

## EUROPEAN PARLIAMENT

# Working Documents

1974-1975

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10 March 1975

DOCUMENT 534/74

## Report

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

with the request that it be dealt with by urgent procedure, pursuant to Rule 14 of the Rules of Procedure

on the amended proposals from the Commission of the European Communities to the Council on:

- I. a Regulation establishing a European Regional Development Fund
- II. a Decision setting up a Regional Policy Committee
- III. a Financial Regulation supplementing the Financial Regulation of 25 April 1973 applicable to the general budget of the European Communities

(Doc. 528/74)

Rapporteur: Mr P. GIRAUD,  
deputizing for Mr F. DELMOTTE



The European Parliament has already given its opinions on six documents concerning Community regional policy as discussed in the Council<sup>1</sup>.

The two proposals concerning priority agricultural regions have been withdrawn by the Commission. The list of regions qualifying for benefits from the Fund has lost its purpose because the definition of eligible regions has been included in the basic Regulation on the Fund.

There are, then, only three documents remaining to discuss:

- the proposal for a regulation on the Fund,
- the proposal for a decision on the Regional Policy Committee,
- the Financial Regulation for the Fund.

All the provisions which are not strictly financial and are included in the basic regulation on the Fund have been omitted from the Financial Regulation. The other, financial, provisions will be incorporated in the Community's general Financial Regulation.

The proposals on which Parliament was consulted have been amended or even quashed. Since these amendments are substantial Parliament asked to be consulted again and this request was granted when the conciliation committee of the Council and Parliament met on 4 March 1975.

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<sup>1</sup> - resolution of 16 March 1972 (OJ No. C 36, 12.4.1972) on Community regional policy action in the priority agricultural regions;

- resolution of 15 November 1973 (OJ No. C 108, 10.12.1973) on:

- I. a regulation establishing a Regional Development Fund,
- II. a decision on the creation of a Committee for Regional Policy,
- III. a financial regulation for the Fund;

- resolution of 13.12.1973 (OJ No. C 2, 9.1.1974) on:

- I. a regulation on the list of priority agricultural regions and areas,
- II. a regulation on the list of regions and areas qualifying for aid from the Fund.

By letter of 5 March 1975 the President of the Council therefore consulted Parliament once again on the following documents:

- draft regulation of the Council establishing a European Regional Development Fund;
- draft decision of the Council setting up a Regional Policy Committee;
- proposal for a Financial Regulation supplementing the Financial Regulation of 25 April 1973 applicable to the general budget of the European Communities.

On 10 March 1975 Parliament referred these proposals to the Committee on Regional Policy and Transport as the committee responsible and to the Committee on Budgets for an opinion.

The Committee on Regional Policy and Transport, which on 11 April 1973 had appointed Mr Delmotte rapporteur on the proposals concerning the Community regional policy, instructed Mr Giraud to deputize for him for the presentation of this report.

In view of the very short deadlines set by the European Parliament in agreement with the Council, the Committee on Regional Policy and Transport considered these documents at a meeting held on 10 March 1975 on the basis of the explanatory statements contained in its earlier reports and adopted the motion for a resolution, with the request that it be dealt with by urgent procedure, pursuant to Rule 14 of the Rules of Procedure, by 20 votes in favour with two abstentions.

The following were present: Mr Mitterdorfer, acting chairman; Mr Seefeld, vice-chairman; Mr Giraud, rapporteur (deputizing for Mr Delmotte); Mr Albers, Mr Antoniozzi, Mr Baas (deputizing for Mr Johnston), Lord Bessborough (deputizing for Mr Dykes), Mr Bourdellès, Mr Colin, Mr Corrie, Mr Creed, Mr Fabbrini, Mr Gerlach, Mr Geurtsen (deputizing for Mr De Clercq), Mr Herbert, Mr Kavanagh, Mrs Keller-Bowman, Mr Liogier, Mr Marras, Mr Nyborg, Mr Scholten, Mr Schwabe.

The Committee on Budgets delivered its opinion on 10 March 1975, when it voted in favour of two resolutions, presented by Mr Aigner, one on supplementary budget No. 1 for 1975, (Doc. 533/74) the other on the transfer of 150 million u.a. from the 'Guidance' section of the EAGGF (Doc. 532/74) and expressed its view that these three formed a single whole.

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

MOTION FOR A RESOLUTION

embodying the opinion of the European Parliament on the amended proposals from the Commission of the European Communities to the Council for

- I. a regulation establishing a European Regional Development Fund
- II. a decision setting up a Regional Policy Committee
- III. a financial regulation supplementing the Financial Regulation of 25 April 1973 applicable to the general budget of the European Communities

The European Parliament,

- having regard to the amended proposals from the Commission of the European Communities to the Council (R/605/75, R/606/75 and R 459/1/75),
- having being consulted by the Council at the conclusion of the meeting of a 'conciliation committee' on 4 March 1975 (Doc. 528/74),
- having regard to the report of the Committee on Regional Policy and Transport (Doc. 534/74),
- referring to its most recent resolutions on the European Regional Development Fund of 5 July 1973<sup>1</sup>, 15 November 1973<sup>2</sup>, 13 December 1973<sup>3</sup> and 13 March 1974<sup>4</sup>,

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<sup>1</sup>OJ No. C 62, 31.7.1973, page 33

<sup>2</sup>OJ No. C 108, 10.12.1973, page 51

<sup>3</sup>OJ No. C 2, 9.1.1974, page 49

<sup>4</sup>OJ No. C 40, 8.4.1974, page 26

- The conciliation procedure

- (a) recalling that at the European Parliament's sitting of 19 February 1975 the President-in-Office of the Council invited a Parliament delegation to take part with the Council in the meeting of a 'conciliation committee' to consider the new proposals for two regulations and a decision concerning regional policy;
- (b) recalling that this meeting forms part of the procedure of conciliation with the Council 'for Community action of a general nature with significant financial implications, the adoption of which does not follow automatically from existing provisions' ... if 'the Council intends to diverge from the opinion adopted by the Assembly', thus permitting the European Parliament to 'give a new opinion';
- (c) recalling that during the meeting of this 'conciliation committee' on 4 March 1975 the delegation noted that the texts on which the Council was about to take a decision differed substantially from those on which Parliament had given an opinion and obtained the Council's agreement to reconsultation,
- (d) noting that the need to open this new consultation procedure will only incur a delay of a few days for the taking of decisions, whilst the Council, in disregarding the schedule fixed by the Summit Conference of October 1972, has caused a delay of almost two years and that, at all events, the Fund should be effective retroactively from 1 January 1975,

- The need for, and urgency of, a Community regional policy

- (a) whereas, despite the intervention policies of Member States, the per capita difference between average incomes in the richer and poorer regions of the Community has increased still more,
- (b) whereas the existence of the European Communities has brought about continued economic growth in the Member States but this growth has not been balanced; the creation of the Customs Union before the establishment of a Community regional policy encouraged a further gap between the richer and poorer regions,
- (c) whereas it is to be feared that the creation of an economic and monetary union will, instead of helping to reduce these gaps, in certain cases increase them,

- (d) Whereas also, at the present time, the general deceleration of economic growth will have repercussions in the least favoured regions in particular due especially to the decline in investment,
- (e) Whereas the creation of the Fund should mark the existence, beyond all the declarations of intent, of a clear political will to remedy the under-development of the least favoured regions, as provided for in the Treaty,

I. The points of difference from the earlier opinions of the European Parliament

- (a) Concentration of aid (Article 2 of the Regulation on the Fund)
  - 1. Believes that the a priori distribution of Community aid between all the Member States on the basis of percentages fixed in advance must not conflict with the repeated demands from the European Parliament that the resources available should be concentrated, at least in the initial stage, on a limited number of regions whose imbalances are most serious at Community level, and which are situated in the Member States with the lowest relative intervention capacity,
  - 2. Hopes that under this distribution scheme 'provided for by the Commission' this in turn under the terms of the Summit communiqué, the Commission has not limited its own powers of evaluation in this field.
- (b) The Community character of the provisions (Articles 2 and 3 of the Regulation on the Fund)
  - 3. Emphasizes that a priori allocation between all the Member States of the Fund allocation does not meet the requirements of a Community policy applied to the least favoured regions of the Community and after consideration of their needs,
  - 4. Recalls that it has insisted that priorities should be established between the regions of the Community and not between the states, and that these priorities should be determined with reference to statistics on Community averages, not national averages,



5. Deplores the fact that the new texts refer to national priorities and may therefore appear to be a means of providing subsidies to Member States for their national development policies,
  6. Demands that assistance from the Fund should not lead the Member States to reduce their national aid, which the Community aid should complement,
  7. Takes note of the fact that the Commission may have some difficulties with regard to statistics in drawing up Community criteria; but that it is supposed to have used such criteria in its proposal for a regulation on the list of regions eligible for aid from the Fund and that they were accepted by the European Parliament but not by the Council.
  8. Considers that the statistical problems are not an adequate reason for the adoption of the principle of national priorities, and that reference to Community criteria is the only way of ensuring progress on the elaboration of statistical data for the purpose of comparison which would also be required for the launching of development programmes under a Community scheme.
- (c) Socio-cultural investments (Article 4(1)(b) of the Regulation on the Fund)
9. Considers that development should be seen as a whole and that it is consequently indispensable that programmes should tackle the underlying causes of imbalance which are social and human as well as economic,
  10. Emphasizes that, whereas it is opposed to geographical dispersion of aid, it is in favour of assistance which is not solely limited to infrastructure installations directly connected with economic development,
  11. Is convinced of the need for assistance to be given 'in close cooperation with the other Community instruments' towards socio-cultural, educational and vocational training facilities, which are expensive and do not immediately show profits, in order to guarantee the cohesion and effectiveness of development programmes,
- (d) Participation by local authorities (Article 5 of the decision on the Committee)
12. Recalls that it has already proposed that 'the Committee shall, in accordance with the provisions of its rules of procedure, take evidence from interested parties from the regions and from trade union and business organizations when a regional problem concerns them',

13. Considers that, as development is all-embracing, the population of the regions which are in difficulty must be made actively interested and involved in the process of development at all levels, through the intermediary of the democratically elected representatives,
14. Is convinced that such participation, by the regions concerned, in the elaboration and realization of development programmes is the only way of ensuring maximum effectiveness.

(e) The permanent character of the Fund

15. Considers that proper results can only be obtained by launching development programmes extending over long periods of time and embracing all the socio-economic structural elements of the region,
16. Therefore deplores the fact that the new texts do not clearly reaffirm the permanent character of the Fund after the three-year experimental period (according to a Summit communiqué) and contains no indication of the need to progressively increase its volume at later stages,
17. Recommends that negotiations on the volume of the Fund after 1977 should not be subject to a delay which might hinder the operation of the Fund.

II. Conclusions

18. Notes that the provisions proposed are based on diverse national policies and still only amount to a policy of assistance to national regional policies,
19. Nevertheless, has decided not to propose any amendments in order to ensure that the Regional Development Fund may become operational as soon as possible, but emphasizes the reservations it has on the new regional policy proposals, which it will further consider,
20. Therefore requests the Commission to take into consideration its opinions on the occasion of the reconsideration of the regulation before 1 January 1978 - when the presentation of development programmes becomes obligatory, their cohesion and effectiveness will only be guaranteed if all development factors are taken into consideration and if local authorities take part in their elaboration and implementation,
21. Underlines the need to coordinate national regional policies and, after considering their objectives and results, readjust them since Community regional policy may on no account be the sum of national policies,

22. Recalls that, according to the opinion of the Committee on Budgets, the Fund should be allocated a total of 300m u.a. from the financial year 1975 onwards and that this expenditure should come under the heading of non-compulsory expenditure,
23. Instructs its President to forward this resolution and the report of its committee to the Council and Commission of the European Communities.

EXPLANATORY STATEMENT

See explanatory statements to the earlier reports drawn up on behalf of the Committee on Regional Policy and Transport:

- Second report (Doc. 228/73) of 13 November 1973

on the proposals from the Commission of the European Communities to the Council (Doc. 152/73) for

- I. a decision on the creation of a Committee for Regional Policy
- II. a financial regulation relating to special provisions to be applied to the European Regional Development Fund
- III. a regulation establishing a Regional Development Fund

Rapporteur: Mr F. DELMOTTE

- Report (Doc. 276/73) of 12 December 1973

on the proposals from the Commission of the European Communities to the Council (Doc. 205/73) for

- a regulation on the list of priority agricultural regions and areas referred to in the Regulation (EEC) on finance from the Guidance Section of the European Agricultural Guidance and Guarantee Fund for projects falling within development programmes in priority agricultural regions
- a regulation on the list of regions and areas referred to in the Regulation (EEC) establishing a European Regional Development Fund

Rapporteur: Mr F. DELMOTTE

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