

EUROPEAN PARLIAMENT

Working Documents

1980 - 1981

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DOCUMENT 1-610/80/ANNEX

ANNEX to the
REPORT drawn up by Mr CRONIN
on behalf of the Committee on Regional Policy
and Regional Planning

on the proposal from the Commission of the
European Communities to the Council
(Doc. 1-510/80) for a regulation amending
Regulation (EEC) No. 724/75 establishing a
European Regional Development Fund

- Opinion of the Committee on Budgets -

Draftsman: Mr P. BARBI

On 24 November 1980 the Committee on Budgets appointed Mr BARBI draftsman of its opinion.

At its meeting of 11 December 1980 it considered and unanimously adopted the draft opinion.

Present: Mr Lange, chairman; Mr Notenboom and Mr Spinelli, vice-chairmen; Mr Barbi, draftsman; Mrs Boserup, Mr Del Duca (deputizing for Mr Aigner), Mr Forth, Mr Früh (deputizing for Mr Schön), Mrs Hoff, Mr Langes, Mr Newton Dunn, Mr Orlandi, Mr Pfennig, Mr Simonnet and Mr Tuckman.

1. On 17 October 1980 the Council consulted Parliament on a proposal for a regulation amending the basic regulation establishing the European Regional Development Fund (Regulation (EEC) No. 724/75, amended on 6 February 1979 by Regulation (EEC) No. 214/79).

2. The proposed amendments concern:

- the introduction of a quota for Greece as from 1 January 1981 and the corresponding alteration of the quotas of the other Member States;
- a one-year postponement (from 1980 to 1981) of the revision of the ERDF Regulation.

These two matters are considered and commented on below.

I. INTRODUCTION OF A QUOTA FOR GREECE

3. A comparison between the situation of Greece and that of the least prosperous Member States of the Community leads the Commission to propose a quota for Greece amounting to 15% of the quota section of the Fund.

4. The proposals to alter the quotas of the other Member States accordingly are based on an ad hoc scale which takes account of the relative prosperity of the Member States (deviation of per capita gross domestic product from the Community mean).

5. The new quotas will therefore be:

	Previous quotas (Regulation of 17.2.1979)	New proposal of 17 October 1980
Belgium	1.39%	1.06%
Denmark	1.20%	0.88%
Germany (Fed. Rep.)	6.00%	4.46%
France	16.86%	13.18%
Greece		15.00%
Ireland	6.46%	5.87%
Italy	39.39%	34.93%
Luxembourg	0.09%	0.07%
Netherlands	1.58%	1.21%
United Kingdom	27.03%	23.43%

Observations

6. The Committee on Budgets can do no more than merely note this proposal, largely because it is opposed in principle to the very concept of quotas. It notes that the size of certain quotas - and that of Luxembourg in particular - illustrate the artificial nature of this mechanism.

7. It observes with satisfaction, however, that the new proposal for the allocation of quotas earmarks almost 80% of the Fund's resources for the four least prosperous Member States.

II. ONE-YEAR POSTPONEMENT OF THE REVISION OF THE BASIC REGULATION

8. Regulation (EEC) No. 214/79 of 6 February 1979 currently in force lays down that 'the Council shall re-examine this Regulation before 1 January 1981'.

9. The Commission proposes that this revision be postponed until 1 January 1982: it feels that it does not yet have sufficient experience of how the present Regulation is operating and also takes the view that it should await the Council's decisions on the restructuring of the Community's finances (mandate given to the Commission on 29/30 May 1980).

10. It should be noted that in its resolution of 23 May 1980, Parliament urged the Commission to observe the deadlines laid down for the revision of the ERDF Regulation: in fact, Parliament is dissatisfied with the present Regulation, and experience has shown that when the Commission does submit a proposal to the Council, there is an average delay of one year before the latter takes a decision.

Observations

11. The Commission is quite justified in claiming that it does not have sufficient experience of how the present Fund is operating, largely because of the Council's dilatoriness, especially as regards the implementation of the non-quota section.

12. Nonetheless, we must bear in mind that even if the Commission does submit the appropriate proposals for revision late in 1981, it is highly unlikely that the Council will adopt them before 1 January 1983. Finally, the imminent enlargement of the Community also makes it quite likely that the revision will be postponed until 1983.

13. In addition, the Committee on Budgets wishes to point out that the previous revision of the ERDF Regulation in 1978 involved a particularly difficult conciliation procedure between the Council and Parliament; the upshot was that Parliament did not withdraw its objections to the Regulation until it had received an assurance that its requests would be given due consideration when the basic regulation was next reviewed. These requests related primarily to the following points (at least as far as the Committee on Budgets is concerned):

- the indicative nature of the national quotas,

- the advisory role (without the right of veto) of the Fund Committee,
- the Council's adoption by a qualified majority of the implementing procedures for the non-quota section, and
- the allocation to the non-quota section of more than 5% of the Fund's appropriation.

14. This being so, it is clear that a further revision of the ERDF Regulation is extremely important - at least in the opinion of the Committee on Budgets - particularly in order to do away with restrictive quotas.

III. CONCLUSIONS

15. The Committee on Budgets therefore invites the Committee on Regional Policy and Regional Planning to incorporate in its motion for a resolution the following points:

- Parliament notes the need to amend the ERDF Regulation before 1 January 1981 so that a quota may be allocated to Greece,
- notes that the Council is directly responsible for the delay in implementing the revision scheduled for 1979, and hence for the one-year postponement of the overall revision laid down for 1981,
- considers that the new deadline fixed by the Commission (1 January 1982) must be observed, and that the Commission must submit the new proposals for revision by 1 July 1981 at the latest,
- reiterates its position on certain principles concerning the operation of the ERDF, especially the abolition of national quotas, the advisory role of the Fund Committee and the Commission's independence in respect of the management of the Fund,
- finds that it is economic nonsense to base the utilization of ERDF appropriations on quotas.

