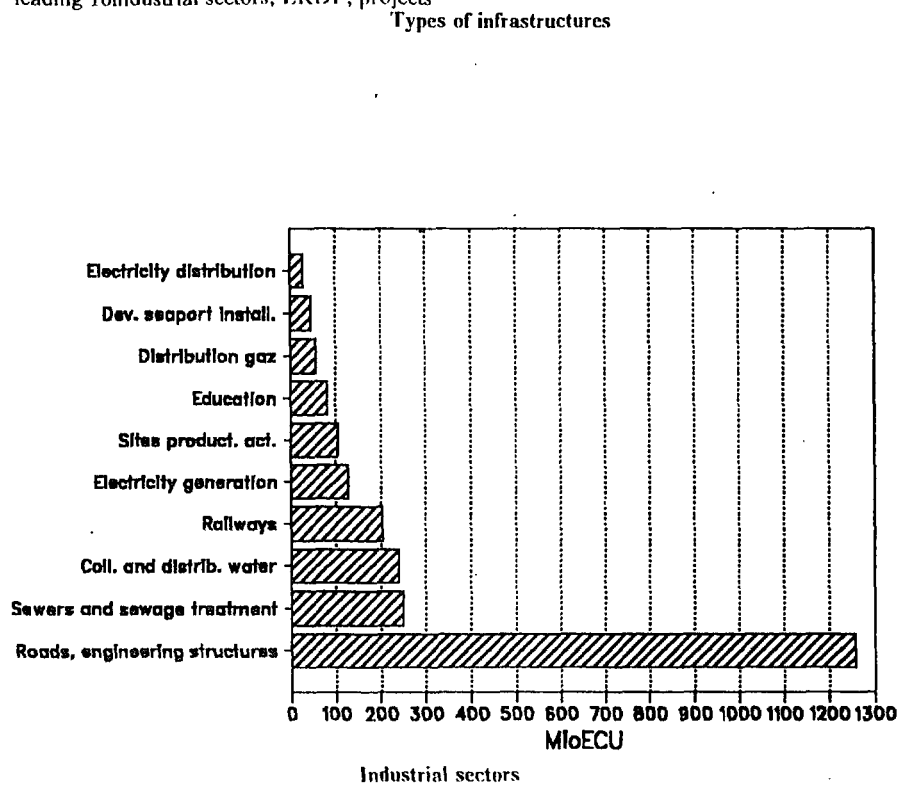
- five countries (B, F, NL, E, GR), which together received 40% of the grants for projects, saw an increase in the shares taken by projects;
- by contrast, the seven other Member States (which together received 60 % of the assistance) saw the share of grants taken by projects fall in favour of programmes.

Average assistance per project (at ECU 732 000) fell slightly compared with 1987 (ECU 800 000). This is equivalent to 43% of national public expenditure and to 36% of the investments concerned.

Nearly nine out of ten projects were located in four countries: Italy, Portugal, the United Kingdom and Spain.

⁹ These commitments were divided into 11 allocations.

Figure 4. Grafics N°3 and N°4 Assistance granted in 1988 to the leading 10 types of infrastructure and to the leading 10 industrial sectors, ERDF, projects



3.3 93% of assistance for projects goes to infrastructures

Overall, grants for infrastructure projects fell by 1.5% compared with 1987; the average grant per project also fell from ECU 895 000 in 1987 to ECU 795 000 in 1988.

Transport in the lead

More than four fifths of appropriations went to three sectors alone: transport (58%), water engineering (20%) and energy (8%).

In the transport sector, roads and highway structures received 81% of the assistance provided, easily outdistancing railway projects (13%). The bulk of the grants for transport infrastructure projects went to Spain and Italy.

In the water engineering sector, assistance was provided primarily for sewerage and waste water treatment schemes, followed by water collection and distribution projects. These two categories alone accounted for some 89% of the grants made for water engineering infrastructure projects. In this sector too, Italy accounted for more than half of the assistance granted.

In the energy infrastructure field, some 55% of the assistance granted went to Greece for a large project involving the construction of a power station.

Educational, social, medical and cultural infrastructures ranked fourth, accounting for 5.5% of the grants made. The bulk of these went to educational infrastructure projects. Approximately 40% of the grants made in this sector went to Portugal.

This category of infrastructures was followed very closely by infrastructures linked to productive activities, where 73% of the assistance granted was used for developing sites for productive activities.

Finally, environmental and telecommunications infrastructures accounted for 1.5% and 1.3% of grants respectively.

3.4 Assistance for investment projects in industry, craft industry and the service industries

Total assistance for industrial projects was 32% down on 1987; the number of projects financed was also lower (by 192), as was therefore the proportion of grants made for industrial projects as compared with infrastructure projects.

These poor results reflect factors which were already mentioned in 1987 (see thirteenth report) and which were accentuated in 1988: firstly, the clear preference of some countries with a high proportion of underdeveloped regions (Greece and Portugal) for using ERDF assistance for basic infrastructure projects; and, secondly, the expected increase in programmes.

That being so, three countries (Germany, Denmark and Ireland) managed to exceed the 30% target set in the Regulation; they were followed by the United Kingdom, with 18.5%.

Table 7. Size breakdown of industrial, craft industry and service projects - comparison 1987-1988

	ERDF assistance				National aid				Investment			
	per project Mio ECU		per job ECU		per project Mio ECU		per job ECU		per project Mio ECU		per job ECU	
	1987	1988	1987	1988	1987	1988	1987	1988	1987	1988	1987	1988
Small projects: investment < 15 Mio Ecus	0.32	0.25	3697	3009	0.66	0.54	7567	6349	2.29	1.83	26147	21502
Large projects: investment > 15 Mio Ecus	1.43	5.60	8638	18199	2.85	17.31	17251	56177	33.54	64.83	203031	210369
Average standard project	0.38	0.36	4165	4077	0.78	0.88	8484	9852	3.94	3.13	42899	34782

3.5 Employment

Job creation is one of the main purposes of ERDF operations. When submitting grant applications, Member States indicate the expected effect on employment (Article 22(2) and (3)) of their industrial, craft industry and

service investment projects. In the case of NPCIs, applications must contain information which will enable the Commission to assess their likely direct or indirect effect on employment (Article 11). The number of jobs created or maintained in 1988 by projects is put at 44 554, broken down as follows:

Table 8. Estimate of job created or maintained in 1988

Member State	Number of job		
	Created	Maintained	Total
Belgique	37	87	124
Danemark	725	-	725
Deutschland	2.357	162	2.419
Ellas	134	-	134
España	165	12	177
France	198	-	198
Ireland	3.735	255	3.990
Italia	1.649	19.210	20.859
Luxembourg	-	-	-
Nederland	-	-	-
Portugal	-	-	-
United Kingdom	9.710	6.118	15.820
EUR 12	18.710	25.844	44.554

Many jobs are also created directly and indirectly as infrastructure projects are carried out. These projects entail a large volume of work, particularly in the building and public works sector.

In addition, as with industrial investment projects, the construction of certain infrastructures leads to the creation of jobs for operating personnel. This is particularly the case with ports, airports, power stations and research centres, all of which require permanent qualified technical staff. Like productive activities, some infrastructure projects generate a substantial number of indirect jobs.

3.6 Development of indigenous potential

For the purposes of greater exploitation of the indigenous potential of regions¹⁰ the ERDF may contribute to the financing of consistent sets of measures for assisting enterprises, primarily small and medium-sized enterprises, in industry, craft industries and tourism in order to provide them with facilities enabling them to expand their activities and obtain access to new technology and to facilitate their access to the capital market.

In 1988 more use was made of this possibility than in previous years; the amounts corresponding to 1988 alone (for projects) represent some 50% of the total for the period 1975-88 for all applications (see Table n°9).

In 1988 the ERDF granted ECU 13.9 million for measures or sets of measures for exploiting the potential for indigenous development in six Member States.

The assistance provided in Spain towards the exploitation of indigenous potential focused mainly on support for business and innovation centres: contribution to the operating costs of the Bilbao centre (BEAZ), contribution to the operating costs of the Cadiz centre and participation in the assistant managers programme involving the Alcalá de Henares centre (Madrid).

In Ireland, the ERDF helped to set up a system for advising small and medium-sized firms on product development and design (Dublin).

In Italy, the ERDF provided support for a series of economic measures to help small and medium-sized firms in the province of Teramo, the aim being to increase their competitiveness, enlarge their markets and promote the setting-up of new firms so as to maintain or even increase regional employment.

¹⁰ Article 15 of Regulation (EEC) n° 1787/84.

Table 9. Assistance under Article 15 of the regulation

(Mio ECU)

Member State	Individual projects		Projects and programmes	
			1975-1988	%
Belgique	-	-	1.35	4.6
Danmark	-	-	0.57	1.9
Deutschland	-	-	-	-
Ellas	-	-	-	-
España	2.26	16.2	2.19	7.5
France	4.28	30.8	13.12	45.0
Ireland	2.17	15.6	3.67	12.5
Italia	0.54	3.9	0.54	1.9
Luxembourg	-	-	-	-
Nederland	-	-	0.01	0.3
Portugal	1.49	10.7	1.49	5.1
United Kingdom	3.17	22.8	6.19	21.2
EUR 12	13.91	100	29.13	100.0

The assistance provided in Portugal consisted of contributions to the operating costs of the business and innovation centres in Oporto (NET) and Setubal (CEISET).

The projects supported in the United Kingdom involved the operating costs of a business and innovation centre (Merseyside and Rossendale), the establishment of a services network to facilitate access to new technologies and their transfer (Blackburn, Skelmersdale, Accrington and Rossendale), advice for small and medium-sized firms on the drawing up of their business plans, access to available public assistance and other sources of finance (assisted areas of the North West), the carrying out of sectoral and market studies (assisted areas of the North West), the organisation of logistical support for new firms and the setting-up of a multidisciplinary team of consultants (Ashton-under-Lyme).

In France, the projects were submitted in the form of sets of measures relating to various areas of local economic activity, covering in particular:

- craft industries: provision of advisory services, promotion of quality and joint production, introduction of data processing for management purposes, business revival schemes (Pays de Loire, Franche-Comté, Lower Normandy);
- establishment of closer links between firms and universities and research centres: setting-up of industrial engineering companies (Lower Normandy), joint testing centres (Lorraine), financing of studies and R&D in the agri-foodstuffs sector (Lower Normandy) and the employment of technical advisers in regional innovation and technology transfer centres (Poitou-Charente);
- business start-up and revival schemes: the setting-up of business nurseries in Cherbourg, Flers, Vire and Saint-Lô and the development of a fund to promote new invention and the allocation of loans on trust to inventors (Picardy);
- promotion of tourism: production and distribution of publicity documents and material (Franche-Comté), the setting-up and operation of centres for promoting and organising local tourism (Lower Normandy) and advice on the renovation and quality of accommodation and the creation of tourist facilities (Lower Normandy).

Finally, measures were also taken to help develop the indigenous potential of regions within the framework of the NPCIs (see Chapter 2.2.1).

3.7 Studies

Most studies are treated as projects; two categories of study are financed by the ERDF:

- studies closely related to ERDF operations (Article 24(1) of the Regulation).

Such studies may be submitted by Member States or by local or by regional authorities (with the agreement of the Member State concerned). The ERDF's rate of contribution is set at 50% of the cost and may rise to 70% in exceptional cases;

- studies of special significance for the ERDF (Article 24(2)).

These studies may relate to ex-ante examination of grant applications, technical assistance for local and regional authorities in preparing measures to be submitted to the ERDF, methodological studies and the preparation of assistance programmes or the ex-post appraisal of measures.

In 1988, eight Member States submitted or endorsed 31 grant applications. The Commission undertook four studies on its own initiative. A total of 27 studies were approved, 11 of which had been submitted during the year. Total commitments amounted to ECU 3.02 million.

In 1988, 33 studies (10 launched between 1980 and the end of 1984 and 23 undertaken since 1985) were completed. This represents an appreciable improvement in the situation concerning studies approved during this period but not yet completed.

The situation at 31 December 1988 was that 21 studies started between 1980 and 1984 had not been completed.

3.8 Location of projects

3.8.1 Belgium

In 1988, a total of ECU 15.8 million was granted to Belgium for 49 projects. This amount represents 62% of the total ERDF assistance allocated to the country for the same year. Industrial investment projects accounted for 6% of the grants made to projects, which should lead to the creation or maintenance of 124 jobs. The remaining 94% was granted to infrastructure projects, primarily water collection and distribution schemes (41%), roadworks (36%), tourism (15%) and the productive sector (13%).

Generally speaking, ERDF assistance is allocated in full or in part to the authority responsible for the project concerned, which in most cases is a municipality or an inter-municipal consortium.

Assistance by region

Flanders

In 1988, ERDF grants to Flanders totalled ECU 1.47 million, 48.8% of which went to four productive investment projects which should create 35 jobs.

The other investments financed were two waste treatment and recycling projects at Meerhout and Beerse/Merksplas and a planned extension of the "Kapermolen" leisure park at Hasselt, which includes the construction of a service centre.

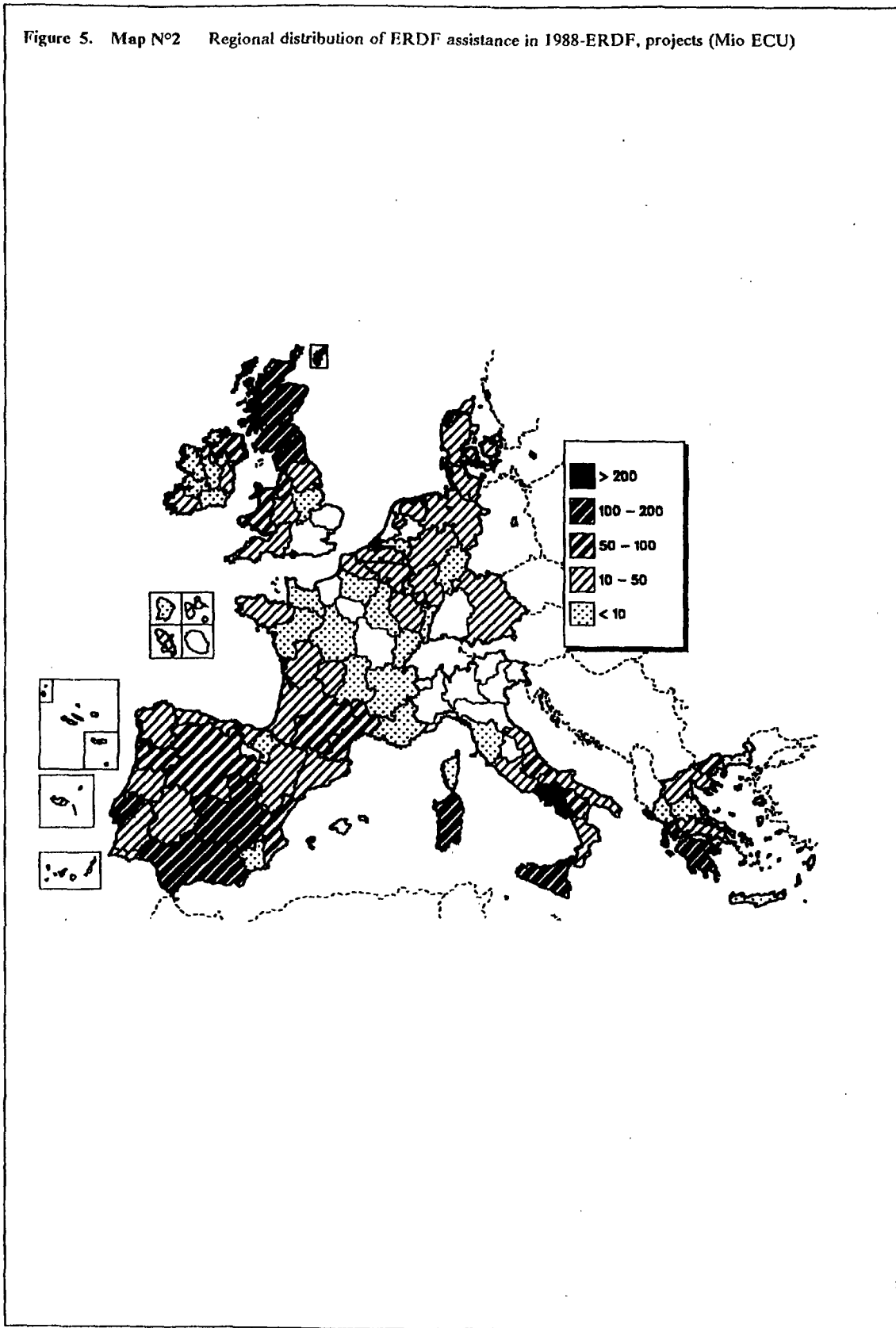
Wallonia

Wallonia received grants totalling ECU 14.33 million for 43 projects. Only one industrial investment project was assisted; this project, in the chemical industry, should ultimately lead to the creation or maintenance of 89 jobs (grant of ECU 0.3 million).

The other 42 projects were infrastructure investment projects, primarily in the water engineering and transport fields. The main project financed was the construction of a waste water purification plant at Malmédy (grant of ECU 2 million). Other investment projects should help to promote new-style tourism in the less-favoured rural areas of south east Belgium: this includes in particular the construction of a public golf course and a cross-country ski school at Malmédy (grant of ECU 1.3 million) and reception infrastructure facilities for the spa resort of Chaudfontaine (grant of ECU 2 million).

In the province of Hainaut, a substantial grant (ECU 1.6 million) was made for converting the Houdeng-Goegnies road haulage depot into a craft and service area for firms operating in the transport sector. Finally, and again in the field of infrastructures linked to productive activities, a grant of ECU 0.2 million was made for the second phase of the conversion of the former and now disused barracks of Trésignies in Charleroi into a joint business services centre.

Figure 5. Map N°2 Regional distribution of ERDF assistance in 1988-ERDF, projects (Mio ECU)



3.8.2 Denmark

In 1988, ERDF assistance granted to Denmark totalled ECU 8.19 million for 83 projects.

Some 43% of this total went to 64 projects in the industrial and service sectors, with the remainder going to 18 infrastructure projects and one project for the development of indigenous potential.

The Vest for Storebælt region received more than 85% of the total assistance granted and the Øst for Storebælt region less than 15%.

In the case of infrastructure projects, the bulk of the contributions went to vocational training projects. The main projects financed in the industrial field were in the metal- and wood-working industries and in the mechanical engineering industry.

The Commission took no grant decision in the case of four applications submitted in 1988: one of these presented sectoral problems and another one was withdrawn by the Member State in question.

3.8.3 Germany

In 1988, the Federal Republic of Germany received grants totalling some ECU 36 million for individual projects. This sum represents approximately 32% of the total ERDF assistance granted to this Member State. The remainder went to NPCs and Community programmes.

Almost all the assistance granted to projects went to industrial investments located in regions considered eligible for assistance under the joint Federal Government/Länder programme.

A total of six Länder received grants in 1988, including Saarland, which received the largest share (nearly 34%). The other five Länder assisted were Lower Saxony, Bavaria, Rhineland-Palatinate, Hesse and North Rhine-Westphalia. The projects financed concerned such sectors as metalworking, the car industry, plastics processing and woodworking. A contribution was also made to a project in Trier which cost more than ECU 15 million and involved the production of draught and bottled beer.

3.8.4 Greece

As in the past, the majority of ERDF grants to Greece in 1988 went to individual projects. This type of assistance accounted for more than 59% of the total grants made to Greece (ECU 340.6 million). The remainder (some 40.5%) went to finance measures included in NPCs, the majority of which form part of the Greek IMPs.

Almost all the projects financed were in various infrastructure sectors, notably energy (which accounted for 57% of the total amount granted to projects) and transport (32.4%).

A geographical breakdown of the projects assisted shows the grants to be concentrated in the regions of the Peloponnese and western mainland Greece (approximately 32.6% of grants for projects), followed by those of eastern and western Macedonia (some 25%) and central Macedonia (approximately 20%). It should be noted, however, that this concentration is primarily due to the financing of major projects undertaken by the Greek Electricity Authority (DEH), involving the power stations at Thisavros in the prefecture of Drama and at Megalopolis in the prefecture of Arkadia, and to the financing of large scale works relating to the water supply network for the town of Thessaloniki.

The other projects financed included those relating to the maritime area at Platygialos de Astacos (prefecture of Aetoloacarnia), the roadworks at Loutra de Aedipsos (prefecture of Evia) and at Patras (prefecture of Achaia) and the work on improving the Vytina - Ancient Olympia road (prefecture of Arkadia).

Finally, in the field of social infrastructure, the ERDF helped to finance the hospitals of Didymoticho (prefecture of Evros), Karditsa (prefecture of Karditsa) and Ierapetra in Crete (prefecture of Lassithi).

3.8.5 Spain

Following the Commission's approval in May 1987 of Spain's proposed regional aid scheme, the ERDF was able to provide assistance in most of the Spanish regions in 1988. As many as 15 of the 17 regions (Comunidades Autónomas) are included in the new map of areas eligible for regional aid, which covers 85.5% of national territory and 64.3% of the total population of Spain.

As a result of this extension of the areas eligible for assistance, an even greater number of projects were submitted in 1988 than in 1987 (i.e. 605 as compared with 487 in 1987).

Compared with 1987, almost all the Spanish regions saw an increase in the volume of resources obtained from the ERDF for financing projects under their responsibility. In 1988, these resources totalled ECU 302 million,

which means that approximately 45% of the total ERDF allocation for Spain went to finance such projects. If account is also taken of the grants for projects for which the central government is responsible, the volume of ERDF resources going to projects reached ECU 685 million in 1988 (ECU 51.8 million more than in the previous year). These grants went to 431 projects costing a total of ECU 1 415 million.

A greater number of projects were approved in 1988 in relation to the total volume of resources earmarked for Spain because of a considerable increase in the number of small projects. This reflects the Spanish regions' growing involvement in the Fund mechanism and demonstrates the financing limits arising from the nature and extent of their responsibilities.

As to the nature of the projects financed, the 1988 financial year again saw both the central government and the regional authorities submitting applications for ERDF assistance which concentrated almost exclusively on basic infrastructures (transport, energy and water engineering). But there were also various significant infrastructure projects linked to productive activities, in particular technology parks, and a growing number of infrastructure projects relating to the environment.

With regard to the regional distribution of grants, the national apportioning mechanism, which sets the regions' access to the ERDF at 30% of the *Fonds de Compensacion Interterritorial (FCI)*, largely dictates their destination. ERDF resources governed by this mechanism accounted for 45% of the total allocation. The remaining 55% went to projects submitted by the central government, with their distribution among the regions being determined primarily by their regional impact, their urgency and, frequently, their Community interest.

Assistance by region

Galicia

In 1988, 50 projects were approved for the region, 45 of which were submitted by the regional government. The total assistance granted to these projects was ECU 46.59 million and their overall cost was ECU 91.33 million.

These projects concerned infrastructure investments in such areas as transport, water engineering, the environment, port facilities and productive activities. Those in the first category included the construction of a new carriageway for the Porriño-Vigo section of the motorway linking the town of Vigo with the Portuguese frontier. The water engineering projects involved waste water purification and infrastructures for drinking water supplies in various towns. In the environmental protection field, the projects assisted included the work on restoring the San Cosme de Barreiros beach and, among port infrastructures, the construction of a sea wall in the port of Espasante.

Finally, in the case of investments linked to productive activities, the grants went to the construction of two catch preparation depots in the ports of Ribeira and Tragove-Cambados.

Asturias

The assistance granted to this region amounted to ECU 12.26 million in 1988, divided among nine road infrastructure projects (four of which came under the regional authorities' responsibility). Particular mention should be made of the work on four sections of the N-634 road linking the towns of San Sebastian and Santander with La Coruña.

Cantabria

During 1988, this region received ERDF grants amounting to ECU 32.35 million for nine road and water engineering infrastructure projects costing a total of ECU 76 million. The regional authorities are responsible for three of these projects. Particularly important is the work to be done on the upgrading to motorway standard of the sections of the N-634 road (San Sebastian - Santander - La Coruña) between the town of Castro-Urdiales and the Vizcaya province border and of the Parayas-Astillero section.

In addition to these three projects relating to the Cantabrian motorway, financial assistance was also provided for the bypass around the town of Reinosa and for the construction of the Polanco-Torrelavega section of the Santander-Torrelavega motorway.

Basque Country

The infrastructure projects financed in this region concerned the railways (the San Sebastian-Hendaye line and the Bilbao underground railway), the environment, energy and productive activities. In the latter case, the ERDF provided assistance towards the construction of a number of industrial estates and a technology park for small and medium-sized firms in the district of Zamudio and towards work on a building to house the BIC¹¹ for Vizcaya. In the energy infrastructure field, ERDF assistance went to the gas pipeline section for the Tolosa-Rentería area.

¹¹ Business and innovation centre.

As regards the environment, ERDF grants went to a number of projects designed to protect the towns of Andoain, Azpeitia and Zumárraga from the danger of flooding.

Assistance in this region totalled ECU 23.37 million, divided among 19 projects (14 of which were the direct responsibility of the Basque regional authorities). The total investment involved amounted to ECU 86.93 million.

Navarre

In 1988, the first five projects for this region were approved. The largest grant went to a project submitted by the central government, which involved the building of an applied research centre at Galar belonging to the Association for Industry in Navarre. The assistance granted to this region totalled ECU 2.47 million for an investment of ECU 8 million. The four other projects (submitted by the regional authorities) related to road infrastructures and development of the Ibarrea industrial park (Alsasua).

Aragon

ERDF assistance went to 18 road infrastructure projects in this region. A number of these projects were designed to improve links with France. The assistance granted amounted to ECU 18.10 million and the total investment in these projects to ECU 37.11 million. The projects included work on the Benabarre-Puente de Montañana section of the N-230 road linking the town of Tortosa with France via the Aran valley.

Madrid

In 1988, this region received ERDF assistance amounting to ECU 25.12 million. Of the 23 projects assisted, 22 came under the regional authorities' responsibility.

The projects in question were infrastructure investment projects involving transport, water engineering, environmental protection and productive activities. Various important roadwork projects were assisted, including the construction of the La Cabrera (north)-Buitrago (south) section of the North N-1 motorway (Madrid-Burgos). This measure, which is in addition to others already approved by the ERDF in previous years in connection with the same motorway, means that financial assistance has been provided for almost all of the Madrid-Burgos motorway.

Castile-Leon

Most of the 58 projects granted assistance in this region (53 submitted by the regional authorities and five by the central government) related to road infrastructures; the remainder involved water engineering and the railways.

The assistance granted (ECU 70.72 million) helped to finance investment projects costing a total of ECU 140 million.

This includes assistance towards various sections of the N-1 (Madrid-Irún) and N-VI (Madrid-La Coruña) motorways, which are of particular economic and strategic importance. Another key investment assisted is the motorway by-pass around the town of Tordesillas, traditionally regarded as a blackspot in the Spanish road network. Like other sections previously financed, this forms part of the road link between Portugal and France, which is to be upgraded to motorway standard within four years.

Castile-La-Mancha

In 1988, ERDF assistance amounting to ECU 131.96 million was granted in this region. The projects financed (41 in all, 19 of which were submitted by the regional authorities) cost a total of ECU 256.90 million and involved investments in water engineering, road and railway infrastructures.

The water engineering projects included the construction of two dams (La Fresneda and La Tajera). The road infrastructure assistance went to the following motorway sections: the Valdepeñas-Almuradiel section of the N-IV (Andalusia motorway) the Guadalajara motorway bypass section of the N-II (Aragon motorway) and the projected Cabañas de la Sagra (south)-Toledo (north) section of the N-401 (Madrid-Toledo motorway). The railway projects assisted were investments in Andalusia involving three sections of the new high-speed rail link between Madrid and Seville, which alone received grants of more than ECU 58 million.

Extremadura

Grants were made to 16 projects in this region in 1988 (11 of which were submitted by the regional authorities); the assistance granted amounted to ECU 33.52 million and the overall investment to ECU 65.16 million.

All these investment projects involved either transport infrastructures (roads and railways) or water engineering infrastructures (dams, drinking water distribution and waste water purification).

Prominent among these projects is the construction of the Ribera de Gata dam and of a new bridge over the river Guadiana where it flows through the town of Mérida.

A number of road projects will help improve communications with Portugal.

Catalonia

The Catalan regional government obtained financial assistance for 20 projects, which, together with the one project submitted by the central government, represent the total number of projects assisted by the ERDF in this region in 1988. The assistance granted for these projects amounted to ECU 38.43 million.

The projects included the building of an applied research centre at Cerdanyola del Valles and the creation of a technology park (Parque Tecnológico del Valles) in the same municipality for high-tech firms. In the transport sector, mention should be made of the assistance provided for a number of sections of the Manresa-Berga, Eje Llobregat highway and for railway projects in the region.

Comunidad Valenciana

The construction and equipping of two vocational and technical training centres at Onteniente and Elda constituted the most original aspects of ERDF operations in this region in 1988; the remaining 41 projects (33 of which were submitted by the regional authorities) involved road and water engineering infrastructures. Total assistance granted amounted to ECU 77.61 million. The most important projects involved two sections of the Levante motorway in the districts of Elche and Orihuela.

Andalusia

In 1988 assistance amounting to ECU 124.63 million was granted to this region in respect of 76 projects (19 from the central government and 57 from the regional authorities); the overall investment involved amounted to ECU 241.39 million.

These projects concerned road and rail transport, tourism, water engineering, energy and the environment. The first category projects financed included seven new sections of the Seville-Granada-Baza motorway, the doubling of the width of a 12-kilometre section of carriageway for the Costa del Sol motorway (N-340) in the municipality of Mijas and the Carmona bypass section of the Andalusia motorway (N-IV). The most important railway project involved a section of the new line in Andalusia between Alcolea and Córdoba.

In the case of water engineering infrastructures, assistance was provided towards the construction or improvement of a number of drinking water distribution networks and the disposal or purification of waste. Mention should also be made of the construction of waste water purification plants in the towns of Granada (west) and Churriana.

Of the remaining projects, the most interesting involved the restoration of a number of beaches and several rural electrification projects.

Murcia

Assistance amounting to ECU 6.67 million was granted for a series of small projects in this region.

A total of 37 projects were financed, 35 of which were submitted by the regional authorities. They were infrastructure projects involving roads, coastal areas (ports and small beaches) and water engineering (drinking water distribution and waste water purification). The total investment involved amounted to ECU 18.49 million. Mention should be made of the construction of water purification plants in the towns of Alcantarilla, Molina de Segura and Lorquí-Ceuti and water supplies for the southern part of the Mar Menor area.

Canary Islands

The Canary Islands were granted ECU 38.27 million for four projects costing a total of ECU 73.59 million.

Of these projects, two merit special attention. The first, submitted by the central government, consisted of a sea water desalination plant for the town of Las Palmas on the island of Gran Canaria, which received a grant of ECU 17.8 million. The second, for which the regional authorities were responsible, concerned the construction of a section of the Las Palmas-Maspalomas motorway, which received a grant of ECU 19.1 million.

The two remaining projects, which cost less and which were submitted by the central government, involved the cleaning of the beaches at San Sebastián (island of Gomera) and Charca de Maspalomas (island of Gran Canaria).

These projects could have a very substantial economic impact since tourism plays a key role in the development of these islands.

3.8.6 France

In 1988, 165 individual projects received grants amounting to ECU 231 million, which represents some three quarters of the total assistance granted to France.

Only 0.1% of the assistance granted went to finance industrial investment projects (three projects which should ultimately lead to the creation of 145 jobs). In 1988, the French authorities abandoned recourse to the ERDF for financing such investment projects, which were assisted at national level under the regional planning grant scheme.

Almost all (98%) of the assistance therefore went to finance infrastructure investment projects, three quarters of which involved transport (particularly road transport), 10% water engineering projects, 8% sporting and cultural facilities for tourists and, finally, 5% infrastructures linked to productive activities.

The Commission gave priority to infrastructure projects for which ERDF assistance would provide the missing portion of finance. In 1988, the ERDF was for the first time involved in direct co-financing arrangements with local or regional authorities without there being any financial contribution from the central government. The effectiveness of ERDF operations was enhanced by the increased use of co-financing. A number of public bodies, such as the Chambers of Commerce and Industry or the Autonomous Ports, received additional assistance in 1988 for operations financed in 1986.

The main project financed in 1988 was the construction of the Puymorens tunnel (see Midi-Pyrénées region). The most important infrastructure projects included two model anti-pollution operations carried out in the context of the European Year of the Environment in Lorraine (Rosselle basin) and in Brittany (Urne basin at Saint-Brieuc). Other significant projects available were:

- the electrification of the railway line between Poitiers and La Rochelle, providing an improved service to Port de la Pallice and linking La Rochelle to the TGV-Atlantique network, assisted with a grant of ECU 7.7 million (Poitou-Charentes);
- the setting up of a regional innovation and technological transfer centre and a high-level technical training institute at the technological development centre of Charleville-Mézières, assisted with a grant of ECU 2.5 million (Champagne-Ardenne);
- preparations for a major motorway link in the Channel Tunnel road plan through the construction of two urban bypasses at Boulogne-sur-Mer (southern access to the tunnel) and Dunkirk (northern access), assisted with grants totalling ECU 6.2 million (Nord/Pas-de-Calais);
- the co-financing of 20 road investment projects in the regions of Auvergne, Limousin, Rhône-Alpes, Midi-Pyrénées and Languedoc-Roussillon under the Massif Central road plan, through total grants of ECU 29.6 million (Massif Central);
- extensions to the port of Saint-Malo to enable it to receive third-generation car ferries (carrying 2 000 passengers, mainly on the Saint-Malo-Portsmouth route), assisted with a grant of ECU 6.3 million (Brittany);
- completion of the section of the A30 motorway between Knutange and Havange providing improved access to and from the European development pole and a link up with the Belgian and Luxembourg road networks, assisted with a grant of ECU 7.1 million (Lorraine).

Assistance by region

A look at the breakdown by region of the assistance granted to projects shows that the main regions to benefit from the ERDF in 1988 were Midi-Pyrénées (22% of grants), followed by Languedoc-Roussillon (15%), the French overseas departments (11.5%), Nord/Pas-de-Calais (11%) and Aquitaine (10%).

Midi-Pyrénées

This region received a total of ECU 50.4 million in grants for 18 projects. The main project financed was the construction of the Puymorens tunnel, which will improve links between Toulouse and Barcelona (grant of ECU 25.4 million). The project, which will have an impact beyond the Midi-Pyrénées region, should promote trade between France and Spain and help develop tourism in the Pyrenees. In addition, assistance was provided for five projects designed to improve the RN 20 leading to the tunnel (total grant of ECU 10.3 million).

Languedoc-Roussillon

This region was the second largest recipient of ERDF assistance, it being granted ECU 34.4 million for 11 projects. In addition to investments in road projects, the Commission granted a total of ECU 12.3 million towards the construction of three multi-purpose dams designed to help guarantee drinking water supplies, protect valleys against flooding, facilitate agricultural diversification and promote the development of tourism. This is particularly the case with the Puylaurent dam, which, although located in Lozère, should contribute to the development of tourism in the Chassezac valley in the Ardèche (Rhône-Alpes region).

Overseas departments: Guadeloupe, Guiana and Martinique

In 1988, these three regions received ERDF grants totalling ECU 26.1 million for 16 projects. The most significant projects were:

Guadeloupe: Completion of the second phase of the Pointe-à-Pitre-Jarry international trading estate, comprising of buildings to be used by new industrial firms (grant of ECU 1.9 million).

Guiana: Construction by the Craftsmen's Trade Association of a pilot cabinet-making workshop to be used for the initial and in service training of young craftsmen (grant of ECU 0.3 million), and the reconstruction and enlargement of the Sinnamary bridge over the RN 1 (grant of ECU 6 million).

Martinique: The first phase of the Robert park for industrial, craft and research activities (grant of ECU 3.4 million).

3.8.7 Ireland

In 1988, Ireland submitted 112 applications for ERDF grants in respect of 221 investment projects. The Commission adopted decisions granting a total of ECU 70.53 million for 120 of these projects, the bulk of which were small projects costing less than ECU 5 million each.

As in the past, Ireland was treated as a single region for Community regional policy purposes, given that the whole of its territory is eligible for Fund assistance. Some 37% of the contributions towards infrastructure projects went to work on extending water supply networks and sewerage systems across the country. This clearly illustrates the continual need for ERDF assistance to go to this type of infrastructure project in Ireland.

Investment projects designed to improve and extend the existing gas and electricity networks throughout the country received grants totalling ECU 8.55 million.

For the first time, Ireland submitted applications in the tourism and cultural sectors, thereby acknowledging the important part to be played by tourist activities in economic development and job creation. ERDF contributions to this type of project accounted for 16% of the total allocation for infrastructure projects. Within this category, ECU 1 million were provided for a new cultural centre for the National Folk Theatre of Ireland at Trillick in County Kerry (this theatre promotes understanding of Irish culture and history through music and dance), while ECU 0.43 million went to the National Heritage Park in County Wexford, a major tourist site which attracts some 100 000 visitors a year. The other projects financed in this sector included a number of visitor centres throughout the country and the construction of a port and marina at Kilrush Creek in County Clare, the aim here being to convert the existing old port into a new complex of facilities designed to attract tourists to the region.

In the transport field, the ERDF granted assistance towards work on completing Connaught airport in County Mayo. This project will help to develop to the maximum the potential of the airport and of the west of Ireland as a whole.

The ERDF also granted assistance towards the further development of the Irish telecommunications network. These grants were in addition to those made in 1987 for other investment projects in this sector and to the Community contribution to the STAR programme, which is to facilitate access to advanced telecommunications services.

Infrastructure projects linked to productive activities received some 13% of the total assistance granted. These projects included improvements to the port installations in Cork and Dublin aimed at facilitating imports into, and exports from, the regions in question and to make it easier for firms engaged in port-related activities to set up there. In the R&D field, the ERDF granted assistance to a series of investment projects designed to provide technical support for the Irish microelectronics industry.

The grants made for productive investment projects accounted for 32% of the total amount granted for projects; a very wide range of manufacturing activities were covered. It is hoped that the investment projects in question will create 3 597 jobs.

3.8.8 Italy

In 1988, 1 435 projects received ERDF grants totalling ECU 858.43 million, 5% of which went to 120 industrial projects and 94.8% to 1 313 infrastructure projects.

In 1988, there was a continuation of the trend, also noted in 1987, towards a decrease in ERDF assistance for productive activities, applications for which have fallen in number and value. This decrease was also due to an increase in non-approved projects.

In the league table of regions granted assistance, Campania came first with ECU 380 million, followed by Sicily with ECU 117 million, Sardinia with ECU 67 million, Basilicata with ECU 61 million, Abruzzi with ECU 53 million and the other regions with smaller amounts.

Assistance was granted mainly to the following bodies:

- The Presidency of the Council of Ministers (PCM), which obtained funding for 14 projects, all of which were located in the area devastated by the 1980 earthquake; these projects involved the construction of

industrial estates and all the infrastructures necessary for them to function properly. The total amount granted to these 14 projects was ECU 127 million, divided between Campania and Basilicata.

- The SIP (telephones) also received a grant from the ERDF towards its development programme in the Mezzogiorno. The Community assistance amounted to ECU 26 million for six investment projects, two in Sardinia, two in Apulia and two in Campania and Sicily.
- The Mezzogiorno Development Promotion Agency, which received assistance of almost ECU 104 million for financing 139 projects, 109 of which related to productive activities.

Assistance by region

Basilicata

The ERDF helped to finance 123 projects, three of which cost more than ECU 15 million each. These consisted of two major roadwork projects and work on the southern section of the Basento-Camastra aqueduct.

Marche

This region received grants totalling ECU 36.46 million for 91 projects. The main project assisted was the construction of a new aqueduct for the town of Ancona, the former one having been destroyed by the major earth slide in 1982.

Molise

Assistance totalling ECU 38.91 million was granted for 108 projects, 105 of which were infrastructure projects. The most important of the ERDF-assisted projects was that relating to the construction and equipping of the agronomy faculty of the University of Molise at Campobasso; for this, the ERDF made available to the region LIT 18.107 billion (ECU 11.5 million).

Apulia

Grants totalling ECU 34.49 million were made for 43 projects, 39 of which were infrastructure projects.

The most important of these 43 projects was the financing of two sections of the Pedesubappenninica road, which, when completed, will be more than 100 km long.

Sardinia

This region received assistance totalling ECU 66.96 million for 131 projects, three of which were productive investment projects.

The infrastructure projects financed included a network of centres for purifying waste water of agricultural origin (mainly from cheese and olive oil production) and the construction of a second runway for the Cagliari Elmas airport.

Sicily

Grants totalling ECU 116.87 million went to 194 projects, 29 of which were productive investment projects.

The most important project financed in 1988 was the second phase of the construction of the methane gas distribution network in Palermo.

Campania

Grants totalling ECU 380.75 million were approved for 227 projects, 24 of which were productive investment projects.

Of the infrastructure projects, 11 cost more than ECU 15 million and formed part of the integrated operation in Naples. (For further information, see the section on the Naples IDO in Chapter 2).

3.8.9 Luxembourg

A single decision was adopted to grant additional assistance of ECU 0.74 million towards the extension of the natural gas network between Leudelange and Contern, which had already received a grant in 1987.

3.8.10 Netherlands

In 1988, ECU 22.28 million were allocated to projects in the Netherlands: this sum represents 85% of the total grants (projects plus programmes) made by the ERDF to that country. The assistance went to nine infrastructure investment projects.

For all the projects financed, the ERDF assistance was "additional", i.e. without it the projects in question would have been delayed or cancelled. The contributions were channelled via the Ministry of Economic Affairs to the authorities responsible for carrying out the projects (municipal or regional authorities).

No assistance was granted to industrial projects, since no such application was submitted by the Dutch authorities.

Assistance by region

North of the country

This region, which covers the provinces of Groningen, Friesland and Drenthe, received total ERDF assistance of ECU 17.96 million in 1988 for five road infrastructure projects, a water engineering infrastructure project and a tourism infrastructure project.

The largest project was the work on restoring the Oostersluis lock on the "Van Starckenborgh" canal in Groningen, which was granted ECU 8.22 million. The remainder of the projects financed were in Groningen (an ERDF grant of ECU 1.35 million for a project at Leek), Friesland (two projects involving the 511 road, with ERDF grants of ECU 2.05 million and ECU 2.16 million respectively, and a project involving the road link from an industrial company at Wolvega, with an ERDF grant of ECU 1.8 million) and Drenthe (two projects at Coevorden and Zweelo, with grants of ECU 1.52 million and ECU 0.91 million respectively).

Limburg

For several years, the Dutch authorities have been concentrating ERDF assistance to Limburg in the south of the region. In 1988, this area received ECU 4.32 million in grants towards two infrastructure projects. One of these projects involved the construction of the "Zuiderbrug", a bridge over the Meuse, and the corresponding link roads in Venlo. The ERDF grant of ECU 3.42 million will enable the work to be completed more rapidly.

The second project financed consisted of improvements to the road link between Maastricht airport and Beek and the Maastricht-Eindhoven motorway (A2) (ERDF grant of ECU 0.90 million). This project will establish a link with the airport industrial estate, where business has expanded more rapidly than anticipated.

3.8.11 Portugal

In 1988, ERDF grants to Portugal to help finance projects totalled ECU 341.6 million. This assistance went mainly to 887 infrastructure projects involving a total investment of ECU 772 million.

The grants made for projects accounted for some 79% of ERDF commitments for Portugal in 1988.

Among infrastructure investment projects, priority was given to the following three categories: transport (50.2%), water engineering (22%) and infrastructures (17%).

Compared with the previous year, there was a sharp increase in assistance to social infrastructures - particularly in the educational field, which is given priority at both national and Community levels - and a fall in energy infrastructure investment projects.

Assistance by region

In the Norte region, grants totalling ECU 84.84 million were made for 287 projects. Transport infrastructures received almost 43%, and water engineering infrastructures almost 27%, of the assistance granted to this region. A total of ECU 14.3 million went to infrastructure projects in the educational field; these included the final stages of the construction of the Universidade do Minho at Braga.

The Centro region received ECU 44.38 million for 240 projects. Some 47% of this assistance went to water engineering infrastructure projects. Educational infrastructures were also a major beneficiary of ERDF assistance in this region, receiving grants of ECU 12.24 million.

Grants worth ECU 131.66 million (30.5% of total assistance for Portugal in 1988) were made in respect of 171 projects in the Lisboa e Vale do Tejo region. The educational sector was given priority in this region, with financial assistance being provided for the Escola Superior de Tomar, the Escola Agrária de Santarém, the construction of the civil engineering building at the Universidade Técnica de Lisboa and the construction and equipping of the Faculdade de Ciências and a number of secondary schools.

In 1988, the Alentejo region received grants worth ECU 20.60 million in respect of 89 projects. Special mention should be made of the financing of a section of the road linking Portalegre and Monforte, the aim of this project being to improve the road network in the interior of the country and to improve access to the less-favoured areas of Alentejo.

In 1988, grants to the Algarve region accounted for 5.8% of the total assistance granted to Portugal, with ECU 24.87 million going to 26 infrastructure projects. The investments financed in this region included the projected building of the Portimão bypass. The ERDF grant will help speed up work on this project. The removal of this bottleneck will appreciably improve the flow of traffic along the only longitudinal route through this very popular tourist region.

In 1988, the autonomous region of the Azores received 3.4% of the total assistance granted to Portugal, i.e. ECU 14.73 million for 52 projects. Most of the projects selected for assistance from the Regional Fund involved basic infrastructures (transport, water engineering and energy), which are in severe shortage in the region and which are regarded as an essential prerequisite for any economic development.

ERDF assistance for the autonomous region of Madeira in 1988 totalled ECU 18.70 million in respect of 23 projects, i.e. 4.6% of all grants to Portugal. The projects assisted included the financing of a hydrofoil vessel linking Madeira with Porto Santo. This project is designed to promote tourism in the two islands.

3.8.12 United Kingdom

In 1988, the United Kingdom submitted 358 applications for grants in respect of 817 individual projects. These applications, together with those submitted but not approved in previous years, resulted in 254 Commission decisions concerning 606 projects. The amount of assistance granted to projects in the United Kingdom thus totalled ECU 387.93 million.

North

Grants totalling ECU 89.03 million were made to this region to help finance 60 projects. A very large proportion of that total (91%) went to infrastructure projects.

The Commission granted assistance towards industrial installations and the setting up of small workshops in the former mining areas of Horden, Easington and Boldon in South Tyneside. The grants made for improving and developing tourist facilities included one of ECU 0.95 million for the Seaburn/Roker seafront illuminations. Another important project financed was the new phase of the electrification of the main east coast railway line, which received an ERDF grant of ECU 29.93 million. This project will help improve rail services considerably and will reinforce the region's industrial development potential.

Wales

In 1988, Wales received grants totalling ECU 53.86 million for 34 projects. Much more financial assistance is going to multiannual programmes in this region.

A total of ECU 52.12 million went to infrastructure projects of various kinds. These included investments in tourism in both the north and the south of the region. The new Cardiff theatre received ECU 3.4 million under the general development programme for the city.

Scotland

In Scotland, 108 projects received assistance totalling ECU 58.02 million. Here too, a very high proportion of the grants made went to infrastructure projects of various types. One of the largest projects, which received ECU 13 million, was the second phase of the laying of two undersea power lines to the Western Isles. A contribution of ECU 4 million was made towards the construction of a skating rink and a swimming pool in Strathclyde with a view to contributing to the development of the region's tourist infrastructure.

North West

In 1988, ERDF assistance totalling ECU 46.62 million was granted to the north west region in respect of 100 projects, most of which (85%) were infrastructure projects. These included two major projects designed to improve the region's road network, namely the second and third phases of the road designed to solve the traffic congestion problem in the Manchester/Salford urban area and the extension of St. Peter's Road in Bolton, which received grants of ECU 10.53 million and ECU 3.64 million respectively. The ERDF also contributed to basic infrastructure projects designed to facilitate the development of small and medium-sized firms in the region. A grant of ECU 2.80 million was made towards improvements to the Hollinwood industrial estate in Oldham with a view to providing the sort of facilities needed to attract major companies. This project should create 1 600 jobs.

South West

In 1988, grants totalling ECU 15.99 million were made for 26 projects in this region. A very high proportion

of these grants (90%) went to infrastructure projects, including a number designed to encourage the development of tourism in the region. A grant of ECU 7.14 million was made for the Millbay Leisure Centre in Plymouth, which includes a swimming pool, a skating rink and a large multi-purpose hall. Another project which was financed with a view to attracting more tourists to the region involved improvements to Buckland Abbey, which received a grant of ECU 0.45 million.

East Midlands

In 1988, a total of ECU 4.84 million was granted to nine projects in the East Midlands region. By contrast to previous years, the bulk of these funds (86%) went to infrastructure projects. However, a total of ECU 0.67 million was granted to four productive investment projects, which should create 236 jobs.

West Midlands

In 1988, the West Midlands region received a total of ECU 38.40 million in respect of 84 investment projects, the majority of which (84%) were infrastructure projects.

Once again, the Commission granted assistance towards improvements to premises intended for industrial firms or smaller business. It also assisted the region in its efforts to promote tourist activities by financing, inter alia, work on Coventry and Lichfield cathedrals.

Yorkshire and Humberside

In 1988, the Yorkshire and Humberside region received grants totalling ECU 15.84 million in respect of 49 projects, almost all of which (98%) involved infrastructure works. A grant of ECU 0.7 million went to help set up the Yorkshire Mining Museum in Wakefield. This represents a further attempt to exploit the region's industrial heritage for the purposes of tourism, as has already been done in the neighbouring towns and cities of Bradford, Barnsley, Doncaster and Rotherham.

A further important project was the Barnsley business and innovation centre, which is of particular relevance for the development of small and medium-sized firms in the region and which received a grant of ECU 1.0 million.

Northern Ireland

Northern Ireland was again granted a very substantial sum, receiving approximately 12% of the total ERDF assistance to the United Kingdom (projects and programmes).

ERDF assistance in this region amounted to ECU 65.33 million for 136 projects. As in 1986, Northern Ireland recorded a higher percentage of projects financed in the productive investment field than all other regions of the United Kingdom. The industrial projects financed are designed to create 2 500 jobs and to safeguard a further 1 700. They include a new aramid fibre production plant at Maydown, which received a grant of ECU 11.33 million.

In the infrastructure field, ECU 1.50 million went to Belfast International Airport and ECU 0.19 million to the construction of a business centre at Coleraine.

Table 10. Regional breakdown of commitments 1988 for programmes, projects and studies

(Mio ECU)

Member State	Programmes			Projects				Studies	Total commitments
	Community	N.P.I.C.	Total	Industry, services and craft	Infrastructure	Internally generated development*	Total		
BELGIQUE/BELGIË	-	9.54	9.54	1.00	14.80	-	15.80	-	25.34
Vlaanderen	-	9.54	9.54	0.72	0.75	-	1.47	-	11.01
Wallonie	-	-	-	0.28	14.05	-	14.33	-	14.33
DANMARK	-	4.89	4.89	3.50	4.32	0.37	8.19	0.06	13.14
DEUTSCHLAND	23.06	53.95	77.01	35.92	0.47	-	36.39	-	113.40
Schleswig-Holstein	-	13.46	13.46	-	-	-	-	-	13.46
Hamburg	-	-	-	-	-	-	-	-	-
Bremen	-	-	-	-	-	-	-	-	-
Nordrhein-Westfalen	21.26	-	21.26	0.58	-	-	0.58	-	21.84
Hessen	-	-	-	1.46	-	-	1.46	-	1.46
Rheinland-Pfalz	-	8.68	8.68	6.13	-	-	6.13	-	14.81
Baden-Württemberg	-	-	-	-	-	-	-	-	-
Bayern	-	19.27	19.27	6.94	0.47	-	7.41	-	26.68
Saarland	-	-	-	12.37	-	-	12.37	-	12.37
Berlin (West)	-	-	-	-	-	-	-	-	-
Niedersachsen	-	12.54	12.54	8.44	-	-	8.44	-	20.98
Multi-regional	1.80	-	1.80	-	-	-	-	-	1.80
ELLAS	-	138.04	138.04	0.35	202.11	-	202.46	0.12	340.62
Ana.Ster.Kai Nisoi	-	4.50	4.50	-	7.26	-	7.26	-	11.76
Kentr.Dyt.Makedonia	-	-	-	0.35	40.78	-	41.13	-	41.13
Pelop.Dyt.Ste.Ellas	-	37.05	37.05	-	65.97	-	65.97	-	103.02
Thessalia	-	-	-	-	4.03	-	4.03	-	4.03
Anat. Makedonia	-	-	-	-	51.70	-	51.70	-	51.70
Kriti	-	-	-	-	6.31	-	6.31	-	6.31
Ipiros	-	-	-	-	5.20	-	5.20	-	5.20
Thraki	-	-	-	-	3.97	-	3.97	-	3.97
Nisoi Anat.Agaiou	-	1.64	1.64	-	0.68	-	0.68	-	2.32
Multi-regional	-	94.85	94.85	-	16.21	-	16.21	0.12	111.18

(*) Measures to exploit the potential for internally generated development are also included in programmes.

Regional breakdown of commitments 1988 for programmes, projects and studies (continued)

Member State	Programmes			Projects				Studies	Total commitments
	Community	N.P.I.C.	Total	Industry, services and craft	Infrastructure	Internally generated development*	Total		
ESPAÑA	-	48.25	48.25	-	682.21	2.29	684.50	0.09	732.84
Galicia	-	-	-	-	46.59	-	46.59	-	46.59
Princ. de Asturias	-	18.92	18.92	-	12.26	-	12.26	-	31.18
Cantabria	-	-	-	-	32.35	-	33.35	-	32.35
Pais Vasco	-	-	-	-	23.37	-	23.37	-	23.37
Navarra	-	-	-	-	2.47	-	2.47	-	2.47
Aragon	-	-	-	-	18.10	-	18.10	-	18.10
Madrid	-	-	-	-	24.99	0.13	25.12	-	25.12
Castilla y León	-	-	-	-	70.72	-	70.72	-	70.72
Castilla-La-Mancha	-	-	-	-	131.96	-	131.96	0.06	132.02
Extremadura	-	-	-	-	33.52	-	33.52	-	33.52
Cataluña	-	-	-	-	38.43	-	38.43	0.03	38.46
Com. Valenciana	-	-	-	-	77.61	-	77.61	-	77.61
Andalucía	-	-	-	-	123.75	0.88	124.63	-	124.63
Murcia	-	-	-	-	6.67	-	6.67	-	6.67
Canarias	-	-	-	-	38.27	-	38.27	-	38.27
Multi-regional	-	29.33	29.33	-	1.15	1.28	2.43	-	31.76
FRANCE	5.41	71.797	77.20	0.21	227.20	4.27	231.68	0.27	309.15
Ile de France	-	-	-	-	-	-	-	-	-
Haute-Normandie	-	-	-	-	-	-	-	-	-
Basse-Normandie	-	-	-	-	3.21	1.71	4.92	-	4.92
Picardie	-	-	-	-	-	0.10	0.10	-	0.10
Champagne-Ardenne	-	-	-	-	2.54	-	2.54	-	2.54
Bourgogne	-	-	-	-	-	-	-	-	-
Centre	-	-	-	0.11	-15	-	0.11	-	0.11
Nord-Pas-de-Calais	-	-	-	-	25.02	-	25.02	-	25.02
Bretagne	-	-	-	-	12.36	-	12.36	-	12.36
Pays de la Loire	-	-	-	0.06	8.71	0.10	8.96	-	8.96
Poitou-Charentes	-	-	-	-	10.07	1.50	11.57	-	11.57
Lorraine	-	8.23	8.23	-	12.90	0.23	13.13	-	21.36
Alsace	-	-	-	-	0.18	-	0.18	-	0.18
Franche-Comté	-	-	-	-	-	0.54	0.54	-	0.54
Limousin	-	7.76	7.76	-	5.43	-	5.43	-	13.19
Aquitaine	-	13.58	13.58	-	22.74	-	22.74	-	36.32
Midi-Pyrénées	-	20.56	20.56	-	50.37	-	50.37	0.21	71.14
Auvergne	-	-	-	-	4.48	-	4.48	-	4.48
Rhône-Alpes	-	1.97	1.97	0.04	1.14	-	1.18	-	3.15
Languedoc-Roussillon	-	19.69	19.69	-	34.45	-	34.45	-	54.14
Prov.-Alpes-C.d'Azur	-	-	-	-	4.96	-	4.96	-	4.96
Corse	5.41	-	5.41	-	2.54	-	2.54	-	7.95
Martinique	-	-	-	-	10.88	-	10.88	-	10.88
Guadeloupe	-	-	-	-	10.64	-	10.64	-	10.64
Guyane	-	-	-	-	4.58	-	4.58	-	4.58
Réunion	-	-	-	-	-	-	-	-	-
Multi-regional	-	-	-	-	-	-	-	0.06	0.06

(*) Measures to exploit the potential for internally generated development are also included in programmes.

Regional breakdown of commitments 1988 for programmes, projects and studies (continued)

Member State	Programmes			Projects				Studies	Total commitments
	Community	N.P.I.C.	Total	Industry, services and craft	Infrastructure	Internally generated development*	Total		
IRELAND	18.31	58.84	77.15	22.48	45.88	2.17	70.53	0.25	147.93
Donegal	-	-	-	0.20	2.74	-	2.94	-	2.94
North East	-	-	-	0.51	0.71	-	1.22	-	1.22
North West	-	-	-	1.08	0.27	-	1.35	0.06	1.41
West	-	-	-	0.92	3.04	-	3.96	-	3.96
Midlands	-	-	-	3.77	1.78	-	5.55	-	5.55
East	-	-	-	5.21	19.75	1.21	26.17	0.19	26.36
Mid West	-	-	-	0.71	6.20	0.96	7.87	-	7.87
South East	-	-	-	4.78	2.76	-	7.54	-	7.54
South West	-	-	-	5.30	8.63	-	13.93	-	13.93
Multi-regional	18.31	58.84	77.15	-	-	-	-	-	77.15
ITALIA	-	105.20	105.20	43.45	814.40	0.58	858.43	0.46	964.09
Valle d'Aosta	-	-	-	-	-	-	-	-	-
Lombardia	-	-	-	-	-	-	-	-	-
Trent.-Alto Adige	-	-	-	-	-	-	-	-	-
Veneto	-	-	-	-	-	-	-	-	-
Friuli-Venez.Giulia	-	-	-	-	-	-	-	-	-
Liguria	-	-	-	-	-	-	-	-	-
Emilia-Romagna	-	-	-	-	-	-	-	-	-
Toscana	-	8.44	8.44	-	-	-	-	-	8.44
Umbria	-	-	-	-	-	-	-	-	-
Marche	-	-	-	0.76	35.70	-	36.46	-	36.46
Lazio	-	0.09	0.09	0.84	12.46	-	13.30	0.46	13.85
Abruzzi	-	31.93	31.93	5.44	47.38	0.54	53.36	-	85.29
Molise	-	-	-	3.11	35.80	-	38.91	-	38.91
Campania	-	0.08	0.08	13.02	367.73	-	380.75	-	380.83
Puglia	-	5.49	5.49	1.21	33.28	-	34.49	-	39.98
Basilicata	-	6.71	6.71	0.94	59.64	-	60.58	-	67.29
Calabria	-	4.93	4.93	8.39	23.98	-	32.37	-	37.30
Sicilia	-	1.59	1.59	8.46	108.37	0.04	116.87	-	118.46
Sardegna	-	45.94	45.94	1.28	65.68	-	66.96	-	112.90
Multi-regional	-	-	-	-	24.38	-	24.38	-	24.38
LUXEMBOURG	-	-	-	-	0.74	-	0.74	-	0.74
NEDERLAND	-	3.86	3.86	-	22.28	-	22.28	-	26.14
Noord-Nederland	-	2.27	2.27	-	17.96	-	17.96	-	20.23
Oost-Nederland	-	-	-	-	-	-	-	-	-
West-Nederland	-	-	-	-	-	-	-	-	-
Zeeland	-	-	-	-	-	-	-	-	-
Zuid-Nederland	-	0.65	0.65	-	4.32	-	4.32	-	4.97
Multi-regional	-	0.94	0.94	-	-	-	-	-	0.94

(*) Measures to exploit the potential for internally generated development are also included in programmes.

Regional breakdown of commitments 1988 for programmes, projects and studies (continued)

Member State	Programmes			Projects				Studies	Total commitments
	Community	N.P.I.C.	Total	Industry, services and craft	Infrastructure	Internally generated development*	Total		
PORTUGAL	22.40	65.79	88.19	-	339.986	1.48	341.46	0.34	429.99
Norte	-	-	-	-	84.84	-	84.84	0.05	84.89
Centro	-	-	-	-	44.27	0.11	44.38	-	44.38
Lisbon-Vale Tejo	-	-	-	-	130.92	0.74	131.66	-	131.66
Alentejo	-	8.50	8.50	-	20.60	-	20.60	-	29.10
Algarve	-	-	-	-	24.87	-	24.87	-	24.87
Açores	-	-	-	-	14.73	-	14.73	-	14.73
Madeira	-	-	-	-	18.70	-	18.70	0.29	18.99
Multi-regional	22.40	57.29	79.690	-	1.05	0.63	1.68	-	81.37
UNITED KINGDOM	1.29	173.00	174.29	72.17	312.35	3.41	387.93	1.08	563.30
North	-	16.33	16.33	7.78	81.25	-	89.03	0.02	105.38
Yorkshire Humber.	-	13.32	13.32	0.31	15.53	-	15.84	-	29.16
East Midlands	-	-	-	0.68	4.16	-	4.84	-	4.84
East Anglia	-	-	-	-	-	-	-	-	-
South East	-	-	-	-	-	-	-	-	-
South West	-	-	-	-	-	-	-	-	-
West Midlands	-	10.39	10.39	1.63	14.36	-	15.99	0.23	26.61
North West	-	-	-	6.06	32.12	0.22	38.40	0.17	38.57
Wales	-	8.02	8.02	6.32	39.03	1.27	46.62	0.23	54.87
Scotland	-	40.59	40.59	4.52	49.34	-	53.86	0.23	94.68
Northern Ireland	-	84.35	84.35	2.97	55.05	-	58.02	0.12	142.49
Multi-regional	-	-	1.29	41.90	21.51	1.92	65.33	0.08	65.41
Commun.	-	-	-	-	-	-	-	0.39	0.39

(*Measures to exploit the potential for internally generated development are also included in programmes.

Chapter 4. Financial management of ERDF operations (commitments, payments)

4.1 Commitment appropriations

The funds available for commitment in 1988 to finance ERDF operations, excluding specific Community measures, totalled ECU 3 673.59 million compared with ECU 3 536.36 million in 1987. This amount breaks down as follows:

Table 11. Funds available for commitment in 1988

(Mio ECU)

Appropriations entered in 1988 budget	3.524.00
Appropriations outstanding from 1987	3.29
Appropriations available from:	
- decommitments	148.79
- changes in value of ECU	- 2.49
Total appropriations available in 1988	3.673.59

The breakdown of appropriations from decommitments and changes in the value of the ecu is as follows:

Table 12. Commitment appropriations available in 1988, from decommitments and changes in value of ECU by Member State

(Mio ECU)

Member State	Appropriations available from:		
	decommitments	changes in ECU rate	Total
Belgique	2.43	0.46	2.79
Danemark	0.43	-0.14	0.29
Deutschland	9.91	1.34	11.25
Ellas	0.33	5.15	5.48
España	13.53	-5.60	7.93
France	21.42	-1.67	19.75
Ireland	-	-0.66	-0.66
Italia	70.00	30.10	100.10
Luxembourg	-	0.04	0.04
Nederland	0.97	0.93	1.90
Portugal	0.31	2.59	2.90
United Kingdom	29.46	-34.93	-5.47
EUR 12	148.79	-2.49	146.30

4.2 Payments

The payment appropriations initially entered in the 1988 budget came to ECU 2 812 million, to which must be added ECU 50 million from the non-quota section, giving an increase of 14.8% over 1987. However, as shown in Table 29 in the annex, after taking into account ECU 43.6 million carried over from 1987 total payment appropriations available amounted to ECU 2 905.6 million.

Table 13 shows that payments actually made amounted to ECU 2 903.18 million, which therefore means that 99.9% of the payment appropriations available were used up. The increase over payments made the previous year was 18.7%.

In actual fact, payment claims submitted by the Member States exceeded payment appropriations initially available by some ECU 282 million.

At the end of 1988, commitments still to be paid amounted to ECU 6 736.06 million compared with ECU 5 972.17 million at the end of 1987. This situation is attributable to the Fund Regulation. When a decision to grant assistance is taken, the total amount of the grant is committed immediately in the case of projects and in the form of an annual allocation in the case of programmes, whereas disbursement is staggered over several years in step with the progress of the investment projects financed and with the outlay by Member States. Moreover, ERDF payments are made only in response to specific claims by the Member States concerned.

Table 13. Payments made in 1988 and commitments still to be paid at the end of 1988

(Mio ECU)

Member State	Commitments 1975-1987 still to be paid at end of 1987 (*)	Commitment 1988	Payments		Commitments to be paid at end of 1988
			1987	1988	
Belgique	51.90	25.34	23.00	27.92	49.32
Danemark	17.08	13.14	15.58	10.06	20.16
Deutschland	183.88	113.40	60.94	75.25	222.03
Ellas	295.57	340.62	287.40	286.84	349.35
España	555.49	732.84	345.34	543.56	744.77
France	665.48	309.15	263.72	377.06	597.57
Ireland	211.14	147.93	133.92	132.39	226.68
Italia	2.465.15	964.09	550.32	564.00	2.865.24
Luxembourg	6.05	0.74	2.29	0.04	6.75
Nederland	93.45	26.14	19.45	13.26	106.33
Portugal	338.65	429.99	222.76	330.73	437.91
United Kingd.	1.087.97	563.30	519.29	541.74	1.109.53
COM	0.36	0.39	0.58	0.33	0.42
EUR 12	5.972.17	3.667.07	2.444.59	2.903.18	6.736.06

(*) Amounts adjusted to take account of decommitments and adjustment for fluctuations in the ECU rate (see last but one column of table 16)

Table 30 in the annex shows the payments made to each Member State in 1988, with a breakdown by the use for which the assistance was agreed.

Table 31 in the annex shows the payments made to each Member State in 1988 and previous years.

4.3 Commitments and payments for the specific measures

Table 14 shows, for all the special programmes approved by the Commission, the situation regarding funds available and appropriations used at 31 December 1988.

Commitments made in 1988 amounted to ECU 160 million, which brings total commitments for these measures since 1981 to some ECU 609 million. This is equivalent to 56% of the allocations approved so far, which total ECU 1 084 million.

Payments in 1988 amounted to ECU 189.6 million, bringing total payments made so far to some ECU 467 million, equivalent to nearly three quarters of commitments (76.7%).

Table 14. Available funds and commitments 1988 for the specific community measures
(Mio ECU)

Appropriations entered in 1988 budget	160.00
Appropriations committed	160.00
Balance outstanding at end of year	0.00

The ratio of payments to commitments improved in 1988, from 61.7% to 76.7%. Progress on programmes, as measured by the ratio of commitments to total allocations approved, increased by 12.5% in 1988.

Progress on the individual special programmes was still marked by the special energy programme for Italy continuing to be held up, and implementation of the special enlargement programme for Italy being delayed considerably. Many other special programmes are being implemented rather slowly. Commission departments have kept in touch with the Member States concerned in an attempt to improve the situation.

4.4 Controls

In 1988 the Commission made on-the-spot checks on 166 projects, compared with 236 in 1987 and 146 in 1986. In addition, checks were made on 18 programmes financed under Regulation (EEC) n° 1784/84 (compared with three in 1987).

It is clear that checks will in future concentrate increasingly on programmes covering a series of investments and that the number of projects checked will therefore no longer be strictly comparable from one year to the next.

The projects and programmes inspected in 1988 accounted for ERDF assistance totalling some ECU 703 million.

Checks were also made on the special non-quota programmes assisted by the ERDF under specific Community measures. In 1988, on-the-spot checks were carried out in respect of nine of these programmes.

In addition, the Commission systematically continued in 1988 its general effort to speed up the closure of files still pending and those that had not resulted in payment claims. This will gradually be extended to files still pending from subsequent years.

As a result, unsettled commitments dating back to the period 1975-84 amounted to ECU 1 128 million at 31 December 1988, compared with ECU 943.5 million at the end of 1987; they represented 16.7% of total unsettled commitments at the end of 1988.

During the year, the Commission continued to use on-the-spot checks to examine, in association with the administering authorities, projects where payment had fallen behind schedule. The purpose was to discover the cause of such delays and to speed up the processing or closure of the files, either by final payment if the projects had been completed or by decommitting the appropriations if the projects had not been carried out. In 1988, alongside checks proper, 941 dormant projects were inspected (as against 937 in 1987 and 320 in 1986). Following these inspections, 58 projects lost their grants (the appropriations being decommitted), while 49 were the subject of new payment claims and 158 the subject of a final claim to close the file.

On-the-spot checks carried out by Commission staff in 1988 did not reveal any irregularity, i.e. any fraudulent operation enabling benefit to be obtained from the ERDF by way of illegal procedure.

Examination of dormant projects reveals a clear delay in the communication of information concerning the progress of ERDF projects, notably certain cancellation decisions taken without the Commission having been informed.

The national authorities have been asked to ensure speedier communication of information in such cases in order to avoid undue delay in the decommitment of ERDF assistance and in the recovery of ERDF assistance already paid.

4.5 Application of the system of "margins"

With Regulation (EEC) n° 1787/84 due to expire on 31 December 1988, the Commission took steps, in accordance with Article 4(5), to allocate, for the final financial year of 1988, ERDF resources above the lower limit of the margins.

As this was the final year of administering this system, the Commission applied the same method it had used to calculate the allocation between Member States for the three-year period from 1985 to 1987 (described in the last ERDF activity report).

As not enough valid applications were submitted for ERDF part-financing, a number of Member States (B, DK, I, NL) failed to receive the whole of the margin to which they would have been entitled.

The amounts thus released were divided among the other Member States on the basis of the grant applications approved.

The margin system again proved this year to be an effective inducement to implementation of the priorities adopted at Community level for ERDF assistance, since, overall, annual average performance has steadily improved since 1985.

The principle of ERDF management based on the Community interest of the assisted measures has fully proved its worth. Consequently, the Commission is planning, in the context of implementation of the new Regulation, to reinforce, with the help of the Member States, the application of this principle in drawing up the Community support frameworks and in selecting measures for ERDF part-financing.

Table 15. Distribution of the ERDF margin for the period 1985-1988

Member State	Maximum three-year margin Mio ECU	Margin resources allocated to each State		% of potential maximum of Member State's margin
		Mio ECU	%	
Belgique/Belgie	7.400	1.036	0.26	14.00
Danmark	4.229	854	0.22	20.19
Deutschland	29.954	12.200	3.09	40.73
Ellas	80.347	40.224	10.20	50.06
España	210.030	90.969	23.06	43.31
France	87.395	25.524	6.47	29.21
Ireland	27.840	13.825	3.51	49.66
Italia	252.671	101.310	25.68	40.10
Luxembourg	705	-	-	-
Nederland	8.105	255	0.06	3.14
Portugal	124.750	57.550	12.94	46.13
United Kingdom	169.504	57.252	14.51	33.78

4.6 Geographical location of assistance

The ERDF makes grants exclusively in those Community regions which are lagging behind in their development or in which formerly dominant industrial activities are in decline. Such regions benefit from national regional aid under the various schemes in operation in the Member States. The population of the regions which are assisted under national aid schemes and which are therefore eligible for Fund assistance is 140 million, or 43.7% of the total population of the Community.

Table 16: Population of ERDF-assisted areas

Member State		Population (in millions)		
		Total	Eligible	as %
B	1987	9.9	3.3	33.1
DK	1986	5.1	1.1	20.7
D	1986	61.0	22.9	37.5
GR	1981	9.7	6.4	65.7
E	1981	37.7	25.0	66.4
F	1982	55.6	22.4	40.2
IRL	1981	3.5	3.5	100.0
I	1985	57.2	22.2	38.8
L	1981	0.4	0.3	79.5
NL	1987	14.6	2.1	14.7
P	1981	9.9	9.9	100.0
UK	1981	56.3	21.3	37.7
EUR 12		320.9	140.4	41.3

In 1988 no changes were made to the areas eligible for assistance under Regulation (EEC) n° 1787/84.

Table 17. The ten regions receiving the most ERDF assistance in 1988

(in Absolute terms)

	Assistance in Mio ECU	%
1. Campania	380.83	10.4
2. Irland	147.93	4.0
3. Scotland	142.49	3.9
4. Castilla-la-Mancha	132.02	3.6
5. Lisbon and Vale do Tejo	131.66	3.6
6. Andalucia	124.63	3.4
7. Sicilia	118.46	3.2
8. Sardegna	112.90	3.1
9. Norte	105.38	2.9
10. Pelop.&.Dit.Ster Ell.	103.02	2.8
Total	1.499.32	40.9
EUR 12	3.667.07	100

If account is taken only of the less-developed regions (Objective 1) as defined in the Regulations governing the structural Funds which came into force on 1 January 1989, it can be seen that some 69% of ERDF assistance went to them.

Table 18. Regional breakdown of population and per capita assistance in ERDF-assisted areas

Member State	Population ¹ x 1000	Aid per capita (ECU) ³		
	total	eligible ²	1988	1975 -1988
BELGIQUE/BELGIË		3.266	8	
Vlaanderen	5.686	1.308	8	77
Wallonie	3.206	1.958	7	53
DANEMARK		1.058	13	
Øst for Storebælt	585	118	16	74
Vest for Storebælt	2.812	940	12	77
DEUTSCHLAND		22.851	5	
Schleswig-Holstein	2.623	2.356	6	45
Bremen	671	671	-	12
Nordrhein-Westfalen	16.775	4.878	4	21
Hessen	5.551	1.421	1	38
Rheinland-Pfalz	3.599	1.603	9	48
Baden-Württemberg	9.211	99	-	210
Bayern	10.919	3.475	8	57
Saarland	1.037	1.037	12	99
Berlin	1.816	1.816	-	37
Niedersachsen	7.198	5.495	4	35
ELLAS		6.397	53	
Ana.Ster. Kai Nisoi	3.996	652	18	264
Kentr.Dyt.Makedonia	1.696	1.696	24	444
Pelop.Dyt.Ste.Ellas	1.294	1.294	80	290
Thessalia	696	696	6	201
Anatoliki Makedonia	426	426	121	295
Kriti	502	502	12	304
Ipiros	446	446	12	411
Thraki	345	345	11	233
Nisoi Anat.Agaiou	340	340	7	284
ESPAÑA		25.029	29	
Andalucia	6.441	6.411	19	100
Aragón	1.197	411	44	57
Asturias	1.130	1.130	28	108
Canarias	1.368	1.368	28	46
Cantabria	513	513	63	63
Castilla la Mancha	1.649	1.649	80	180
Castilla-León	2.583	2.583	27	117
Cataluña	5.956	2.139	18	18
Ceuta y Melilla	119	119	-	-
Comunidad Valenciana	3.647	1.100	70	70
Extremadura	1.065	1.065	31	122
Galicia	2.812	2.812	17	46
Madrid	4.687	856	29	29
Murcia	956	956	7	71
Navarra	509	158	16	16
País Vasco	2.142	1.729	14	14

(¹) Depending on the sources available, the population figures relate to years 1980-88 inclusive.
(²) Population in the ERDF-assisted areas.
(³) Per capita aid: includes multi- regional projects and is calculated on the latest available figures for eligible population.

Regional breakdown of population and per capita assistance in ERDF-assisted areas (continued)

Member State	Population ¹ x 1000	Aid per capita (ECU) ²		
	total	eligible ²	1988	1975 -1988
FRANCE		22.402	14	
Haute Normandie	1.655	153	-	33
Basse Normandie	1.351	969	5	49
Picardie	1.740	541	0.2	11
Champagne-Ardenne	1.346	354	7	76
Bourgogne	1.596	43	-	20
Centre	2.264	209	0.5	23
Nord-Pas-de-Calais	3.933	2.233	11	88
Bretagne	2.708	2.473	5	129
Pays de la Loire	2.930	1.963	5	68
Poitou Charentes	1.568	1.568	7	61
Lorraine	2.320	1.429	15	149
Alsace	1.566	138	1	76
Franche Comté	1.084	110	5	28
Limousin	737	737	18	194
Aquitaine	2.657	2.016	18	91
Midi-Pyrénées	2.325	1.784	40	198
Auvergne	1.333	1.022	4	154
Rhône-Alpes	5.016	890	3	75
Languedoc-Roussillon	1.927	1.666	32	132
Provence-Côte-d'Azur	3.965	618	8	59
Corse	240	240	33	330
Martinique	329	329	33	368
Guadeloupe	328	328	32	317
Guyane	73	73	63	1.125
Réunion	516	516	-	291
IRELAND	3.508	3.508	42	371
ITALIA		23.382	41	
Friuli-Venezia-Giulia	1.224	1.224	-	58
Toscana	3.581	30	281	1.141
Marche	1.421	279	131	45
Lazio	5.056	1.137	12	256
Abruzzi	1.250	1.250	68	318
Molise	334	334	116	469
Campania	5.651	5.651	67	541
Puglia	4.005	4.005	10	116
Basilicata	619	619	109	1.038
Calabria	2.131	2.131	17	303
Sicilia	5.084	5.084	23	219
Sardegna	1.638	1.638	69	307

(¹) Depending on the sources available, the population figures relate to years 1980-88 inclusive.
(²) Population in the ERDF-assisted areas.
(³) Per capita aid: includes multi- regional projects and is calculated on the latest available figures for eligible population.

Regional breakdown of population and per capita assistance in ERDF-assisted areas (continued)

Member State	Population ¹ x 1000	Aid per capita (ECU) ²		
	total	eligible ²	1988	1975 -1988
LUXEMBOURG	366	291	3	61
NEDERLAND		2.147	12	
Noord Nederland	1.591	1.316	15	119
Oost Nederland	2.961	108	-	45
Zuid Nederland	1.092	723	7	113
PORTUGAL		9.851	44	
Norte	3.428	3.428	25	93
Centro	1.751	1.751	25	119
Lisboa e Vale do Tejo	3.292	3.292	40	61
Alentejo	560	560	52	270
Algarve	324	324	77	210
Açores	243	243	61	301
Madeira	253	253	75	253
UNITED KINGDOM		21.325	26	
North	3.117	2.589	41	300
Yorkshire/Humberside	4.917	2.592	11	152
East Midlands	3.852	93	52	769
South West	4.381	662	40	348
West Midlands	5.187	3.611	11	85
North West	6.459	4.139	13	156
Wales	2.814	2.575	37	300
Scotland	5.150	3.500	41	358
Northern Ireland	1.564	1.564	42	335

(¹) Depending on the sources available, the population figures relate to years 1980-88 inclusive.
(²) Population in the ERDF-assisted areas.
(³) Per capita aid: includes multi- regional projects and is calculated on the latest available figures for eligible population.

Chapter 5. Fourteen years of ERDF activity

Since its creation in 1975, the ERDF has committed ECU 24.4 billion to the financing of 41 051 projects, 80 NPCIs, 17 Community programmes and 197 studies.

All this has made it possible, over the last 14 years, to launch or maintain a large number of economic activities and, ultimately, to create or safeguard some 900 000 jobs¹² directly and an equivalent number indirectly.

Table 19. Amounts committed 1975-1988 (by Member State)

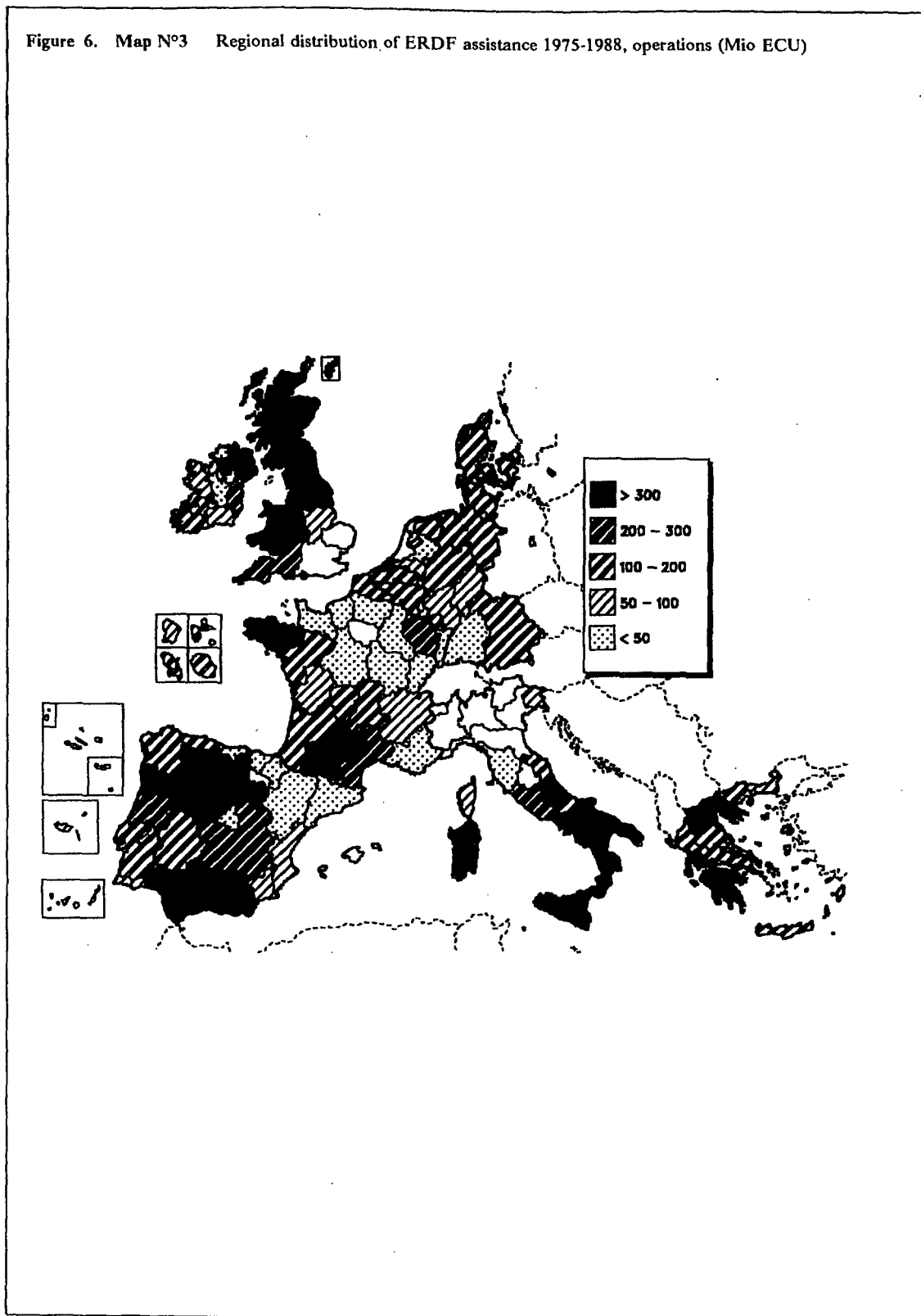
(Mio ECU)

Member State	Programmes			Projects				Studies	Total
	Community	N.P.C.I.	Total	Industry, services and craft	Infra-structure	Internally generated development	Total		
B	-	26.70	26.70	41.67	131.97	1.35	174.99	2.00	203.69
DK	-	10.26	10.26	25.35	140.42	0.57	166.34	6.14	182.74
D	23.06	53.95	77.01	502.96	347.39	-	850.35	0.19	927.55
GR	12.98	250.40	263.38	34.51	2149.65	-	2184.16	0.24	2447.78
E	23.02	52.57	75.59	11.20	1945.23	2.29	1958.72	0.09	2034.40
F	9.63	252.27	261.90	370.42	2156.66	13.11	2540.19	12.04	2814.13
IRL	32.54	111.47	144.01	311.27	841.94	3.67	1156.88	0.99	1301.88
I	29.27	106.92	136.19	975.72	6777.60	0.58	7753.90	21.95	7912.04
L	-	1.94	1.94	-	14.69	-	14.69	-	16.63
NL	-	14.18	14.18	32.42	200.85	0.01	233.28	0.19	247.65
P	51.41	65.79	117.20	-	1080.56	1.48	1082.04	0.58	1199.82
UK	5.13	460.04	465.17	1000.02	3620.97	6.43	4627.42	10.66	5103.25
Com.	-	-	-	-	-	-	-	1.70	1.70
EUR 12.	187.04	1406.49	1593.53	3305.54	19407.93	29.49	22742.96	56.77	24393.26

In addition, the Commission has committed ECU 609 million (56% of the total allocation) since 1981 for special programmes.

¹² Plus a large number of jobs created directly or indirectly through infrastructure financing.

Figure 6. Map N°3 Regional distribution of ERDF assistance 1975-1988, operations (Mio ECU)



5.1 Review of ERDF activities

5.1.1 Financial resources 1975-88

The budgetary allocation increased fourteen-fold over the period, as the following table shows:

Table 20. ERDF allocations 1975-1988

(Mio ECU)

Year	Commitment appropriations			Annual increase (%)	Share in Community budget (%)
	Operations	Specific measures	Total		
1975	-	-	257.6 ¹	-	4.8
1976	-	-	394.3 ¹	53.1	5.6
1977	-	-	378.5 ¹	-4.0	4.9
1978	-	-	581.0	53.5	4.6
1979	900.0	45.0	945.0	62.7	6.1
1980	1.106.8	58.2	1.165.0	23.3	6.7
1981	1.463.0	77.0	1.540.0	32.2	7.3
1982	1.669.0	90.5	1.759.5	14.3	7.6
1983	1.909.5	100.5	2.010.0	14.2	7.6
1984	2.025.0	115.0	2.140.0	6.5	7.3
1985	2.174.9	115.0	2.289.9	7.0	7.5
1986	3.003.0	95.0	3.098.0	35.3	8.6
1987	3.217.4	93.6	3.311.0	6.9	9.1
1988	3.524.0	160.0	3.684.0	11.3	8.1

1975: 300 million u.a., 1976: 500 million u.a.
1977: 500 million u.a., converted into ECU at the January 1978 rate.

During the first 14 years of ERDF operations, virtually all the appropriations available were committed. The difference between total appropriations available and total commitments leaves a balance of ECU 6.52 million only, which is the total cumulative balance since the Fund was set up. Table 21 provides a synopsis of the balance of commitment appropriations outstanding at each year-end. It shows that the available appropriations for commitment have been almost entirely used up since 1975.

Table 21. Balances of commitment appropriations outstanding each year-end from 1975 to 1988

(Mio ECU)

Year	Budget appropriations	Appropriations available for commitment (*)	Appropriations used up (*)	Balance outstanding at year-end and used up the following year
75/77	(²)1030.40	(²)1047.23	(²)1032.20	(²)15.03
1978	581.00	599.84	556.36	43.48
1979	900.00	973.65	970.43	3.22
1980	1.106.75	1.169.64	1.137.79	31.85
1981	1.463.00	1.615.17	1.596.19	18.98
1982	1.669.00	1.817.69	1.812.13	5.56
1983	1.909.50	2.164.28	2.121.61	42.68
1984	2.025.00	2.327.12	2.322.20	4.92
1985	2.174.90	2.473.69	2.457.11	16.58
1986	3.003.00	3.201.30	3.186.10	15.20
1987	3.217.42	3.536.36	3.533.18	3.18
1988	3.524.00	3.673.59	3.667.07	6.52

(*) Including appropriations carried over from the previous year and appropriations made available through decommitment and through adjustments to take account of fluctuations in the ECU rate in respect of commitments remaining payable from previous years.
(²) Commitments for the respective years adjusted to take account of fluctuations in the ECU rate.
(³) Budget appropriations: 1 300 million u.a., appropriations available for commitment: 1312.33 Mio u.a. appropriations used up: 1301.64 Mio u.a. This leave a balance of 10.69 Mio u.a. converted into ECUs rate ruling in 01/1978

Table 22 summarizes the settlement of payment appropriations since the ERDF was set up. Annual allocations of payment appropriations now total ECU 15 710.9 million. At 31 December 1988, payments made since 1975 amounted to ECU 15 705 million. Virtually all payment appropriations had thus been used up by that date.

Table 22. Payment appropriations since 1975

(Mio ECU)

Year	Budget appropriations (a)	Balance carried over (b)	Payments made (c)	Balance (a + b - c)
1975(*)	122.31	-	74.06	48.25
1976(*)	229.05	48.25	213.05	64.25
1977(*)	294.53	64.25	275.70	(*) 83.08
1978	525.00	83.08	254.89	353.19
1979	483.00	353.19	513.15	323.04
1980	392.38	323.04	726.70	4.72
	(*)+ 16.00			
1981	799.20	4.72	791.41	15.85
	(*)+ 3.34			
1982	1.015.00	15.85	950.67	97.96
	(*)+ 17.78			
1983	1.180.00	97.96	1.246.60	31.36
1984	1.312.50	31.36	1.325.98	35.88
	(*)+ 18.00			
1985	1.540.00	35.88	1.590.85	115.03
	(*)+ 130.00			
1986	2.282.00	115.03	2.394.16	2.87
1987	2.488.81	2.87	2.444.59	47.09
1988	2.812.00	43.60	2.903.18	2.42
	(*)+ 50.00			

(*) Million of units of account (u.a.) converted into million ECU at the average rate for the year.
 (†) Transfer from specific Community measures (Chap. 51) to operations (Chap.50).

5.1.2 Breakdown of assistance by type of intervention

Projects

Since 1975, the ERDF has granted some ECU 22 700 million for 41 051 projects throughout the Community. Of these, 3 354 infrastructure projects have received assistance totalling ECU 19 400 million, or 85.45% of all grants for projects. Transport infrastructures lead the way with some ECU 8 400 million (43% of grants for infrastructure projects), followed by water engineering infrastructures (with some 20%) and energy investment projects (with 13.5%).

Productive investment projects have received grants totalling ECU 3 305 million, or 14.5% of grants for projects. The metalworking industry has benefited most, receiving 48.5% of the funds allocated.

Finally, 0.1% of the grants made for projects has gone to measures designed to develop the indigenous potential of the regions.

Programmes

Before 1985, there was no provision for programme financing, except for relatively small amounts intended for non-quota specific measures. Part-financing of programmes, introduced by Articles 6 to 14, 25 and 26 of the Regulation, is designed to improve the impact of ERDF assistance; it is within the framework of programmes that the convergence of Community and national priorities and the organization of genuine joint action become possible. Programmes can take the form of either Community programmes or national programmes of Community interest.

The objective laid down in Article 6 of the Regulation is to allocate at least 20% of the Fund's appropriations to programmes at the end of the third year (1987) following the entry into force of the Regulation. In the case of both NPCI and Community programmes, the first two years were taken up primarily with vetting and the adoption of the total allocations. Commitments really began to be made only in 1987, when the level of grants allocated to programmes amounted to 15.3% of ERDF assistance. The target was thus not missed by much; it was exceeded in 1988, with 22% of assistance going to programmes.

Since 1985, the Commission has thus approved 80 national programmes of Community interest (NPCIs) and 17 Community programmes, allocating a total of ECU 6 142 million to them. Commitments made in respect of these programmes amount to ECU 1 588 million.

The greatest interest in programmes was shown by France, where a total of ECU 575 million has been allocated to 25 programmes currently in progress. However, the United Kingdom, with 18 programmes, easily leads the way in terms of its overall allocation (ECU 1 422 million), followed by Italy with 12 programmes and an allocation of ECU 1 026 million.

Specific Community measures (non-quota)

As Table 4 shows, the Commission had adopted, by the end of 1988, special programmes involving total assistance of ECU 1 084 million and had committed some ECU 609 million for that purpose i.e. 56% of the total planned.

Studies

Since 1975, the Member States have submitted 434 applications for ERDF grants for studies. Following appraisal of those applications, 211 have been approved by the Commission; of those 211 approved studies, 113 had been completed by 31 December 1988.

Of the remaining 98 studies:

- no payment application has been received in respect of four approved before 1984 and 39 approved since 1985 (18 of which were approved in 1988);
- five have been the subject of decommitments.

Commitments over this period total ECU 56.77 million.

5.1.3 Employment

The creation or safeguarding of jobs is one of the main purposes of ERDF operations.

For 14 years, the Fund has helped directly to create or safeguard some 900 000 jobs in industry, craft industry and services; for this must be added an equivalent number of associated jobs created or safeguarded indirectly in economic fields. Jobs created by the NPCIs are included in this calculation.

It should also be remembered that many jobs are created directly and indirectly by infrastructure projects. The construction of such infrastructures entails a large volume of work, particularly in the building and public works sector.

5.2 Geographical analysis of 14 years of ERDF operations

During these 14 years of ERDF operations, some 93% of grants have gone to seven countries. The main beneficiaries have been Italy and the United Kingdom (with 32.5% and 20.9% of grants respectively), followed by France, Greece, Spain, Ireland and Portugal. The classification based on per capita assistance differs from that based on gross assistance per country, since Greece then leads the way with ECU 382, followed closely by Ireland (ECU 372), Italy (ECU 356) and the United Kingdom (ECU 239).

Since the accession of Greece in 1981 and that of Spain and Portugal in 1986, however, Fund assistance has been concentrated mainly in those three countries; a weighted calculation based on years of actual ERDF assistance in those countries shows Greece to be in first place, followed by Portugal. The following analysis provides a summary account of ERDF activities in each of the Member States since 1975.

5.2.1 Belgium

Since 1975, a total of ECU 203.69 million has been committed for programmes, projects, the development of indigenous potential and studies.

This amount represents 0.83% of the total ERDF assistance provided for all Member States over that same period.

Projects

Since 1975, the Belgian authorities have submitted applications for ERDF grants amounting to ECU 277.31 million in respect of 993 projects. Following appraisal of those applications by the relevant Commission departments, 637 projects were adopted and commitments totalling ECU 175 million (i.e. 63% of the grants requested) were made, broken down as follows:

- industrial projects: ECU 41.67 million
- infrastructure projects: ECU 131.97 million

- development of indigenous potential: ECU 1.35 million.

Programmes

Belgium has not yet benefited from commitments under Community programmes; however, the following four NPCIs submitted by Belgium have been adopted by the Commission:

- The Limburg NPCI, which forms part of an integrated development operation and which covers the period 1987-91 (total grant of ECU 32.3 million).
Assistance amounting to ECU 11.3 million has been committed since a start was made on implementing this programme;
- The Westhoek NPCI, which was also approved in October 1987. A total of ECU 11.6 million has been allocated to this programme up to 1991; ECU 3.11 million of that total have already been committed;
- The Turnhout NPCI, which covers the period 1988-91 and which has been allocated assistance totalling ECU 10.4 million, of which ECU 1.7 million have so far been committed;
- The three-frontier European Development Pole.
Belgium has been allocated assistance totalling some ECU 40 million under this programme. Since 1986, ECU 12.2 million have been committed.

Belgium makes more use of the programme-based form of assistance than any of the other Community countries.

It has also received assistance under the special non-quota programmes; commitments amounting to ECU 16.5 million have been made out of a total allocation of ECU 42 million for the following three programmes:

- steel areas in the provinces of Hainaut, Liège and Luxembourg;
- textile areas in the districts of Aalst and Oudenaarde (Flanders);
- the Mouscron textile areas (Wallonia).

Payments made to date represent 64% of the commitments made.

There has been a balanced allocation of these appropriations between Wallonia and Flanders.

5.2.2 Denmark

Since the Fund was set up, commitments totalling ECU 182.74 million have been made for projects, programmes and studies in Denmark. This amount represents 0.75% of the total ERDF assistance for the Member States over that period.

This does not include the ECU 2.6 million committed under the special non-quota fisheries programme.

As long as Greenland was part of the Community, it was given priority for project funding. As a result, the local authorities in the south of Denmark received ERDF contributions only in exceptional cases. This situation changed following Greenland's withdrawal from the Community on 1 January 1985. Local authorities and other eligible bodies have been encouraged to submit applications for ERDF grants. This has led, inter alia, to more frequent contacts between the relevant authorities and Commission departments.

Projects

Since 1975, the Danish authorities have submitted applications for ERDF grants amounting to ECU 179 million in respect of 1 372 projects. Following appraisal of those applications by the relevant Commission departments, 1 233 projects were approved and commitments totalling ECU 166.34 million (i.e. 93% of the assistance requested) were made, broken down as follows:

- ECU 25.35 million for 469 industrial projects;
- ECU 140.42 million for 763 infrastructure projects;
- ECU 0.57 million for one Article 15 project.

Programmes

- Denmark does not receive grants under Community programmes.
- There are currently six NPCIs in progress in Denmark. The total ERDF contribution to these programmes amounts to ECU 34.25 million over the period 1986-91.

A total of ECU 10.26 million has been committed for these NPCIs (30% of the overall allocation), broken down as follows:

- Nordtek NPCI: ERDF contribution of ECU 12.10 million; commitments: ECU 5.81 million;
- Lolland NPCI: ERDF contribution of ECU 5.03 million; commitments: ECU 0.56 million;
- Borntek NPCI: ERDF contribution of ECU 2.53 million; commitments: ECU 0.94 million;
- Viborg NPCI: ERDF contribution of ECU 5.63 million; commitments: ECU 1.44 million;
- Arhus NPCI: ERDF contribution of ECU 3.38 million; commitments: ECU 0.25 million;
- Sønderjylland NPCI: ERDF contribution of ECU 5.58 million; commitments: ECU 1.26 million.

In addition, Denmark is currently benefiting, at the Commission's initiative, from a special non-quota programme concerning the restructuring of the areas affected by implementation of Community fisheries policy. Details of this programme, which began at the end of October 1987 and which expires at the end of February 1991, are as follows:

- total allocation ECU 13.0 million;
- commitments: ECU 2.6 million (i.e. 20% of the total allocation);
- payments made: ECU 1.0 million (i.e. 39% of commitments).

5.2.3 Germany

Since the Fund was set up in 1975, a total of ECU 927.55 million has been committed for projects, programmes and studies in Germany. This amount represents 3.8% of total ERDF assistance for Member States over the same period.

This sum does not include the ECU 48.8 million committed in respect of the special non-quota programmes.

Projects

Since 1975, the German authorities have submitted applications for ERDF grants amounting to ECU 1 090.71 million for 3 644 projects. Following the Commission departments' appraisal of those applications, 2 978 projects were approved and a total of ECU 850.35 million (i.e. 78% of the assistance requested) was committed, broken down as follows:

- ECU 502.96 million for 2 116 industrial projects;
- ECU 347.39 million for 862 infrastructure projects.

Programmes

- The following two RESIDER Community programmes are in progress involving two Länder:

- Saarland (ERDF grant of ECU 13.7 million);
- North Rhine-Westphalia (ERDF grant of ECU 64.5 million).

Commitments made to date amount to ECU 1.8 million for Saarland and to ECU 21.26 million for North Rhine-Westphalia.

- The following five national programmes of Community interest (NPCIs) are also in progress:
 - Schleswig-Holstein (ERDF grant of ECU 53.84 million; commitments made: ECU 13.46 million);
 - Lower Saxony (ERDF grant of ECU 50.15 million; commitments made: ECU 12.54 million);
 - Rhineland-Palatinate (ERDF grant of ECU 34.72 million; commitments made: ECU 8.68 million);
 - North Bavaria (ERDF grant of ECU 34.70 million; commitments made: ECU 8.67 million);
 - East Bavaria (ERDF grant of ECU 42.50 million; commitments made: ECU 10.60 million).

In addition, Germany is currently benefiting from ten special non-quota programmes. Under these programmes, a total of ECU 74 million has been allocated for the following four types of measure:

- **shipbuilding**

total allocation:	ECU 11.00 million
commitments:	ECU 6.70 million
payments:	ECU 5.02 million

- **fisheries**
total allocation: ECU 9.00 million
commitments: ECU 4.10 million
payments: ECU 3.08 million
- **steel industry**
total allocation: ECU 42.00 million
commitments: ECU 36.40 million
payments: ECU 31.60 million
- **textiles**
total allocation: ECU 12.00 million
commitments: ECU 1.55 million
payments: ECU 1.17 million

Commitments therefore represent 66% of the total allocation and payments 83% of those commitments.

5.2.4 Spain

Since Spain became a member of the Communities, total ERDF commitments for projects, programmes and studies in that country amount to ECU 2 034.4 million.

Projects

Between 1 January 1986 and the end of 1988, the Spanish authorities submitted ERDF grant applications for 2 136 projects. A total of 1 003 projects were approved and commitments amounting to ECU 1 958 million were made, broken down as follows:

- ECU 11 million for 25 industrial projects;
- ECU 1 945 million for 975 infrastructure projects;
- ECU 2 million for three projects for developing indigenous potential.

Programmes

- Community programmes
 - STAR: ERDF contribution of ECU 210 million (ECU 11.9 million committed) up to 30 October 1991;
 - VALOREN: ERDF contribution of ECU 105 million (ECU 11.1 million committed) up to 30 October 1991.
- National programmes of Community interest (NPCIs)

The following two programmes are in progress: that relating to Asturias, covering the period 1987-91 (ERDF allocation: ECU 146.58 million; commitments: ECU 23.24 million), and that relating to motorways, covering the period 1988-92 (ERDF allocation: ECU 492.85 million; commitments: ECU 29.33 million).

5.2.5 Greece

Between January 1981 and August 1988, total ERDF assistance for projects, Community programmes, NPCIs and studies in Greece amounted to ECU 2 447 million.

Projects

Greece has benefited from ERDF assistance since its accession to the Community on 1 January 1981. Since that date, grant applications have been submitted in respect of 1 775 projects. Of that total, 1 615 were approved and commitments amounting to ECU 2 184 million were made, broken down as follows:

- ECU 34.5 million for 133 industrial projects;
- ECU 2 149.5 million for 1 482 infrastructure projects.

The latter projects (98% of the total) involved in particular the energy, telecommunications and transport sectors and industrial estate facilities.

Programmes

- Community programmes

- STAR (telecommunications), which covers the whole of the country. ERDF assistance of ECU 100 million (ECU 10.2 million of which have been committed) has been allocated for the period up to the end of October 1991.
- VALOREN (energy), which covers the whole of the country except for part of Attica. ERDF assistance amounting to ECU 50 million (ECU 2.7 million committed) has been allocated, again up to the end of October 1991.
- National programmes of Community interest

The Commission has so far adopted eight NPCIs, six of which form part of the IMPs being implemented over the seven-year period from 1985 to 1991. The total ERDF contribution is ECU 736 million. Commitments made to date amount to ECU 250 million.

To this must be added the two non-quota programmes adopted in 1984 and in force until 31 March 1989, the details of which are as follows:

- enlargement programme: total allocation: ECU 40.0 million; commitments: ECU 30.56 million; payments: ECU 30.56 million;
- energy programme: total allocation: ECU 20.0 million; commitments: ECU 12.04 million; payments: ECU 11.8 million.

5.2.6 France

Since the Fund was set up, a total of ECU 2 814 million has been committed in respect of projects, programmes, studies and the development of indigenous potential in France.

This amount represents 11.5% of total ERDF assistance in the Member States over that period.

To this must be added the commitments (ECU 174.5 million) made in respect of the special non-quota programmes.

Projects

Over the 14 years since 1975, the French authorities have submitted applications for grants totalling ECU 3 465 million for 8 968 projects. Following appraisal of those applications by the relevant Commission departments, 5 300 projects were approved and commitments totalling ECU 2 540 million (i.e. 73.3% of the assistance requested) were made, broken down as follows:

- ECU 370.42 million for 2 229 industrial projects;
- ECU 2 156.66 million for 2 996 infrastructure projects;
- ECU 13.11 million for 75 Article 15 projects.

Programmes

- Community programmes
 - STAR (telecommunications), for which ERDF assistance amounting to ECU 25 million has been allocated for the period 1987-91. To date, ECU 6.97 million have been committed.
 - VALOREN (energy), which has been allocated a total of ECU 15 million, also over the period 1987-91. Commitments made to date amount to ECU 2.66 million.
 - RESIDER: the Commission has approved the French request that the departments of Moselle, Meurthe-et-Moselle and Nord (excluding Lille) be included in this programme.
- National programmes of Community interest (NPCIs)

Since 1985, the Commission has adopted 23 NPCIs. A total of ECU 545 million has been allocated by the ERDF to these programmes for the period 1986-92. To date, ECU 252 million have been committed.

- Special non-quota programmes

France benefits from 16 special non-quota programmes (total allocation of ECU 281.2 million) with the framework of five specific measures (enlargement, steel, shipbuilding, fisheries, textiles).

A total of ECU 174.5 million has so far been committed; payments amounting to 86% of those commitments have been made.

5.2.7 Ireland

At the end of 1988, ERDF commitments in respect of projects, programmes and studies in Ireland stood at ECU 1 301.88 million.

Projects

By the end of 1988, the Irish Government had submitted applications for ERDF grants amounting to ECU 1 348.5 million. Following appraisal of those applications, commitments totalling ECU 1 156.88 million were made in respect of 1 459 projects, broken down as follows:

- ECU 311.27 million for 481 industrial projects;
- ECU 841.94 million for 975 infrastructure projects;
- ECU 3.67 million for three projects designed to develop indigenous potential.

Despite the 1984 reform introducing programme-based assistance, Ireland has continued to submit grant applications which relate predominantly to individual projects. Applications are submitted officially via the Ministry of Finance, mainly by central and local authorities and public or semi-public bodies. The new approach of including tourist and cultural projects in the grant applications has encouraged a number of public sector organizations to submit applications in these fields.

Programmes

- Community programmes
 - STAR (telecommunications), which covers the whole of the country. The ERDF assistance envisaged for the period 1987-91 is ECU 50 million (ECU 20.71 million committed by the end of 1988).
 - VALOREN (energy), which also covers the whole of the country. ERDF assistance totalling ECU 25 million is planned for the period 1987-91 (ECU 11.83 million having been committed).
- A national programme of Community interest ("Road development in Ireland") is being implemented over the period 1986-90. (ERDF contribution: ECU 250 million; commitments: ECU 111.5 million).

In addition, the following three non-quota programmes have been adopted to assist Ireland:

- border areas I: already terminated and settled (ERDF grant of ECU 16.00 million);
- border areas II: adopted by the Commission in 1987 and in force until December 1991 (total allocation: ECU 32.00 million; commitments: ECU 3.75 million; payments: ECU 3.18 million);
- textile areas, adopted by the Commission in 1986 and in force until March 1989 (total allocation: ECU 3.00 million; commitments: ECU 0.70 million; payments: ECU 0.42 million).

5.2.8 Italy

Between 1985 and the end of 1988, total ERDF commitments for projects, programmes and studies in Italy amounted to ECU 7 912 million, i.e. 32% of all Community commitments.

Projects

By the end of 1988, the Italian Government had submitted to the Commission applications for ERDF grants amounting to ECU 12 128 million in respect of 25 536 projects. Following appraisal of those applications by the relevant Commission departments, 14 966 projects were adopted and commitments totalling ECU 7 753.9 million were made, broken down as follows:

- ECU 975.7 million for 2 440 industrial projects;
- ECU 6 777.6 million for 12 524 infrastructure projects;
- ECU 0.6 million for two projects for developing indigenous potential.

Since 1985, Italy has accounted for 34% of all ERDF commitments made in respect of projects in the 12 Member States.

Programmes

- Community programmes
 - STAR (telecommunications), which covers the Mezzogiorno. ERDF assistance totalling ECU 250 million is envisaged for the period 1987-91 (ECU 18.48 million committed).

- VALOREN (energy), which also covers the Mezzogiorno. ERDF assistance totalling ECU 125 million (ECU 10.79 million committed) has been allocated for the same period.
- National programmes of Community interest (NPCIs)

A total of ten NPCIs are in progress in Italy, with most forming part of the IMPs. At the end of 1988, the ERDF assistance allocated for these programmes amounted to ECU 651.08 million, some ECU 107 million of which had been committed.

In addition to this assistance, the Commission has allocated a total of ECU 280 million for 21 special non-quota programmes, for which ECU 142 million have already been committed.

5.2.9 Luxembourg

Since 1975, the ERDF has committed ECU 16.6 million for the Grand Duchy of Luxembourg, broken down as follows:

- ECU 14.6 million for 29 infrastructure projects;
- ECU 2 million for the NPCI concerning the three-frontier European Development Pole.

The abovementioned NPCI forms part of a consistent set of three programmes adopted by the Commission in 1986 at the request of the French, Belgian and Luxembourg governments. It involves the creation of a 400 ha industrial centre based on the contiguous steel areas of Longwy (F), Aubange (B) and Rodange (L), which suffered very serious job losses as a result of the crisis and restructuring in the steel industry. The European Development Pole programme was the first transfrontier cooperation pilot scheme to be undertaken in an EEC context.

In addition, the south-east region of the Grand Duchy benefited up to March 1989 from a special non-quota programme approved by the Commission in 1986 (ERDF assistance of ECU 9 million). This programme is proceeding well (in financial terms: commitments, 100%; payments, 98%) and will be completed on time.

5.2.10 Netherlands

Between its creation and the end of 1988, the Fund committed a total of ECU 247.65 million for projects, programmes and studies in the Netherlands. This amount represents almost 1% of all ERDF commitments over that same period.

To this must be added the two special non-quota programmes to which the Commission has allocated ECU 15 million and for which commitments amounting to ECU 3.5 million have been made.

Projects

Between 1975 and the end of 1988, the Dutch Government submitted to the Commission applications for ERDF grants amounting to ECU 233.9 million for 163 projects. Following appraisal of those applications by the relevant Commission departments, 136 projects were approved and commitments totalling ECU 233.3 million (i.e. 99.7% of the assistance requested) were made, broken down as follows:

- ECU 32.42 million for 35 industrial projects;
- ECU 200.85 million for 100 infrastructure projects;
- ECU 0.01 million for one Article 15 project.

Programmes

- National programmes of Community interest (NPCIs)

A total of four NPCIs are in progress in the Netherlands (total allocation: ECU 53.45 million; commitments already contracted: ECU 14.18 million).

These programmes are those relating to Groningen (allocation: ECU 23.32 million; commitments: ECU 10.32 million), Friesland (allocation: ECU 18.68 million; commitments: ECU 2.27 million), Limburg (allocation: ECU 7.15 million; commitments: ECU 0.65 million) and Helmond-Twente (allocation: ECU 4.3 million; commitments: ECU 0.94 million).

- Special non-quota programmes

The Netherlands is benefitting from two special non-quota programmes involving ERDF assistance of ECU 15 million. Commitments amounting to ECU 3.5 million have been made in respect of those programmes, the details of which are as follows:

- textile areas programme approved in 1984, with ERDF assistance of ECU 7 million (commitments: ECU 2.7 million);
- steel areas programme approved in 1985, with ERDF assistance of ECU 8 million (commitments: ECU 0.8 million).

These two programmes are due to expire on 31 March 1989, although there have been major delays in implementing the steel programme.

5.2.11 Portugal

Since 1986, commitments made in respect of programmes, projects and studies in Portugal total some ECU 1 200 million.

Projects

Between its accession to the Community on 1 January 1986 and the end of August 1988, Portugal - the whole of whose territory is eligible for ERDF assistance - submitted grant applications for 3 707 projects, almost all of which related to infrastructures (four projects involved the development of indigenous potential).

Following appraisal of those applications, 2 477 projects were approved (i.e. 67% of the applications submitted). The Commission has approved commitments totalling ECU 1 082 million in respect of those projects.

Programmes

- Community programmes
 - STAR (ERDF contribution of ECU 120 million for the period up to 31 October 1991; ECU 42.46 million have already been committed).
 - VALOREN (ERDF contribution of ECU 65 million for the same period as STAR; ECU 9.0 million have already been committed).
- National programmes of Community interest (NPCIs)

The government in Lisbon has deliberately chosen to concentrate its applications in the infrastructure sector; it intends to request Community assistance for industry under the aid scheme NPCI. This programme, which was submitted in 1986, was adopted in January 1988. ERDF financial assistance amounting to ECU 252 million has been allocated for the period 1988-91, ECU 57.3 million of which were committed in 1988.

A second Portuguese NPCI was adopted in 1988 within the framework of the Norte Alentejo IDO. It is to be implemented between 1988 and 1992, with the ERDF providing ECU 44 million (ECU 8.5 million of which were committed in 1988).

5.2.12 United Kingdom

Between 1975 and 1988, Fund commitments for projects, programmes and studies in the United Kingdom totalled ECU 5 103.25 million, or 21% of all Community commitments.

Projects

By the end of 1988, the United Kingdom Government had submitted to the Commission applications for ERDF grants amounting to ECU 5 943 million in respect of 11 272 projects. Following appraisal of those applications by the relevant Commission departments, 9 218 projects were approved and commitments totalling ECU 4 627 million were made, broken down as follows:

- ECU 1 000 million for 1 687 industrial projects;
- ECU 3 621 million for 7 511 infrastructure projects;
- ECU 6 million for 20 projects for developing indigenous potential.

Application of the system of margins for the share-out of ERDF appropriations among Member States, introduced by the ERDF Regulation which came into force on 1 January 1985, has had a direct impact on the United Kingdom's approach to submitting grant applications. Prior to 1985, the applications submitted by the United Kingdom used just to match that country's percentage share of Fund appropriations, whereas, from that date, any application judged in principle to be eligible was submitted to the Commission. This has led to grant applications which exceed by far the available resources for the United Kingdom and has caused the

Commission to have more frequent discussions with the local authorities or with those responsible for individual projects.

Programmes

- Community programmes
 - STAR (telecommunications): ERDF assistance amounts to ECU 21.5 million for the period 1987-91 (ECU 1.91 million having already been committed) .
 - VALOREN (energy): assistance amounts to ECU 8.04 million for the period 1987-91 (ECU 1.93 million having already been committed) .
 - RESIDER (steel areas): ERDF assistance amounts to ECU 5.42 million for the period 1988-90 (ECU 1.29 million having already been committed) .
- National programmes of Community interest (NPCIs)

A total of 15 NPCIs are in progress in the United Kingdom. They have been allocated a total of ECU 1 387.81 million; ECU 460 million have already been committed in respect of them.

In addition, there are the special non-quota programmes to which the Commission has allocated ECU 259 million and for which commitments amounting to ECU 149 million (57.5%) have already been made.

These programmes are as follows:

- shipbuilding (allocation: ECU 34 million; commitments: ECU 27 million);
- fisheries (allocation: ECU 15 million; commitments: ECU 2 million);
- steel (allocation: ECU 81 million; commitments: ECU 59 million);
- textiles (allocation: ECU 105 million; commitments: ECU 52 million);
- border areas I (allocation: ECU 8 million; commitments: ECU 8 million);
- border areas II (allocation: ECU 16 million; commitments: ECU 1 million).

Chapter 6. Information on ERDF operations

In the publicity field, 1988 saw the reinforcement of the practical measures taken in the context of ERDF operations, and the preparation of new legislation, which came into force with the adoption of the proposals for the reform of the Structural Funds.

6.1 *Practical measures*

Here, emphasis has been placed on an increasingly systematic application of the publicity guidelines adopted by the ERDF Committee in 1986. Mandatory publicity clauses were accordingly incorporated into all the programmes adopted during the year, whether Community programmes, national programmes of Community interest or integrated development operations. This approach has also been applied increasingly to projects, provided that they exceed the ECU 1 million threshold (in accordance with the abovementioned guidelines) and that they are particularly suited to such an approach because of their interest to the public at large. This applies particularly to infrastructures used by large numbers of people, such as conference centres, institutes of higher education, vocational training institutions, etc.

To judge by the feedback provided by press reports, locally published material, etc., these measures have had a considerable impact. The announcement of programmes has regularly hit the headlines in the regional press.

Information on ERDF activities covers a wide range of measures, including the publication of press articles, the organization of conferences and hosting groups of visitors. Essentially, however, there are two priority components of information activity: the presence, at the site of a project, of publicity signboards and the most effective media coverage possible of ERDF operations.

The design of signboards has been increasingly harmonized thanks to the use of the Community emblem adopted in 1986. Such a uniform design undoubtedly helps to give the ERDF a distinctive image in the regions concerned. In addition to signboards erected when projects are implemented, there are a number of commemorative plaques.

Information to the media about ERDF operations is disseminated principally through the Commission's Spokesman's Service and the external offices of the Directorate-General for Information. The former concentrates mainly on the correspondents of the main national media accredited in Brussels, while the offices and sub-offices in the Member States cover the regional press.

On the institutional side, the relevant bodies of the European Parliament and the Economic and Social Committee are informed at the same time as the press of ERDF grant decisions and programmes. Parliament and the Economic and Social Committee also put many questions to the Commission concerning ERDF operations in the various regions.

With regard to back-up measures, contacts with trade organisations (and in particular chambers of commerce) have been intensified. Many conferences have been held to explain the purposes of ERDF operations to representative bodies.

Despite these positive aspects, the Member States' cooperation in the publicity field has always been based on a gentlemen's agreement and the Commission had no budgetary resources it could use for this purpose. Very close attention had therefore to be paid to these two aspects in the devising of the reform of the Structural Funds.

6.2 *Information and the reform of the Structural Funds*

The new rules in this field are as follows:

Article 32 of the coordinating Regulation (Regulation (EEC) No 4253/88) stipulates that the body responsible for implementing an operation carried out with financial assistance from the Community must ensure that adequate publicity is given to the operation with a view to:

- making potential beneficiaries and trade organizations aware of the opportunities afforded by the operation,

- making the general public aware of the role played by the Community in relation to the operation.

Article 12 of the new ERDF Regulation (Regulation (EEC) No 4254/88) stipulates that the provisions on information and publicity referred to in Article 32 of Regulation (EEC) No 4253/88 concerning ERDF assistance are to be adopted by the Commission and published in the Official Journal of the European Communities.

Finally, Article 7 of that same Regulation permits the ERDF, subject to certain limits, to finance information measures.

Information policy will assume greater importance in future. In the regional policy field, dissemination of information will become particularly significant in the context of completing the internal market and, more particularly, achieving economic and social cohesion. Information must encourage the emergence of local job-creating initiatives. The task here is to reach traders and investors. The large single market is going to strengthen the tendency of all production factors towards mobility and fluidity. The growth in potential markets will generate a greater need for knowledge in all areas and, at the same time, make economic agents' current stock of information obsolescent more rapidly.

The objective which should be set in this connection for the weaker regions is to organise the provision of advanced services based on help with setting up interregional and international networks and channels for cooperation and exchange. Given the importance of this new growth factor and its impact on regional development, the Community has a key role to play, in conjunction with national authorities and trade associations of all kinds, in fostering and assisting the creation of such networks. This is a new activity which to a certain extent represents a third tool alongside infrastructure financing and assistance for productive investment.

Given the new provisions in the coordinating Regulation and the ERDF Regulation, the Commission will henceforth be able to take the initiative in the publicity field and will also have the financial resources required for such action. These new opportunities must be seized, firstly to ensure the success of regional policy in its own right and, secondly, to make it serve the cause of a citizens' Europe.

Chapter 7. Other forms of Community assistance in the regions

While the ERDF is clearly the main financial instrument of regional policy, it is not the only such instrument. Other Community Funds or financial instruments contribute to the achievement of the same objective, while non-financial schemes encourage cooperation between firms and promote innovation.

7.1 *The Structural Funds*

There are two other Funds which also support regional development; the European Social Fund and the EAGGF. The current reform of the Structural Funds will lead to their assistance operations being streamlined and coordinated.

- The European Social Fund

A large proportion of European Social Fund aid goes to projects located in areas eligible for ERDF assistance. During 1988, 46% of ESF grants were committed in this way for operations in the less-favoured regions¹³

- The EAGGF Guidance Section

In 1988, ECU 1 131 million were committed under the Guidance Section of the EAGGF to promote the improvement of agricultural sectors and structures. The portion of that amount going to regional measures can be put at ECU 556 million. This means that the Guidance Section allocated no less than 49% of its total commitments to less-favoured regions in 1988¹⁴

7.2 *The financial instruments*

- Loans from the European Investment Bank (EIB)

The bulk of EIB lending is for investment projects in areas lagging behind in their development or faced with serious industrial decline. In 1988, loans to projects contributing to regional development represented 57% of all financing granted in the Community and 59% of funding from the Bank's own resources.

- Operations under the NCI (New Community Instrument)

NCI loans signed in 1988 totalled ECU 500 million, compared with ECU 447 million in 1987.

On 2 December 1988 the Commission communicated a draft proposal to the Council involving a new allocation of borrowing under the NCI. As in the past, the aim is to borrow funds on the capital market on behalf of the Community and to relend them to promote investment and job creation. For the first three years of this new NCI, the Commission proposes giving priority, as in the past, to investments by small and medium-sized firms.

7.3 *ECSC conversion loans*

In accordance with Article 56 of the ECSC Treaty, the Commission pursues a policy of promoting job creation and economic revival in the areas affected by the contraction of activity and employment in the coal and steel industries.

¹³ See the relevant annual reports for 1988.

¹⁴ see the relevant annual reports for 1988

This policy takes the form of stimulating investments which create alternative jobs. With that aim in view, the Commission grants ECSC loans which carry interest subsidies financed from the ECSC's operational budget.

This action covers all the areas affected by restructuring in the steel industry, and the mining areas affected by major redundancies. Conversion loans are granted on the basis of job losses or the extent to which such areas are dependent on ECSC industry. Experience has shown that the creation and extension of small and medium-sized firms which are open to various levels of technological innovation are a principal source of permanent new employment and must therefore be encouraged by all available means. The wider use of global loans - covering, in 1988, up to 95% of the volume of interest subsidies approved - constitutes a pragmatic and well-suited answer.

Table 23. Global loans: approval of sub-loans in 1988, by Member State

Country	Number	Total amount of sub-loans approved	Equivalent (ECU)	Interest subsidies (ECU)	jobs to be created
Belgique	74	625.153.908 FB.	14.374.191	1.982.756	1.098
Danemark	6	5.547.998 DKR	702.828	104.738	53
Deutschland	905	358.072.050 DM.	172.487.042	20.683.010	12.415
Ellas	1	267.360.000 DRA	1.589.167	240.000	80
España	26	2.019.449.581 PTA	14.717.866	1.977.975	1.180
France	236	256.971.525 FF.	36.396.904	4.980.622	2.681
Italia	36	81.057.630.236 LIT	52.691.834	3.812.093	2.110
Luxembourg	7	209.522.000 FLX	4.820.301	385.880	308
Nederland	9	4.022.600 HFL	1.716.183	254.440	108
United Kingdom	341	93.208.004 ST£	141.436.147	15.910.787	9.560
Saar-Lor-lux	5	4.245.000 FF.	602.121	90.650	46
Total	1.646		441.534.584	50.422.951	29.639

Table 24. Approval of direct loans in 1988

Country	Number	Total amounts of direct loans approved	ECU equivalent	Interest subsidies (ECU)	jobs to be created
Deutschland	1	54.000.000 DM	26.060.000	1.000.000	1.002
United Kingdom	2	53.000.000 ST£	79.908.000	622.000	574
Total	3		105.968.000	1.622.000	1.576

7.4 European Business and Innovation Centres

The establishment of European business and innovation centres (EBICs) and their network provides the Community with a major regional policy tool that helps to ensure optimum use of local resources - whether human, natural or financial - in the creation and expansion of small and medium-sized firms. The services provided by such centres encourage the setting up of rapidly expanding, export-oriented small firms and help existing small businesses to grow to appropriate size.

Under budget Article 543, the Commission helped in 1988 to finance preliminary work for 12 EBICs in regional policy areas, namely Alcala de Henares, Alcoy, Panylonce, Seville (Spain), Clermont-Ferrand (France), Cagliari, Chieti-Pescara, Salerno, Ascoli-Piceno (Italy), Enschede, Heerlen (Netherlands) and Patras (Greece).

Altogether, 35 such centres have been set up since the Community programme relating to EBICs was first launched in 1984.

In order to increase the effectiveness of the centres, the Commission also stepped up its assistance to help improve the methods and procedures of EBICs, and placed the emphasis on strengthening their European network. In conjunction with the European Business and Innovation Centre Network (EBN) and with the centres themselves, the commission worked for closer cooperation between them, particularly with a view to improving the marketing capabilities of the firms they serve.

7.5 Pilot schemes

7.5.1 Europartnership 1988

This operation involves cooperation between small and medium-sized firms in Ireland and firms elsewhere in the Community.

Europartnership 1988 was adopted and allocated financial assistance by the Commission (DG XVI, ECU 250 000 charged to budget Article 543; Task Force for Small and Medium-Sized Enterprises, ECU 250 000).

The operation included a number of phases:

- the identification and selection of firms in Ireland and the subsequent drawing up of a list;
- the distribution of the list to Community firms through the Euro Info Centres of the BC-Net, business and innovation centres, development agencies, chambers of trade and industry, specialist consultants, etc.;
- the organization of a meeting on European cooperation, held in Dublin on 23 and 24 June 1989.

Some 250 people representing 186 firms took part in this meeting. A total of 600 business contacts were made. The information currently available already indicates that some 20 cooperation agreements will be concluded.

Given the encouraging results of the Irish experiment, it has been decided to undertake a second operation in Andalusia in 1989.

7.5.2 Preparation of an inventory of indigenous potential

The Commission has launched a study with a view to preparing an inventory of the resources which constitute the strategic element of the local development potential of the regions.

These resources comprise infrastructures (universities, research laboratories, training centres), institutional partners (local development agencies, chambers of trade, etc.), and institutions with financing capacity (banking network, local authority budgets).

As far as possible, these resources will be listed according to simple criteria which, though they may subsequently be refined, should make it possible to identify partners and to measure the development potential of an area and its deficiencies.

Overall socio-economic data will be attached as a guide to the area in question and essential information on transport infrastructures. Certain information, provided by the Commission, will show what has already been done to help the area (notably through the Structural Funds).

This data will be compiled primarily in the areas (level III or II) concerned by Objective 1 or 2.

Chapter 8. Reform of the Structural Funds

The year 1988 saw the completion of the work carried out to ensure that the reform of the structural Funds could come into force by the deadline set, 1 January 1989. This reform, which constitutes one of the back-up measures for the large single market of 1993, had already been the subject in 1987 (see 13th ERDF report) of a Commission communication¹⁵ to the Council setting out its main principles. This chapter begins by outlining the main elements of the reform and then goes on to describe the various Regulations involved.

8.1 *The main elements of the reform*

8.1.1 The priority objectives

The following five priority objectives have been selected for the activities of the Structural Funds, the EIB and the other financial instruments:

- promoting the development and structural adjustment of the regions whose development is lagging behind (Objective 1);
- converting the regions, frontier regions or parts of regions (including employment areas and urban communities) seriously affected by industrial decline (Objective 2);
- combating long-term unemployment (Objective 3);
- facilitating the occupational integration of young people (Objective 4);
- with a view to the reform of the Common Agricultural Policy, speeding up the adjustment of agricultural structures and promoting the development of rural areas (Objective 5).

The attainment of each of these objectives is not entrusted specifically to one or other of the three Funds; instead, responsibilities partially overlap as follows:

- Objective 1: ERDF, ESF, EAGGF Guidance Section;
- Objective 2: ERDF, ESF;
- Objective 3: ESF;
- Objective 4: ESF;
- Objective 5: EAGGF Guidance Section, ESF, ERDF.

It is clear, however, that ERDF appropriations will be used mainly for Objective 1 (regions whose development is lagging behind).

The rates of Community assistance granted by the Funds in respect of the various objectives will be subject to the following ceilings:

- a maximum of 75% of the total cost and, as a general rule, at least 50% of public expenditure in the case of measures carried out in the regions eligible for assistance under Objective 1;
- a maximum of 50% of the total cost and, as a general rule, at least 25% of public expenditure in the case of measures carried out in the other regions.

¹⁵ "Making a success of the Single Act"

8.1.2 Doubling of appropriations for the Structural Funds

Article 12(2) of the framework Regulation provides that the commitment appropriations for the Structural Funds are to be doubled in real terms in 1993 by comparison with 1987. In addition to the resources earmarked for 1988 (ECU 7 700 million), the amounts of annual increase in commitment appropriations for this purpose will be ECU 1 300 million each year from 1989 to 1992, resulting in 1992 in a figure of ECU 12 900 million (1988 prices). The effort will be continued in 1993 to achieve doubling.

Even so, the size of the Community budget in 1992 will be equivalent to only 1.2% of Community GNP, with structural spending accounting for one quarter, i.e. 0.3% of GNP.

8.1.3 Regions lagging behind in their development

A considerable proportion of budgetary resources is to be concentrated on the less-developed regions covered by Objective 1. As already indicated above, the contributions of the Structural Funds to these regions will be doubled in real terms by 1992. The Commission will ensure that, drawing on the additional resources for the regions covered by Objective 1, a special effort is made to help the least prosperous regions. The ERDF will be able to devote up to 80% of its appropriations to Objective 1.

The list of regions lagging behind and covered by Objective 1, as established by the Council on the basis of criteria laid down by the Heads of Government, is as follows:

- SPAIN: Andalusia, Asturias, Castile-Leon, Castile-La Mancha, Ceuta and Melilla, Valencia, Extremadura, Galicia, Canary Islands, Murcia
- FRANCE: French overseas departments, Corsica
- GREECE: the entire country
- IRELAND: the entire country
- ITALY: Abruzzi, Basilicata, Calabria, Campania, Molise, Apulia, Sardinia, Sicily
- PORTUGAL: the entire country
- UNITED KINGDOM: Northern Ireland.

8.1.4 Industrial regions in decline

The very definition of these regions precludes the drawing-up of a definitive list: industrial decline is something which has already hit some industries (steel, coal, shipbuilding, and in part, textiles) yet could spread to others. The Regulations do not therefore contain a list of such regions but instead lay down socio-economic criteria for the selection of the frontier regions, employment areas and urban communities covered by Objective 2. These criteria may be altered after three years by the Council, acting by a qualified majority on a proposal from the Commission.

The Commission has drawn up an initial list of the regions and other geographical or administrative entities referred to, after consulting the Advisory Committee on the Development and Conversion of Regions.

8.2 The Regulations

The framework Regulation¹⁶ for the reform was adopted by the Council on 24 June 1988. Then, thanks to the sustained efforts of the Greek Presidency and the Member States over the following six months, the four implementing Regulations were adopted in December 1988.

The four implementing Regulations are as follows:

- a coordinating Regulation¹⁷ laying down provisions common to the three Funds and coordinating the activities of the Funds between themselves and with the operations of the EIB (European Investment Bank);
- the three specific Regulations governing the three Funds (ERDF¹⁸ ESF, EAGGF).

¹⁶ Council Regulation 2052-88

¹⁷ Council Regulation 4253-88

¹⁸ Council Regulation 4254-88

The general aims of these Regulations are: to improve coordination of the various Community structural instruments; to lay down more precise guidelines governing their activities; to introduce greater flexibility in order to adapt the operations of the Funds better to local needs; and to simplify and harmonise procedures and methods of assistance.

8.2.1 The coordinating Regulation

This consists essentially of common coordinating and administrative provisions.

- **Partnership:** The aim is to provide for decentralized administration of the operations of the Funds with a view to establishing a true partnership between local, regional, national and Community authorities. The Commission's intention is to enable the Funds to operate with maximum regard for local circumstances and in as non-bureaucratic a manner as possible.
- **Planning:** This will consist of three stages:
 - the plans submitted by Member States, which set out their priorities and intentions as regards the use of the Funds;
 - the Community Support Framework, which reflects the priorities adopted at Community level and those arising from Community initiatives; this is the key element of the reform, the focal point for dialogue and coordination;
 - the operational arrangements for implementing the Community Support Framework, principally in the form of programmes involving one or more of the Funds.
- **Monitoring and assessment.** Simplification and decentralisation inevitably entail intensified monitoring and assessment. Provision has therefore been made for permanent monitoring of the results obtained and, where necessary, for the adjustment of operations in line with requirements arising during implementation.
- **Simplified financial procedures.** In the past, discrepancies between the rules governing the different Funds made it difficult for them to act jointly. Harmonized rules will now permit better organisation of the Commission's work.

The Commission has also arranged for its financial operations with the Structural Funds to be denominated in ECUs.

- **Harmonisation of rates of assistance and combined use of grants and loans.** The rates at which the Funds are to contribute to the financing of measures pursuant to Objectives 1, 2, 3, 4 and 5(b) are laid down by the Commission within the framework of the partnership arrangements. The combination of grants and loans constitutes an important principle for the administration of the Funds; it presupposes active cooperation with the EIB and the other lending instruments, particularly at the Community Support Framework stage.

8.2.2 The ERDF Regulation

The Single Act provides that the ERDF is to help redress the principal regional imbalances in the Community by participating in the development and structural adjustment of regions whose development is lagging behind and in the conversion of industrial regions in decline. The ERDF thus contributes to the attainment of Objectives 1, 2 and 5(b). It will help to strengthen the economic potential of the regions, to provide support for structural adjustment and growth and to create permanent jobs. In order to achieve these objectives, it will participate in the financing of productive investment, investment in infrastructure and measures to develop the indigenous potential of the regions.

In addition, the ERDF is continuing to help promote regional development at Community level by encouraging, in particular, transfrontier cooperation and the pooling of experience between Member States.

The Commission is to draw up periodic reports on the social and economic situation and development of the regions with a view to assessing the impact of regional policy and to establishing guidelines for future policies.

At operational level, the ERDF Regulation introduces a new and major element of flexibility by permitting the Regional Fund to utilise all forms of financial assistance, namely part-financing of operational programmes, aid schemes or major projects, the award of global grants; support for technical assistance and possible preparatory measures.

8.2.3 The other Regulations

The new Regulation governing the European Social Fund (ESF)

- This Fund operates horizontally in pursuit of Objective 3 (combating long-term unemployment) and Objective 4 (occupational integration of young people).
- It also provides support, according to the rules governing eligibility for assistance under Objectives 1, 2 and 5(b), for measures to promote stability of employment and to develop new job opportunities for persons who are unemployed or who are threatened with unemployment.

The new agricultural structures Regulation (EAGGF Guidance Section)

- The EAGGF Guidance Section is concerned with Objectives 1, 5(a) and 5(b).
- Objective 5(a) is horizontal in nature in that it is to be pursued throughout the Community. Closely linked to the reform of the Common Agricultural Policy, the process of agricultural structural readjustment requires increased financial assistance in the form of structural measures linked to the redirection of agricultural production.
- The Community must also play a new and central role in promoting the development of rural areas pursuant to Objectives 1 and 5(b), particularly through activities designed to promote the economic conversion, revitalization and stimulation of such areas. The aim here is therefore to develop initiatives which relate not to agricultural production but to supplementary or alternative activities.

8.3 Guidelines

On 15 February 1989 the Commission adopted a note which focuses on assistance in Objective 1 and 2 regions and is designed, within the framework of the reform of the structural Funds, to clarify for the Commission's partners the priorities it will apply at the different planning stages. The following guidelines are intended primarily to help the less-favoured regions meet the challenges of the 1993 internal market.

- **Priority to be given to job creation**
The main contribution of regional policy to the reduction of regional disparities in the Community will be to stimulate job-creating productive investment (in industry, crafts and services) and investment in infrastructures linked to the development of economic activities. Regional disparities in productivity, employment and income can be reduced only if output and the number of jobs created in the less-favoured Member States and regions grow at a rate significantly higher than the Community average.

In this context, a balance will be sought, when the Community support frameworks¹⁹ are drawn up, between infrastructure projects (which in the past attracted the bulk of ERDF assistance in the less-favoured regions) and the development of productive investment.
- **Combination of loans and grants**
The Commission intends to use the opportunities presented by the new structural Funds legislation to find, both for infrastructures and for productive investment, an appropriate combination of grants and loans with a view to enhancing the effectiveness of budgetary resources. In the case of infrastructures, this combination will be based on the level of the net revenue generated by the investment.
- **Development of local initiatives**
Development measures designed in a horizontal way at national or even regional level often leave untapped some areas of local job-creation potential. The Commission is planning to delegate to intermediary bodies, and in particular to regional development agencies, located in the regions and therefore in close touch with local firms, responsibility for administering global grants to be sub-allocated to assist local job-creating initiatives (setting-up of small and medium-sized firms, business services, promotion of economic activity, etc.).
- **Diversification of economic activity**
In order to prevent excessive dependence on a small number of structurally weak economic activity sectors, one of the priorities for Community regional policy will be to contribute to the diversification of the economic base of the less-favoured regions. Priority should be given to investment contributing to the use of advanced production techniques and to high technology sectors.
- **With regard to the Objective 1 regions in particular**, the Commission will, in examining the grant applications submitted by the Member States and in deciding, within the partnership framework, on the Community support frameworks, make a special assessment of the contribution the infrastructures for

¹⁹ The Community support framework is the instrument by which, on the basis of the regional development plans, Community structural assistance is coordinated in a given region.

which assistance is requested are likely to make to the growth of the economic potential of the regions concerned. Priority will be given, in the light of the situation and needs of the regions, to those infrastructure projects most likely to promote the development of such regions (for example, in the fields of transport, telecommunications, vocational training facilities, research and development, etc.).

- **In the case of Objective 2 areas**, particular emphasis will be placed on the development of productive investment with a view to creating new jobs to replace those lost in the declining industries. Infrastructure support will be directed towards the regeneration of derelict industrial sites and infrastructure whose modernization is necessary for the creation or development of economic activity.
- **Regional development at Community level.**
In addition to its support for regions and areas eligible for assistance under Objectives 1 and 2, the Community will also finance, under Article 10 of the new ERDF Regulation²⁰ and throughout the Community:
 - studies on physical planning in the Community,
 - pilot projects, particularly in frontier areas,
 - the pooling of experience and development cooperation between Community regions.

²⁰ Council Regulation (EEC) n°4254/88.

Appendix A. Statistical data 1988 and 1975-1988

Table 25. Number of projects assisted in 1988 (detail)

Member State	Industry, services and crafts			Infrastructure			Total Large (1) projects	Total Small (2) projects	Total Internally generated develop. potential
	Large (1) projects	Small (2) projects	Total	Large (1) projects	Small (2) projects	Total			
B	5	-	5	44	-	44	49	-	-
DK	64	-	64	18	-	18	83	-	1
D	22	6	28	-	-	-	22	6	-
GR	1	-	1	83	9	92	84	9	-
E	-	-	-	411	17	428	414	17	3
F	3	-	3	114	8	122	157	8	40
IRL	37	1	38	81	-	81	119	1	1
I	120	-	120	1.293	20	1.313	1.415	20	2
L	-	-	-	1	-	1	1	-	-
NL	-	-	-	7	2	9	7	2	-
P	-	-	-	879	8	887	881	9	3
UK	225	3	228	350	9	359	594	12	19
EUR 12	477	10	487	3.281	73	3.354	3.826	84	69

(1) Large projects: projects costing 15 million ECU or more.
(2) Small projects: projects costing less than 15 million ECU.

Table 26. Amounts committed for projects in 1988 (detail)

Member State	Industry, services and crafts			Infrastructure			Total Large projects	Total Small projects	Total Internally generated develop. potential
	Large projects	Small projects	Total	Large projects	Small projects	Total			
B	1.00	-	1.00	14.80	-	14.80	15.80	-	-
DK	3.49	-	3.49	4.32	-	4.32	7.81	-	0.37
D	7.50	28.42	35.92	-	0.47	0.47	7.50	28.89	-
GR	0.35	-	0.35	44.83	157.28	202.11	45.18	157.28	-
E	-	-	-	436.92	245.29	682.21	436.92	245.29	2.29
F	0.21	-	0.21	174.83	52.37	227.20	175.04	52.37	4.27
IRL	20.57	1.91	22.48	45.88	-	45.88	66.45	1.91	2.17
I	43.45	-	43.45	406.61	407.79	814.40	450.06	407.79	0.58
L	-	-	-	0.74	-	0.74	0.74	-	-
NL	-	-	-	10.69	11.59	22.28	10.69	11.59	-
P	-	-	-	247.78	92.20	339.98	247.78	92.20	1.48
UK	46.28	25.89	72.17	174.10	138.25	312.35	220.38	164.14	3.41
EUR 12	122.85	56.22	179.08	1561.50	1105.24	2666.74	1684.35	1161.46	14.57

Table 27. Breakdown of amounts committed by type of infrastructure in 1988

(Mio ECU)

Type of infrastructure	Large projects		Small projects		Total	
	Projects	Assistance	Projects	Assistance	Projects	Assistance
1. LINKED TO PRODUCTIVE ACTIVITIES	203	117.32	1	26.94	204	144.26
2. TRANSPORT	8	7.33	-	-	8	7.33
11 Sites for productive activities	118	77.64	1	26.94	119	104.58
12 Factory construction	38	8.42	-	-	38	8.42
13 Centres for applied research - studies - support	28	19.07	-	-	28	19.07
14 Commercial centres	11	4.86	-	-	11	4.86
2. TRANSPORT	1488	846.66	46	704.33	1494	1550.99
10 Miscellaneous	4	0.95	-	-	4	0.95
21 Roads, related works	1309	745.78	33	510.81	1342	1256.59
22 Railways	50	48.70	7	155.40	57	204.10
23 Sea port installations	62	28.20	2	18.21	64	46.41
24 Waterways	4	0.68	2	8.41	6	9.10
25 Airports	15	14.62	1	8.20	16	22.82
26 Urban transport systems	1	0.32	-	-	1	0.32
27 Other transport systems (funiculars, etc.)	3	7.41	1	3.30	4	10.71
3. TELECOMMUNICATIONS	24	34.79	-	-	24	34.79
30 Miscellaneous	15	4.98	-	-	15	4.98
31 Telephone, telex	6	26.16	-	-	6	26.16
32 Radio, television	2	0.93	-	-	2	0.93
33 Information networks	1	2.72	-	-	1	2.72
4. ENERGY	123	42.08	9	172.22	132	214.31
40 Miscellaneous	7	3.49	-	-	7	3.49
41 Electricity supply	22	8.27	5	118.76	27	127.03
42 Electricity distribution	61	10.71	2	17.08	63	27.80
44 Gas distribution networks	33	19.60	2	36.38	35	55.99
5. WATER ENGINEERING	1259	360.99	1	182.82	1273	543.81
50 Miscellaneous	89	22.10	1	24.31	90	24.31
51 Dams	8	15.35	3	27.69	11	27.69
52 Water collection/distribution	542	81.06	7	240.47	549	240.47
53 Irrigation systems	8	-	-	2.68	8	2.68
54 Sewers, sewage treatment plants	612	87.20	3	248.66	615	248.66
6. ENVIRONMENT	80	40.96	-	-	8000	40.96
50 Miscellaneous	6	4.98	-	-	6.00	4.98
61 Coastal protection	25	10.23	-	-	2500	10.23
62 Clearance works, hydrogeological protection	14	6.19	-	-	1400	6.19
63 Protection and clearance of sites	17	8.14	-	-	1700	8.14
64 Incinerators/recycling plants for garbage	11	8.75	-	-	1100	8.75
65 Anti-pollution systems	7	2.67	-	-	7.00	2.67
7. EDUCATION, SOCIOCULTURAL, SPORT/LEISURE	143	124.80	3	19.74	146	144.55
70 Miscellaneous	11	7.51	-	-	11	7.51
71 Education	62	69.82	2	12.60	64	82.42
72/73 Social, medical/paramedical infrastructure	7	10.60	-	-	7	10.60
74 Cultural infrastructure	25	18.63	-	-	25	18.63
75 Sport and leisure centres	38	18.25	1	7.15	39	25.39
Total	3281	1567.64	73	1106.06	3354	2673.70
Total investment	3442.89		2837.65		6280.54	
National aid	3410.62		2802.54		6213.16	

These amounts have been calculated using the exchange rates which were in force when the commitment decisions were taken and which differ slightly from the rates applying at the time of the commitment in accounting terms.

Table 28. Breakdown of commitments for projects by industry, craft industry and service sector in 1988

(Mio ECU)

Sector NACE Code	Large projects			Small projects			Total		
	Projects	Assist.	Jobs	Projects	Assist.	Jobs	Projects	Assist.	Jobs
1. ENERGY	4	0.73	68	-	-	-	4	0.73	68
40 Miscellaneous	2	0.33	-	-	-	-	2	0.33	-
11 Extraction briquettsolid.fuels	2	0.39	68	-	-	-	2	0.33	68
2. EXTRACT.PROCESS. MINERALS,CHEMIC.	68	21.13	21043	-	-	-	68043	21.13	21043
21 Extract. preparation minerais métalliques	4	0.93	15	-	-	-	45	0.93	15
22 Product./prelim.processing metals	6	1.04	471	-	-	-	671	1.04	471
23 Extract. non metallifer. minerals	1	0.02	8	-	-	-	1	0.02	8
24 Manuf.non-metallic.miner. prod.	31	8.97	19144	-	-	-	31144	8.97	19144
25 Chemical industry	25	10.02	1385	-	-	-	2585	10.02	1385
26 Man-made fibres industry	1	0.15	20	-	-	-	1	0.15	20
3. METAL MANUFACTURE,INSTR.ENGINEER.	169	41.35	8546	5	33.31	2124	174	74.66	10670
31 Manufacture of metal articles	59	9.64	1596	1	1.50	61	60	11.14	1657
32 Mechanical engineering	43	9.55	2084	-	-	-	43	9.55	2084
33 Manuf.office/data process.machin.	4	1.34	3670	-	-	-	4	1.34	367
34 Electrical engineering	40	16.17	3203	2	7.15	513	42	23.32	3716
35 Manuf.motor vehicul.,parts/acces.	8	2.38	6730	2	24.66	1550	10	27.03	2223
36 Manuf. other means of transport	6	0.63	2520	-	-	-	6	0.63	252
37 Instrument engineering	9	1.64	3710	-	-	-	9	1.64	371
4. OTHER MANUFACTURING INDUSTRIES	220	51.53	10171	5	22.78	958	225	74.31	11129
41/42 Food, drink, tobacco industry	37	8.56	9740	-	-	-	37	8.56	974
42 Sugar industry	10	2.18	169	1	3.84	71	11	6.02	240
43 Textile industry	24	9.24	2183	1	11.34	330	25	20.58	2513
44 Leather/leather goods industry	1	0.04	30	-	-	-	1	0.04	30
45 Footwear/clothing industry	20	4.22	1337	-	-	-	20	4.22	1337
46 Timber/wooden furniture industry	44	5.71	1404	-	-	-	44	5.71	1404
47 Manuf.paper/prod.,print.,publish.	33	7.70	1791	-	-	-	33	7.70	1791
48 Processing of rubber and plastics	43	11.29	1853	3	7.60	557	46	18.90	2410
49 Other manufacturing industries	8	2.59	430	-	-	-	8	2.59	430
5. BUILDING AND CIVIL ENGINEERING	2	0.24	104	-	-	-	2	0.24	104
6. TO 9. SERVICES	83	14.26	589	-	-	-	83	14.26	589
61 Wholesale distribution	3	0.34	194	-	-	-	3	0.34	194
62 Scrap and waste materials	1	0.79	20	-	-	-	1	0.79	20
64/65 Retail distribution	2	0.42	67	-	-	-	2	0.42	67
66 Catering, housing	5	0.68	79	-	-	-	5	0.68	79
83 Activities auxiliary to banking/insurance	72	12.04	229	-	-	-	72	12.04	229
Total	546	129.23	40521	10	56.09	3082	556	185.32	43603
Investment		887.85			648.38			1536.21	
National aid		273.33			173.14			446.47	

Table 29. Budgetary situation 1988

1. Use of commitment appropriations

(Mio ECU)

Commitment appropriations available for 1988						
Appropriations entered in 1988 budget	Appropriations outstanding from 1987	Appropriations made available by:		Total	Use in 1988 commitments made	Appropriations available in 31.12.88
		release of previous commitments	exch. rate fluctuations affecting amounts previously released			
3.524.00	3.29	148.79	- 2.49	3.673.59	3.667.07	6.52

2. Use of payment appropriations

(Mio ECU)

Payment appropriations available in 1988			Payments made in 1988			Payment appropriations not used at 31.12.1988	
Carry-over 1987	Appropriations for 1988	Total	Out of carry-over from 1987	Out of approp. for 1988	Total	Out of carry-over from 1987	Out of approp. for 1988
43.60	2862.00	2905.60	43.60	2859.58	2903.18	-	2.42

3. Commitments made.

(Mio ECU)

Commitments 1975-1987 unpaid at 1.1.1988	released and adjustments from 1988	Commitments made in 1988			Unpaid commitments 1975-1987 + commitment	Commitments paid in 1988	Commitments still to be paid at 31.12.1988
		Out of approp. outstanding from 1987	Out of approp. from 1988	Total			
6118.47	-146.30	3.29	3663.78	3667.07	9639.24	2903.18	6736.06

Table 30. Payments in 1988 made from 1975-1988 commitments

(Mio ECU)

Member state	Payments made in 1988 against commitments					Total payments 1988
	1975-84	1985	1986	1987	1988	
B	11.40	3.53	4.26	4.65	4.08	27.92
DK	0.68	0.59	3.16	3.60	2.03	10.06
D	8.723	2.404	7.94	28.89	27.30	75.25
GR	2.78	13.94	22.21	42.76	205.15	286.84
E	-	-	53.27	219.62	270.67	543.56
F	53.81	69.78	77.64	112.65	63.18	377.06
IRL	1.91	0.37	6.63	85.34	38.14	132.39
I	203.20	41.91	107.97	187.81	23.11	56433
L	0.04	-	-	-	-	0.04
NL	9.73	1.80	0.56	-	1.17	13.26
P	-	-	27.85	131.93	170.95	330.73
UK	32.64	35.18	82.93	230.51	160.48	541.74
Comm.	-	-	0.18	0.03	0.12	0.33
EUR 12	324.91	169.50	364.60	1047.79	966.38	2903.18

Table 31. Payments 1975-1988

(Mio ECU)

Year	B	DK	D	E	GR	F	IRL	I	L	NL	P	UK	COM.	EUR 12
1975		1.64				15.63	5.21	34.20	0.25	3.29		13.85		74.06
1976	7.08	4.42	17.35	-		29.99	12.08	75.85	0.47	6.67	-	59.14	-	213.05
1977	3.46	6.14	34.40	-		45.40	14.09	92.82	0.13	3.64	-	75.62	-	275.70
1978	5.97	1.38	42.18	-		40.65	20.46	78.53	0.21	6.48	-	59.03	-	254.89
1979	3.10	9.13	46.03	-		103.61	32.89	143.73	0.30	8.65	-	165.73	-	513.10
1980	6.59	9.44	50.45	-		99.66	69.55	249.08	0.99	7.70	-	233.24	-	726.70
1981	9.17	10.69	36.19	-	122.00	62.16	79.32	210.16	0.96	5.66	-	255.10	-	791.41
1982	10.56	14.57	61.65	-	152.35	126.18	91.18	276.97	0.06	3.24	-	213.56	-	950.67
1983	7.03	16.70	45.05	-	214.59	214.56	91.57	344.50	0.02	18.12	-	294.46	-	1246.50
1984	5.63	28.10	43.92	-	212.63	190.23	101.52	435.11	2.49	14.74	-	291.61	-	1325.98
1985	12.00	7.69	59.19	-	309.04	233.23	114.66	381.13	0.65	15.31	-	457.75	-	1590.65
1986	21.61	18.94	88.23	314.30	302.87	200.36	77.04	701.45	0.13	11.82	188.78	468.26	0.37	2394.16
1987	23.00	15.58	60.94	345.34	287.40	263.72	133.92	550.32	2.29	19.45	222.76	519.29	0.58	2444.59
1988	27.92	10.06	75.25	543.56	286.84	377.06	132.39	564.00	0.04	13.26	330.73	541.74	0.33	2903.18

Table 32. Breakdown by country of commitments for infrastructure projects in 1988

(Mio ECU)

Member State	Linked to productive activities	Transport	Telecommunications	Energy	Water engineering	Environment	Education, socio-cultural	Total
B	0.32	5.70	-	-	6.53	-	2.24	14.80
DK	0.35	1.90	-	-	-	0.09	2.00	4.32
D	0.11	0.01	-	0.10	0.25	-	-	0.47
GR	-	65.47	-	116.24	10.30	-	10.09	202.11
E	26.61	548.65	-	7.03	84.61	13.00	2.31	682.21
F	11.64	170.31	-	-	22.35	9.29	13.61	227.20
IRL	6.00	1.71	4.98	8.55	17.13	-	7.51	45.88
I	49.86	349.64	26.22	57.77	302.70	5.85	22.36	814.40
L	-	-	-	0.74	-	-	-	0.74
NL	-	22.28	-	-	-	-	-	22.28
P	22.81	168.17	0.93	8.33	77.83	4.62	58.29	339.98
UK	26.45	212.33	2.77	13.45	23.29	8.16	25.90	312.35
EUR 12	143.14	1546.17	34.90	212.21	545.00	41.01	144.31	2666.74

Table 33. Breakdown by country of commitments for infrastructure projects 1975-1988

(Mio ECU)

Member State	Linked to productive activities	Transport	Telecommunications	Energy	Water engineering	Environment	Education, socio-cultural	Total
B	28.48	23.56	-	2.16	42.51	10.02	28.63	135.36
DK	11.45	66.61	15.27	30.77	7.96	0.88	12.66	145.60
D	143.31	51.77	-	21.80	61.22	7.45	53.39	338.94
GR	33.00	585.73	428.27	667.22	301.56	1.20	122.70	2139.68
E	27.89	1402.20	-	147.59	342.98	16.48	2.31	1939.45
F	50.21	1280.38	274.92	387.70	86.89	19.10	71.86	2171.06
IRL	21.29	271.40	244.68	17.09	233.63	11.42	42.43	841.94
I	903.84	2166.71	71.77	901.12	2526.38	139.49	127.43	6836.74
L	4.02	6.77	-	1.24	1.41	-	1.60	15.04
NL	10.46	182.53	1.28	-	2.76	-	3.98	201.01
P	35.90	524.59	0.93	147.63	238.04	9.03	115.30	1070.42
UK	367.14	1802.11	233.70	2798.20	640.65	79.76	216.04	3619.22
EUR 12	1636.99	8364.36	1270.82	2604.13	4485.99	294.82	798.31	19455.46

Table 34. Breakdown by country of commitments for projects by industry, craft industry and service sector in 1988
(Mio ECU)

Member State	Energy	Mineral products and by-products, chemicals	Metal processing instrument engineering	Other manufacturing industries	Building and civil engineering	Services	Total
B	-	0.28	0.14	0.57	-	-	1.00
DK	0.21	0.11	1.12	1.52	-	0.45	3.50
D	-	0.29	22.30	12.14	-	1.19	35.92
GR	-	0.35	-	-	-	-	0.35
E	-	-	-	-	-	-	-
F	-	-	0.02	0.09	-	0.09	0.21
IRL	-	2.84	12.71	6.93	-	-	22.48
I	-	11.00	11.05	20.02	-	0.48	43.45
L	-	-	-	-	-	-	-
NL	-	-	-	-	-	-	-
P	-	-	-	-	-	0.11	0.11
UK	0.45	7.13	27.78	33.93	0.24	2.64	72.17
EUR 12	0.66	22.00	75.12	76.10	0.24	4.96	179.08

Table 35. Breakdown by country of commitments for projects by industry, craft industry and service sector 1975-1988
(Mio ECU)

Member State	Energy	Mineral products and by-products, chemicals	Metal processing instrument engineering	Other manufacturing industries	Building and civil engineering	Services	Total
B	0.94	16.30	19.76	8.81	0.06	2.28	44.22
DK	0.21	2.25	12.21	9.44	0.21	0.97	25.39
D	2.99	79.91	237.11	177.04	0.25	9.70	507.00
GR	-	15.26	8.12	14.51	-	4.86	42.74
E	-	3.86	2.61	4.67	-	0.02	11.16
F	2.41	39.99	232.31	106.62	0.52	6.00	396.70
IRL	0.13	43.96	211.72	51.40	-	0.27	313.35
I	8.18	243.20	391.84	329.20	0.81	8.96	983.08
L	-	-	-	-	-	-	-
NL	-	8.63	5.48	12.21	3.70	2.79	32.83
P	-	-	-	-	-	0.11	0.11
UK	89.71	567.50	487.03	268.77	1.55	14.74	978.01
EUR 12	104.57	102.86	1608.19	982.67	7.10	50.70	3774.10

Table 36. Volume of investment involved in projects assisted in 1988

(Mio ECU)

Member State	Industry, services and crafts		Infrastructure		Internally generated develop. potential		Total	
	Number	Invest.	Number	Invest.	Number	Invest.	Number	Invest.
B	5	11.90	44	44.17	-	-	49	56.08
DK	64	54.48	18	8.83	1	1.80	83	65.11
D	28	595.58	-	-	-	-	28	595.58
GR	1	3.86	92	489.83	-	-	93	493.69
E	-	-	428	1409.79	3	5.83	431	1415.62
F	3	4.63	122	752.43	40	15.76	165	772.83
IRL	38	167.36	81	95.01	1	0.64	120	263.01
I	120	152.18	1313	1841.08	2	1.19	1435	1994.46
L	-	-	1	3.84	-	-	1	3.84
NL	-	-	9	105.17	-	-	9	105.17
P	-	-	887	779.11	3	3.08	890	782.19
UK	228	534.59	359	728.32	19	6.27	606	1269.18
EUR 12	487	1524.60	3354	6257.59	69	34.57	3910	7816.76

Table 37. Regional breakdown of commitments 1975-1988 for programmes, projects and studies

(Mio ECU)

Member State Region	Programmes			Projects				Studies	Total commitments
	Community	N.P.I.C.	Total	Industry, services and craft	Infra-structure	Internally generated develop. potential*	Total		
BELGIQUE/BELGIË	-	26.70	26.70	41.67	131.97	1.35	174.99	2.00	203.69
Vlaanderen	-	14.45	14.45	28.29	56.11	1.34	85.74	0.13	100.32
Wallonie	-	12.25	12.25	13.38	75.86	0.01	89.25	1.87	103.37
DANMARK	-	10.26	10.26	5.35	140.42	0.57	166.34	6.14	182.74
DEUTSCHLAND	23.06	53.95	77.01	502.96	347.39	-	850.35	0.19	927.55
Schleswig-Holstein	-	13.46	13.46	53.00	38.26	-	91.26	-	104.72
Hamburg	-	-	-	-	-	-	-	-	-
Bremen	-	-	-	0.74	7.47	-	8.21	-	8.21
Nordrhein-Westfalen	21.26	-	21.26	63.52	18.18	-	81.70	-	102.96
Hessen	-	-	-	39.80	14.51	-	54.31	-	54.31
Rheinland-Pfalz	-	8.68	8.68	61.41	6.71	-	68.12	-	76.80
Baden-Württemberg	-	-	-	13.02	7.84	-	20.86	-	20.86
Bayern	-	19.27	19.27	82.49	96.55	-	179.04	-	198.31
Saarland	-	-	-	87.68	14.75	-	102.43	0.04	102.47
Berlin (West)	-	-	-	5.19	61.79	-	66.98	0.11	67.09
Niedersachsen	-	12.54	12.54	96.03	81.33	-	177.36	0.04	189.94
Multi-regional	1.80	-	1.80	0.08	-	-	0.08	-	1.88
ELLAS	12.98	250.40	263.38	34.51	2149.65	-	2184.16	0.24	2447.78
Ana.Ster.Kai Nisoi	-	4.50	4.50	1.76	166.07	-	167.83	-	172.33
Kentr.Dyt.Makedonia	-	-	-	3.81	749.29	-	753.10	-	753.10
Pelop.Dyt.Ste.Ellas	-	37.05	37.05	2.89	335.23	-	338.12	-	375.17
Thessalia	-	-	-	2.79	137.38	-	140.17	-	140.17
Anat. Makedonia	-	-	-	1.83	123.97	-	125.80	-	125.80
Kriti	-	37.43	37.43	0.99	114.18	-	115.17	-	152.60
Ipiros	-	-	-	4.56	178.71	-	183.27	-	183.27
Thraki	-	-	-	7.40	73.01	-	80.41	-	80.41
Nisoi Anat.Agaiou	-	1.64	1.64	4.59	90.52	-	95.11	-	96.75
Multi-regional	12.98	169.78	182.76	3.89	181.29	-	185.18	0.24	368.18

*Measures to exploit internally generated development potential are also included in programmes

Regional breakdown of commitments 1975-1988 for programmes, projects and studies (continued)

(Mio ECU)

Member State Region	Programmes			Projects				Studies	Total commitments
	Community	N.P.I.C.	Total	Industry, services and craft	Infra-structure	Internally generated develop. potential*	Total		
ESPAÑA	23.02	52.57	75.59	11.20	1945.23	2.29	1958.72	0.09	2034.40
Galicia	-	-	-	3.43	125.61	-	129.04	-	129.04
Princ. de Asturias	-	23.24	23.24	-	98.66	-	98.66	-	121.90
Cantabria	-	-	-	-	32.35	-	32.35	-	32.35
Pais Vasco	-	-	-	-	23.37	-	23.37	-	23.37
Navarra	-	-	-	-	2.47	-	2.47	-	2.47
Aragon	-	-	-	-	23.65	-	23.65	-	23.65
Madrid	-	-	-	-	24.99	0.13	25.12	-	25.12
Castilla y León	-	-	-	1.12	301.42	-	302.54	-	302.54
Castilla-La-Mancha	-	-	-	1.38	296.09	-	297.47	0.06	297.53
Extremadura	-	-	-	0.62	130.02	-	130.64	-	130.64
Cataluña	-	-	-	-	38.43	-	38.43	0.03	38.46
Com. Valenciana	-	-	-	-	77.61	-	77.61	-	77.61
Andalucía	-	-	-	4.65	638.01	0.88	643.54	-	643.54
Murcia	-	-	-	-	68.04	-	68.04	-	68.04
Canarias	-	-	-	-	63.36	-	63.36	-	63.36
Multi-regional	23.02	29.33	52.35	-	1.15	1.28	2.43	-	54.78
FRANCE	9.63	252.27	261.90	370.42	2156.66	13.11	2540.19	12.04	2814.13
Ile de France	-	-	-	-	-	-	-	-	-
Haute-Normandie	-	-	-	2.97	2.12	-	5.09	-	5.09
Basse-Normandie	-	-	-	9.36	35.08	2.61	47.05	0.07	47.12
Picardie	-	-	-	3.32	2.44	0.10	5.86	-	5.86
Champagne-Ardennes	-	-	-	7.56	19.43	-	26.99	-	26.99
Bourgogne	-	-	-	0.65	-	0.21	0.86	-	0.86
Centre	-	-	-	2.36	2.15	0.31	4.82	-	4.82
Nord-Pas-de-Calais	-	21.17	21.17	75.64	100.16	-	175.80	-	196.97
Bretagne	-	4.06	4.06	25.38	288.51	2.52	316.41	-	320.47
Pays de la Loire	-	-	-	41.63	90.47	2.45	134.55	-	134.55
Poitou-Charentes	-	2.80	2.80	17.94	73.45	1.96	93.35	-	96.15
Lorraine	-	20.88	20.88	54.62	137.17	0.32	192.11	0.07	213.06
Alsace	-	-	-	7.82	2.53	0.16	10.51	-	10.51
Franche-Comté	-	-	-	0.50	1.50	1.05	3.05	-	3.05
Limousin	-	29.80	29.80	6.20	106.99	-	113.19	-	142.99
Aquitaine	-	22.23	22.23	26.42	135.56	-	161.98	-	184.21
Midi-Pyrénées	-	50.46	50.46	23.40	279.97	-	303.37	0.21	354.04
Auvergne	-	19.40	19.40	14.64	122.75	1.42	138.81	-	158.21
Rhône-Alpes	-	8.33	8.33	20.76	37.78	-	58.54	-	66.87
Languedoc-Roussillon	-	36.26	36.26	13.36	171.00	-	184.36	0.08	220.70
Prov.-Alpes-C.d'Azur	-	-	-	1.97	34.54	-	36.51	-	36.51
Corse	5.41	13.80	19.21	0.65	59.54	-	60.19	-	79.40
Martinique	-	-	-	3.20	117.82	-	121.02	-	121.02
Guadeloupe	-	-	-	3.67	100.23	-	103.90	0.14	104.04
Guyane	-	-	-	3.63	78.48	-	82.11	-	82.11
Réunion	-	13.01	13.01	2.77	123.12	-	125.89	11.41	150.31
Multi-regional	4.22	10.07	14.29	-	33.87	-	33.87	0.06	48.22

*Measures to exploit internally generated development potential are also included in programmes

Regional breakdown of commitments 1975-1988 for programmes, projects and studies (continued)

(Mio ECU)

Member State Region	Programmes			Projects				Studies	Total commitments
	Community	N.P.I.C.	Total	Industry, services and craft	Infrastructure	Internally generated develop. potential*	Total		
IRELAND	32.54	111.47	144.01	311.27	841.94	3.67	1156.88	0.99	1301.88
Donegal	-	-	-	5.72	18.13	0.10	23.95	0.03	23.98
North East	-	-	-	8.11	12.71	-	20.82	-	20.82
North West	-	-	-	13.57	20.65	-	34.22	0.07	34.29
West	-	-	-	17.01	43.29	0.78	61.08	-	61.08
Midlands	-	-	-	17.07	25.93	-	43.00	-	43.00
East	-	-	-	84.86	183.09	1.21	269.16	0.19	269.35
Mid West	-	-	-	54.57	69.35	0.96	124.88	-	124.88
South East	-	-	-	31.83	39.86	-	71.69	-	71.69
South West	-	-	-	53.97	111.33	0.62	165.92	-	165.92
Multi-regional	32.54	111.47	144.01	24.56	317.60	-	342.16	0.70	486.87
ITALIA	29.27	106.92	136.19	975.72	6777.60	0.58	7753.90	21.95	7912.04
Piemonte	-	-	-	-	-	-	-	-	-
Valle d'Aosta	-	-	-	-	-	-	-	-	-
Lombardia	-	-	-	-	-	-	-	-	-
Trentino-Aldo Adige	-	-	-	-	-	-	-	-	-
Veneto	-	-	-	-	-	-	-	-	-
Friuli-Venez.Giulia	-	-	-	-	71.28	-	71.28	-	71.28
Liguria	-	-	-	-	-	-	-	-	-
Emilia-Romagna	-	-	-	-	-	-	-	-	-
Toscana	-	8.44	8.44	1.28	24.30	-	25.58	0.23	34.25
Umbria	-	-	-	-	-	-	-	-	-
Marche	-	-	-	29.14	95.59	-	124.73	0.86	125.59
Lazio	-	0.09	0.09	113.07	177.83	-	290.90	0.51	291.50
Abruzzi	-	31.93	31.93	120.17	237.95	0.54	358.66	6.59	397.18
Molise	-	1.72	1.72	13.26	138.04	-	151.30	3.57	156.59
Campania	-	0.08	0.08	322.49	2718.01	-	3050.50	6.15	3056.73
Puglia	-	5.49	5.49	95.46	365.06	-	460.52	0.30	466.31
Basilicata	-	6.71	6.71	149.10	486.98	-	636.08	-	642.79
Calabria	-	4.93	4.93	39.36	602.01	-	641.37	-	646.30
Sicilia	-	1.59	1.59	56.25	1056.53	0.04	1112.82	0.54	1114.95
Sardegna	-	45.94	45.94	26.14	428.42	-	454.56	3.06	503.56
Multi-regional	29.27	-	29.27	-	375.60	-	375.60	0.14	405.01
LUXEMBOURG	-	1.94	1.94	-	14.69	-	14.69	-	16.63
NEDERLAND	-	14.18	14.18	32.42	200.85	0.01	233.28	0.19	247.65
Noord-Nederland	-	12.59	12.59	16.85	127.64	-	144.49	0.16	157.24
Oost-Nederland	-	-	-	-	4.87	-	4.87	-	4.87
West-Nederland	-	-	-	-	-	-	-	-	-
Zeeland	-	-	-	-	-	-	-	-	-
Zuid-Nederland	-	0.65	0.65	15.57	65.51	0.01	81.09	-	81.74
Multi-regional	-	0.94	0.94	-	2.83	-	2.83	0.03	3.80

*Measures to exploit internally generated development potential are also included in programmes

Regional breakdown of commitments 1975-1988 for programmes, projects and studies (continued)

(Mio ECU)

Member State Region	Programmes			Projects				Studies	Total commitments
	Community	N.P.I.C.	Total	Industry, services and craft	Infrastructure	Internally generated develop. potential*	Total		
PORTUGAL	51.41	65.79	117.20	-	1050.56	1.48	1082.04	0.58	1199.82
Norte	-	-	-	-	317.76	-	317.76	0.05	317.81
Centro	-	-	-	-	207.77	0.11	207.88	-	207.88
Lisboa-Vale Tejo	-	-	-	-	198.95	0.74	199.69	-	199.69
Alentejo	-	8.50	8.50	-	142.67	-	142.67	-	151.17
Algarve	-	-	-	-	67.97	-	67.97	-	67.97
Açores	-	-	-	-	73.12	-	73.12	-	73.12
Madeira	-	-	-	-	63.44	-	63.44	0.53	63.97
Multi-regional	51.41	57.29	108.70	-	8.88	0.63	9.51	-	118.21
UNITED KINGDOM	5.13	460.04	465.17	1000.02	3620.97	6.43	4627.42	10.66	5103.25
North	-	47.23	47.23	149.26	579.60	-	728.86	0.89	776.98
Yorkshire Humber.	-	13.32	13.32	36.56	342.37	-	378.93	0.71	392.96
East Midlands	-	-	-	12.73	57.82	-	70.55	0.93	71.48
East Anglia	-	-	-	-	-	-	-	-	-
South East	-	-	-	-	-	-	-	-	-
South West	-	10.39	10.39	15.11	204.31	-	219.42	0.62	230.43
West Midlands	-	21.50	21.50	15.23	270.77	0.22	286.22	0.33	308.05
North West	-	104.66	104.66	94.05	446.93	1.27	542.25	0.95	647.86
Wales	-	53.89	53.89	130.99	585.02	-	716.01	1.66	771.56
Scotland	-	209.05	209.05	250.76	788.67	1.84	1041.27	1.61	1251.93
Nothern Ireland	-	-	-	194.21	326.19	3.10	523.50	1.17	524.67
Multi-regional	5.13	-	5.13	101.12	19.29	-	120.41	1.79	127.33
Commun.	-	-	-	-	-	-	-	1.70	1.70
Eur 12	187.04	1406.49	1593.53	3305.54	19407.93	29.49	22742.96	56.77	24393.26

*Measures to exploit internally generated development potential are also included in programmes

Appendix B. Photographs of projects carried out with the support of the ERDF

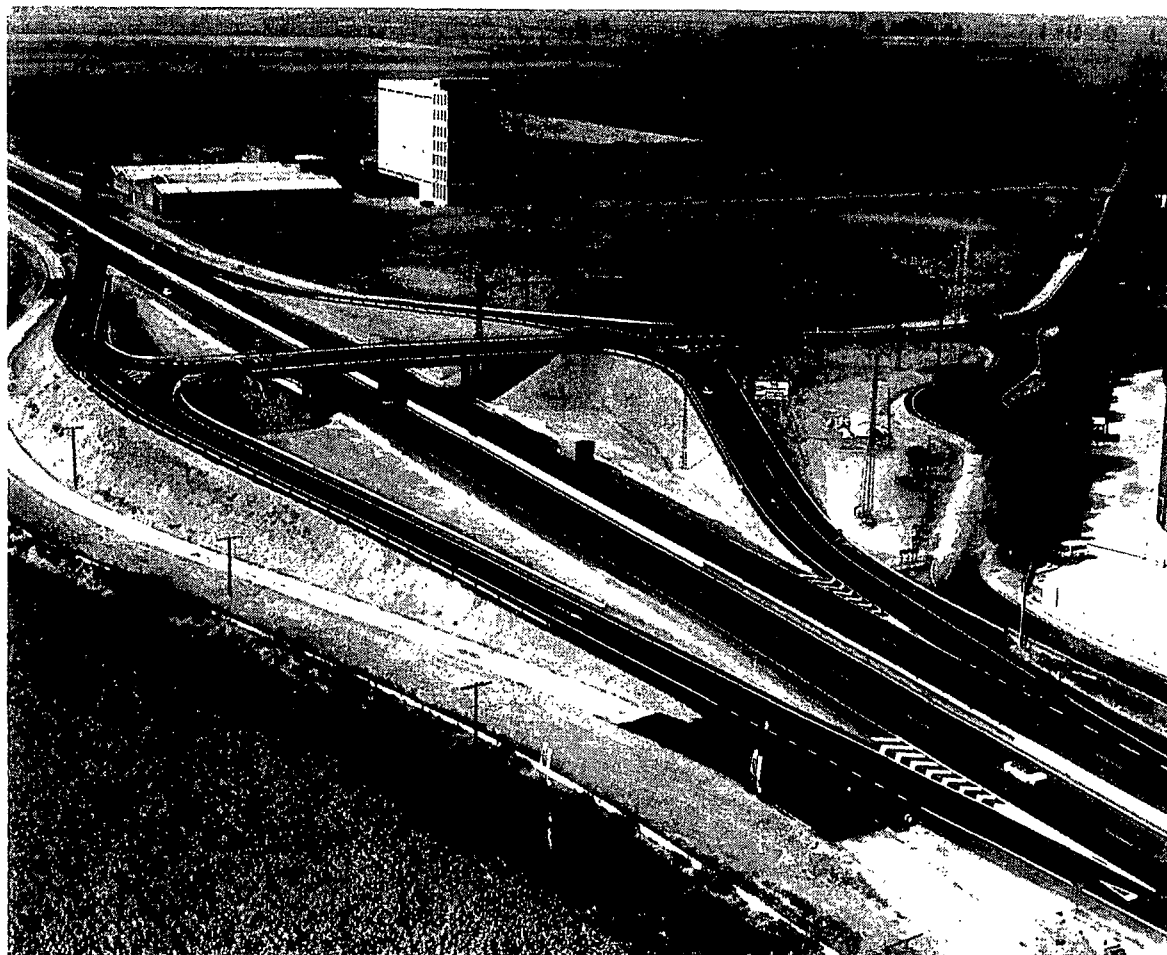
Photograph N°1 The Artemission tunnel on the road Korinthos-Tripoli (GR)



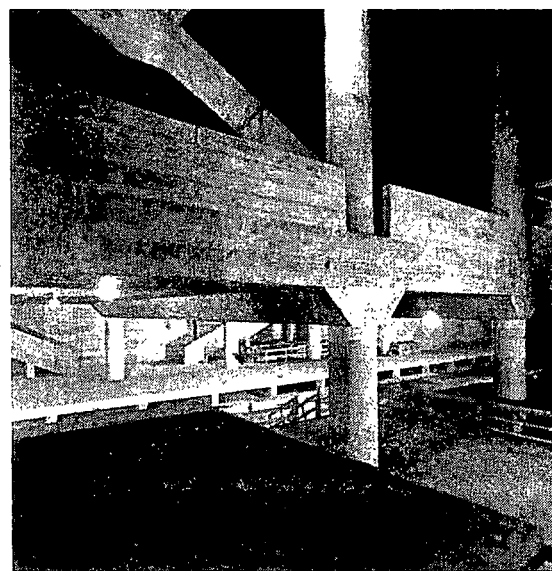
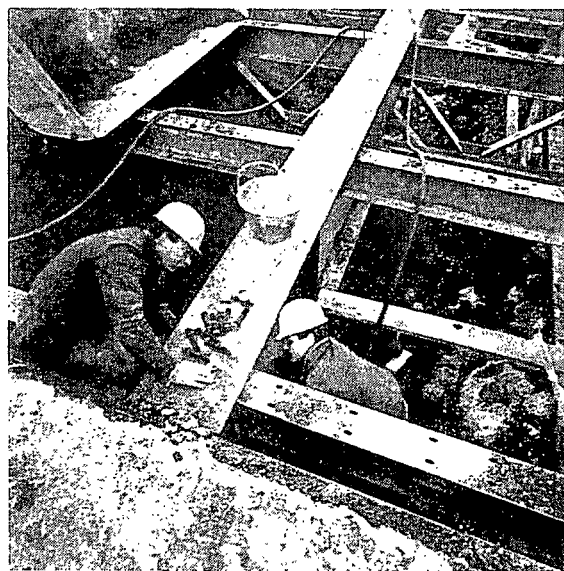
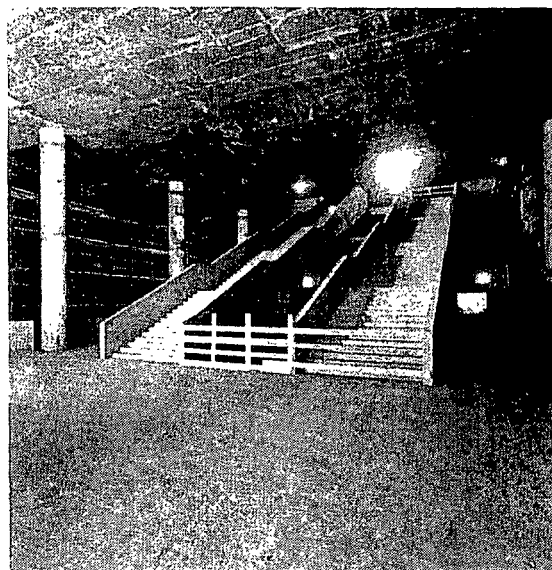
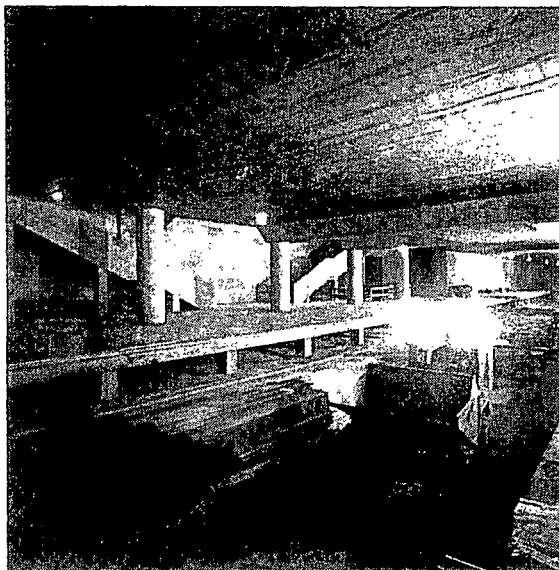
Photograph N°2 Construction of the Bayonne interchange (FR)



Photograph N°3 Aragon motorway: Meco-Guadalajara section (E)



Photograph N°4 Integrated Operation in Naples: Construction of the underground (I)



Photograph N°5 Construction of the 2nd waste-disposal plant in the city of Porto (P)



Photograph N°6 ERDF financed the construction of a leisure complex in Bodmin (Cornwall) (UK)



Appendix C. Bibliography (1988 publications)

C.1 European Regional Development Fund and regional policy

- Opinion of the Economic and Social Committee on the Commission's third periodic report on the social and economic situation and development of the regions of the Community (OJ No C 35, 8.2.1988, p.15)
- Grants from the European Regional Development Fund for 1985 (fifth and sixth allocations) (OJ No C 85, 4.4.1988, p. 1)
- Opinion of the Economic and Social Committee on the twelfth report of the European Regional Development Fund (OJ No C 175, 4.7.1988, p. 17)
- Own-initiative opinion of the Economic and Social Committee on "a policy for upland areas" (OJ No C 175, 4.7.1988, p. 47)
- Commission Decision of 24 June 1988 setting up a Consultative Council of Regional and Local Authorities (88/487/EEC) (OJ No L 247, 6.9.1988, p. 23)
- Resolution of the European Parliament on the third periodic report from the Commission on the social and economic situation and development of the regions of the Community (OJ No C 235, 12.9.1988, p. 178)
- Resolution of the European Parliament on the regional impact of the construction of a tunnel under the English Channel and a bridge over the Straits of Messina (OJ No C 262, 10.10.1988, p. 45)
- "European Regional Development Fund (ERDF)" in: Court of Auditors: annual report concerning the financial year 1987 accompanied by the institutions' replies (OJ No C 216, 12.12.1988, p. 97)
- Resolution of the European Parliament on Community regional policy and the role of the regions (OJ No C 326, 19.12.1988, p. 289)
- Consultative Council of regional and local authorities set up by the Commission on 24 June 1988 (OJ No C 329, 22.12.1988, p. 4)

C.2 Specific Community regional development measures

- Proposal for a Council Regulation (EEC) instituting a Community programme to assist the conversion of steel areas (Resider programme) (OJ No C 9, 14.1.1988, p. 14)
- Legislative resolution embodying the opinion of the European Parliament on the proposal from the Commission to the Council for a regulation instituting a Community programme to assist the conversion of steel areas (Resider programme) (OJ No C 13, 18.1.1988, p. 116)
- Commission Decision of 22 October 1987 approving the intervention programme for Greece implementing the Community programme for the development of certain less-favoured regions of the Community by exploiting endogenous energy potential (Valoren programme) (88/48/EEC) (OJ No L 30, 2.2.1988, p. 25)
- Commission Decision of 22 October 1987 approving the intervention programme for the Kingdom of Spain implementing the Community programme for the development of certain less-favoured regions of the Community by exploiting endogenous energy potential (Valoren programme) (88/49/EEC) (OJ No L 30, 2.2.1988, p. 27)

- Commission Decision of 22 October 1987 approving the intervention programme for France implementing the Community programme for the development of certain less-favoured regions of the Community by exploiting endogenous energy potential (Valoren programme) (88/50/EEC) (OJ No L 30, 2.2.1988, p. 28)
- Commission Decision of 22 October 1987 approving the intervention programme for Ireland implementing the Community programme for the development of certain less-favoured regions of the Community by exploiting endogenous energy potential (Valoren programme) (88/51/EEC) (OJ No L 30, 2.2.1988, p. 29)
- Commission Decision of 22 October 1987 approving the intervention programme for Italy implementing the Community programme for the development of certain less-favoured regions of the Community by exploiting endogenous energy potential (Valoren programme) (88/52/EEC) (OJ No L 30, 2.2.1988, p. 30)
- Commission Decision of 22 October 1987 approving the intervention programme for Portugal implementing the Community programme for the development of certain less-favoured regions of the Community by exploiting endogenous energy potential (Valoren programme) (88/53/EEC) (OJ No L 30, 2.2.1988, p. 31)
- Commission Decision of 22 October 1987 approving the intervention programme for the United Kingdom implementing the Community programme for the development of certain less-favoured regions of the Community by exploiting endogenous energy potential (Valoren programme) (88/54/EEC) (OJ No L 30, 2.2.1988, p. 32)
- Commission Decision of 22 October 1987 approving the intervention programme for Greece implementing the Community programme for the development of certain less-favoured regions of the Community by improving access to advanced telecommunications services (STAR programme) (88/55/EEC) (OJ No L 30, 2.2.1988, p. 33)
- Commission Decision of 22 October 1987 approving the intervention programme for the Kingdom of Spain implementing the Community programme for the development of certain less-favoured regions of the Community by improving access to advanced telecommunications services (STAR programme) (88/56/EEC) (OJ No L 30, 2.2.1988, p. 34)
- Commission Decision of 22 October 1987 approving the intervention programme for France implementing the Community programme for the development of certain less-favoured regions of the Community by improving access to advanced telecommunications services (STAR programme) (88/57/EEC) (OJ No L 30, 2.2.1988, p. 35)
- Commission Decision of 22 October 1987 approving the intervention programme for Ireland implementing the Community programme for the development of certain less-favoured regions of the Community by improving access to advanced telecommunications services (STAR programme) (88/58/EEC) (OJ No L 30, 2.2.1988, p. 36)
- Commission Decision of 22 October 1987 approving the intervention programme for Italy implementing the Community programme for the development of certain less-favoured regions of the Community by improving access to advanced telecommunications services (STAR programme) (88/59/EEC) (OJ No L 30, 2.2.1988, p. 37)
- Commission Decision of 22 October 1987 approving the intervention programme for Portugal implementing the Community programme for the development of certain less-favoured regions of the Community by improving access to advanced telecommunications services (STAR programme) (88/60/EEC) (OJ No L 30, 2.2.1988, p. 38)
- Commission Decision of 22 October 1987 approving the intervention programme for the United Kingdom implementing the Community programme for the development of certain less-favoured regions of the Community by improving access to advanced telecommunications services (STAR programme) (88/61/EEC) (OJ No L 30, 2.2.1988, p. 39)
- Council Regulation (EEC) No 328/88 of 2 February 1988 instituting a Community programme to assist the conversion of steel areas (Resider programme) (OJ No L 33, 5.2.1988, p. 1)
- Proposal for a Council Regulation on financial support for Portugal for a specific industrial development programme (PEDIP) COM(88)141 final (OJ No C 120, 7.5.1988, p. 9)

- Council Regulation (EEC) No 2053/88 of 24 June 1988 on financial assistance for Portugal for a specific industrial development programme (PEDIP)
(OJ No L 185, 15.7.1988, p. 21)
- Legislative resolution embodying the opinion of the European Parliament on the proposal from the Commission to the Council for a regulation instituting a Community programme to assist the conversion of shipbuilding areas (Renaval programme)
(OJ No C 187, 18.7.1988, p. 156)
- Resolution of the European Parliament on the communication from the Commission on shipbuilding, industrial, social and regional aspects
(OJ No C 187, 18.7.1988, p. 149)
- Amendment to the proposal for a Council Regulation (EEC) instituting a Community programme to assist the conversion of shipbuilding areas (Renaval programme) COM(88)369 final
(OJ No C 201, 2.8.1988, p. 4)
- Opinion of the Economic and Social Committee on the proposal for a Council Regulation on financial support for Portugal for a specific industrial development programme, PEDIP
(OJ No C 208, 8.8.1988, p. 51)
- Commission Decision of 27 June 1988 concerning the areas referred to in Article 3(2) of Council Regulation (EEC) No 328/88 instituting a Community programme to assist the conversion of steel areas (Resider programme) (88/443/EEC)
(OJ No L 218, 9.8.1988, p. 28)
- Commission Decision of 29 June 1988 concerning the areas referred to in Article 3(2) of Council Regulation (EEC) No 328/88 instituting a Community programme to assist the conversion of steel areas (Resider programme) (88/444/EEC)
(OJ No L 218, 9.8.1988, p. 29)
- Commission Decision of 11 July 1988 concerning the areas referred to in Article 3(2) of Regulation (EEC) 328/88 instituting a Community programme to assist the conversion of steel areas (Resider programme) 88/459/EEC
(OJ No L 221, 12.8.1988, p. 62)
- Council Regulation (EEC) No 2506/88 of 26 July 1988 instituting a Community programme to assist the conversion of shipbuilding areas (Renaval programme)
(OJ No L 225, 15.8.1988, p. 24)
- Amended proposal for a Council Decision concerning a Community measure for the creation and development of business and innovation centres and their network, COM(88)396 final
(OJ No C 214, 16.8.1988, p. 65)
- Commission Decision of 9 November 1988 concerning the areas referred to in Article 3(2) of Council Regulation (EEC) No 328/88 instituting a Community programme to assist the conversion of steel areas (Resider programme) (88/588/EEC)
(OJ No L 316, 23.11.1988, p. 50)
- Notice of tender. Pilot action to create and develop seed-capital funds
(OJ No C 306, 1.12.1988, p. 12)
- Corrigendum to the notice of tender - Pilot action to create and develop seed-capital funds
(OJ No C 324, 17.12.1988, p. 16)
- General Commission guidelines for the implementation of PEDIP in 1988 and 1989
(OJ No C 336, 31.12.1988, p. 4)

C.3 Regional aid

- Commission communication on the method for the application of Article 92(3)(a) and (c) to regional aid
(OJ No 212, 12.8.1988, p. 2)
- Commission Decision of 29 March 1988 on planned aid for the French Government for certain areas of Haute Normandie, Franche-Comté and Sarthe, in the conversion centres of Dunkirk, Le Creusot, Fos, Caen and the area of Roubaix-Tourcoing (88/565/EEC)
(OJ No L 310, 16.11.1988, p. 28)

C.4 Integrated approach

- Commission Decision of 15 July 1987 approving an integrated Mediterranean programme for the Languedoc-Roussillon region (88/24/EEC)
(OJ No L 12, 16.1.1988, p. 35)
- Commission Decision of 15 July 1987 approving an integrated Mediterranean programme for the Midi-Pyrénées region (88/25/EEC)
(OJ No L 12, 16.1.1988, p. 45)
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- Commission Decision of 15 July 1987 approving an integrated Mediterranean programme for the Ardèche region (88/38/EEC)
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- Commission Decision of 25 March 1988 approving an integrated Mediterranean programme for the Abruzzo region (88/259/EEC)
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- Commission Decision of 11 December 1987 approving an integrated Mediterranean programme for the Aegean Islands (88/312/EEC)
(OJ L 140, 7.6.1988, p. 15)
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- Commission Decision of 13 June 1988 approving an integrated Mediterranean programme for the Liguria region (88/391/EEC) (OJ No L 188, 19.7.1988, p. 40)
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- Commission Decision of 22 July 1988 approving an integrated Mediterranean programme for the lagoons of the North Adriatic Sea (88/464/EEC) (OJ No L 223, 13.8.1988, p. 46)
- Commission Decision of 5 October 1988 approving an integrated Mediterranean programme for the Lazio region (88/527/EEC) (OJ No L 288, 21.10.1988, p. 48)
- Resolution of the European Parliament on a development programme for the frontier regions between Portugal and Spain (OJ No C 262, 10.10.1988, p. 41)
- Commission Decision of 12 October 1988 approving an integrated Mediterranean programme for the Campania region (88/536/EEC) (OJ No L 292, 26.10.1988, p. 20)
- Commission Decision of 12 October 1988 approving an integrated Mediterranean programme for the Puglia region (88/537/EEC) (OJ No L 292, 26.10.1988, p. 21)
- Commission Decision of 12 October 1988 approving an integrated Mediterranean programme for the Calabria region (88/538/EEC) (OJ No L 292, 26.10.1988, p. 22)
- Commission Decision of 12 October 1988 approving an integrated Mediterranean programme for the Sicilia region (88/539/EEC) (OJ No L 292, 26.10.1988, p. 23)

C.5 Reform of the structural Funds

- Resolution of the European Parliament on methods of financing under the Community's structural Funds (OJ No C 94, 11.4.1988, p. 32)
- Amended proposal for a Council Regulation (EEC) on the tasks of the structural Funds and their effectiveness and on coordination of their activities between themselves and with the operations of the European Investment Bank and the other existing financial instruments. COM(88)144 final (OJ No C 151, 9.6.1988, p. 4)

- Legislative resolution embodying the opinion of the European Parliament on the amended proposal for a Council Regulation (EEC) on the tasks of the structural Funds and their effectiveness and on coordination of their activities between themselves and with the operations of the European Investment Bank and the other existing financial instruments (submitted by the Commission pursuant to Article 149(3) of the EEC Treaty)
(OJ No C 167, 27.6.1988, p. 449)
- Opinion of the Economic and Social Committee on the amended proposal for a Council Regulation (EEC) on the tasks of the structural Funds and their effectiveness and on coordination of their activities between themselves and with the operations of the European Investment Bank (EIB) and the other existing financial instruments
(OJ No C 175, 4.7.1988, p. 56)
- Council Regulation (EEC) No 2052/88 of 24 June 1988 on the tasks of the structural Funds and their effectiveness and on coordination of their activities between themselves and with the operations of the European Investment Bank and the other existing financial instruments
(OJ No L 185, 15.7.1988, p. 9)
- Proposal for a Council Regulation (EEC) laying down provisions for implementing Council Regulation (EEC) No 2052/88 as regards coordination of the activities of the different structural Funds between themselves and with the operations of the European Investment Bank and the other existing financial instruments. COM(88)500/2 final - SYN 151
(OJ No C 256, 3.10.1988, p. 1)
- Proposal for a Council Regulation (EEC) laying down provisions for implementing Regulation (EEC) No 2052/88 as regards the European Regional Development Fund. COM(88)500/2 final - SYN 151
(OJ No C 256, 3.10.1988, p. 12)
- Opinion of the Economic and Social Committee on the proposal for a Council Regulation laying down provisions for implementing Council Regulation (EEC) No 2052/88 as regards coordination of the activities of the different structural Funds between themselves and with the operations of the European Investment Bank and the other existing financial instruments
(OJ No C 337, 31.12.1988, p. 39)
- Opinion of the Economic and Social Committee on the proposal for a Council Regulation laying down provisions for implementing Council Regulation (EEC) No 2052/88 as regards the European Regional Development Fund
(OJ No C 337, 31.12.1988, p. 44)
- Council Regulation (EEC) No 4253/88 of 19 December 1988 laying down provisions for implementing Council Regulation (EEC) No 2052/88 as regards coordination of the activities of the different structural Funds between themselves and with the operations of the European Investment Bank and the other existing financial instruments
(OJ No L 374, 31.12.1988, p. 1)
- Council Regulation (EEC) No 4254/88 of 19 December 1988 laying down provisions for implementing Council Regulation (EEC) No 2052/88 as regards the European Regional Development Fund
(OJ No L 374, 31.12.1988, p. 15)

Appendix D. Symbols and abbreviations used

BIC	Business and Innovation Centre
CAP	Common Agricultural Policy
COM	Commission of the European Communities
DOM	French overseas departments
EAGGF	European Agricultural Guidance and Guarantee Fund
ECSC	European Coal and Steel Community
EDP	European Development Pole (three-frontier)
EEC	European Economic Community
EIB	European Investment Bank
EMS	European Monetary System
ERDF	European Regional Development Fund
ESF	European Social Fund
GDP	Gross domestic product (at market prices)
GFCF	Gross fixed capital formation
IDP	Integrated development programme
IMP	Integrated Mediterranean programme
NACE	General industrial classification of economic activities within the European Communities
NCI	New Community Instrument
NPCI	National programmes of Community interest
PEDIP	Specific Development Programme for Portuguese Industry
RPC	Regional Policy Committee
RDP	Regional development programme
SMEs	Small and medium-sized enterprises
B	Belgium
DK	Denmark
D	Germany
E	Spain
GR	Greece
F	France
IRL	Ireland
I	Italy
L	Luxembourg
NL	Netherlands
P	Portugal
UK	United Kingdom
EUR 12	All member countries of the European Communities

BFR	Belgian franc
DKR	Danish krone
DM	German mark
DR	Greek drachma
ESC	Portuguese escudo
FF	French franc
HFL	Dutch guilder
IRL	Irish pound
LIT	Italian lira
LFR	Luxembourg franc
PTA	Spanish peseta
UKL	Pound sterling
ECU	European Currency Unit
MUA	Million units of account

<	less than
>	more than
%	percentage
Mio	million

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