

# Contents

<i>Tables</i>	xvii
<i>Abbreviations</i>	xxxvii
<b>1 Introduction</b>	1
1.1 Structural Funds	2
1.2 Other Financial Instruments	3
1.3 Complementarity and Additionality	5
1.4 Operational Framework	7
1.5 Establishment of the Common Market	9
1.5.1 ECSC Assistance	9
1.5.2 Proposed ERDF	10
1.5.3 EAGGF, Guidance Section	10
1.5.4 ESF	11
1.5.5 EIB	11
1.5.6 Equality	12
1.5.7 Intergovernmentalism	13
1.6 Development of the Common Market	13
1.6.1 ERDF	14
1.6.2 EAGGF, Guidance Section	17
1.6.3 Equality	17
1.6.4 Intergovernmentalism	19
1.7 Cohesion	19
1.7.1 Definition of Cohesion	21
Political perspectives	21
Social perspectives	21
Economic perspectives	21
1.7.2 Co-ordination	24
1.7.3 'Integration'	25
1.7.4 Equality	27
1.7.5 Intergovernmentalism	28
1.8 Decision-Making Procedures	29
1.8.1 'Organic' Union Decision Making	29
1.8.2 Equality	30
1.8.3 Intergovernmental Decision Making	30



## Part One: Structural Funds

<b>2 European Regional Development Fund</b>	<b>35</b>
2.1 Introduction	35
2.2 Establishment of the Common Market	35
2.2.1 Objectives of Assistance	36
2.2.2 Eligibility for Assistance	37
2.2.3 Scope of Assistance	37
2.2.4 Forms of Assistance	37
2.3 Development of the Common Market	38
2.3.1 Objectives of Assistance	38
2.3.2 Eligibility for Assistance	41
Peripherality	43
Sectoral factors	45
2.3.3 Allocation of Assistance	46
Criteria	46
Quotas	47
Ranges	48
2.3.4 Scope of Assistance	49
Productive investment	49
Infrastructure investment	50
‘Endogenous development’	53
2.3.5 Forms of Assistance	55
Projects	56
National programmes of Community interest	56
Specific Community regional development measures	57
Community programmes	61
Studies	65
Integrated development operations	65
Integrated Mediterranean Programmes	67
2.4 Cohesion	68
2.4.1 Objective 1	69
Eligibility for assistance	70
Allocation of assistance	78
2.4.2 Objective 2	79
Eligibility for assistance	80
Allocation of assistance	86
2.4.3 Objective 5b	86
Eligibility for assistance	87
Allocation of assistance	90
2.4.4 Objective 6	91
2.4.5 Scope of Assistance	91



Productive investment	92
Infrastructure investment	92
'Endogenous development'	93
Other assistance	96
2.4.6 Forms of Assistance	96
Projects	96
Regional aid schemes	97
Regional operational programmes	97
Global grants	98
Studies and pilot schemes	98
Technical assistance	100
Community initiatives	100
Integrated development operations	110
2.4.7 Assistance Rates	110
2.4.8 Assistance Periods	111
2.5 Conclusion	112
<b>3 EAGGF, Guidance Section</b>	115
3.1 Introduction	115
3.2 Establishment of the Common Organizations	116
3.2.1 Objectives of Assistance	117
3.2.2 Scope of Assistance	118
3.2.3 Forms of Assistance	119
3.3 Development of the Common Organizations	120
3.3.1 Objectives of Assistance	121
3.3.2 Eligibility for Assistance	122
3.3.3 Allocation of Assistance	123
3.3.4 Scope of Assistance	124
Modernization	124
Early retirement	125
Vocational training	125
Preservation of farming under unfavourable natural conditions	126
Improvement of processing and marketing	127
Development of producer groups	128
Infrastructure improvement	129
Regional development	129
Sub-sectoral development	130
Agricultural structures	132
3.3.5 Forms of Assistance	133
Common measures	133
Specific programmes	133
Specific common measures	134
Integrated development programmes	134
3.4 Cohesion	136



3.4.1 Objective 5a	137
Eligibility for assistance	137
Allocation of assistance	137
Scope of assistance	137
Forms of assistance	139
3.4.2 Objectives 1 and 5b	140
Eligibility for assistance	140
Allocation of assistance	140
Scope of assistance	140
Forms of assistance	141
3.5 Conclusion	141
<b>4 European Social Fund</b>	<b>145</b>
4.1 Introduction	145
4.2 Establishment of the Common Market	146
4.2.1 Objectives of Assistance	146
4.2.2 Eligibility for Assistance	147
4.2.3 Allocation of Assistance	147
4.2.4 Scope of Assistance	148
4.2.5 Forms of Assistance	149
4.3 Development of the Common Market	150
4.3.1 Objectives of Assistance	151
4.3.2 Eligibility for Assistance	151
4.3.3 Allocation of Assistance	153
4.3.4 Scope of Assistance	155
General operations	156
Specific operations	158
4.3.5 Forms of Assistance	161
4.4 Cohesion	162
4.4.1 Original Objectives 3 and 4	162
Eligibility for assistance	163
Allocation of assistance	163
Scope of assistance	163
Forms of assistance	165
4.4.2 New Objectives 3 and 4	165
Eligibility for assistance	167
Allocation of assistance	167
Scope of assistance	168
Forms of assistance	169
4.5 Conclusion	171



## Part Two: Other Financial Instruments

<b>5 Sectoral Instruments</b>	<b>175</b>
5.1 Introduction	175
5.2 Financial Instrument for Fisheries Guidance	176
5.2.1 Establishment of the Common Organization	176
5.2.2 Development of the Common Organization	177
Objectives of assistance	177
Eligibility for assistance	177
Allocation of assistance	177
Scope of assistance	178
Forms of assistance	179
5.2.3 Cohesion	179
Objectives of assistance	182
Eligibility for assistance	183
Allocation of assistance	183
Scope of assistance	183
Forms of assistance	184
5.3 ECSC Assistance	185
5.3.1 Establishment of the Common Market	185
Objectives of assistance	186
Scope of assistance	186
Forms of assistance	187
5.3.2 Development of the Common Market	187
Objectives of assistance	187
Eligibility for assistance	188
Allocation of assistance	188
Scope of assistance	188
Forms of assistance	192
5.3.3 Cohesion	193
5.4 Trans-European Networks	193
5.4.1 Development of the Common Market	194
5.4.2 Cohesion	195
Objectives of assistance	196
Eligibility for assistance	197
Allocation of assistance	197
Scope of assistance	197
Forms of assistance	198
5.5 Euratom Loans and Guarantees	199
5.5.1 Objectives of Assistance	199
5.5.2 Allocation of Assistance	199
5.5.3 Scope of Assistance	200



5.5.4 Forms of Assistance	200
5.6 Measures Accompanying Reform of the Common Agricultural Policy	200
5.6.1 Environmentally Friendly Farming	201
5.6.2 Early Retirement	202
5.6.3 Afforestation	203
5.6.4 'Transitional Aids'	203
5.6.5 Fisheries	204
5.7 'Other Budgetary Resources'	204
5.7.1 Proposed Instruments for Shipbuilding	204
5.7.2 Textiles	206
5.7.3 Portuguese Textiles	207
5.7.4 Energy	208
5.7.5 Armaments	209
5.8 Conclusion	209
<b>6 Horizontal Instruments</b>	<b>211</b>
6.1 Introduction	211
6.2 Loans and Guarantees from the European Investment Bank	211
6.2.1 Establishment of the Common Market	211
Objectives of assistance	212
Allocation of assistance	212
Scope of assistance	213
Forms of assistance	213
6.2.2 Development of the Common Market	214
Objectives of assistance	214
Allocation of assistance	214
Scope of assistance	215
Forms of assistance	215
6.2.3 Cohesion	215
European Investment Fund	216
Temporary Lending Facility	216
Special Action Programme	217
6.3 Framework Programmes for Research and Technological Development	217
6.3.1 Development of the Common Market	218
6.3.2 Cohesion	220
Objectives of assistance	220
Eligibility for assistance	220
Allocation of assistance	220
Scope of assistance	224
Forms of assistance	225
6.4 Financial Instrument for the Environment	226



6.4.1 Development of the Common Market	226
6.4.2 Cohesion	227
Objectives of assistance	228
Eligibility for assistance	229
Allocation of assistance	229
Scope of assistance	229
6.5 Cohesion Fund	230
6.6 Phare	231
6.7 Other Budgetary Resources	231
6.7.1 Small and Medium-Sized Enterprises	232
Establishment of the common market	232
Development of the common market	232
Cohesion	233
6.7.2 Commercial Policy	236
Establishment of the common market	236
Development of the common market	237
Cohesion	238
6.7.3 Balance-of-Payment Loans	239
6.7.4 Poseidom, Poseican, and Poseima Programmes	240
6.7.5 Reconstruction after Natural Disasters	241
6.8 EFTA Financial Mechanism	241
6.9 Conclusion	242

### **Part Three: Procedures**

<b>7 Organic Procedures</b>	<b>247</b>
7.1 Introduction	247
7.2 Legislation	247
7.2.1 Unanimity Issues	249
7.2.2 Regulatory Failure	250
7.3 Budgetary Provision	250
7.3.1 Integrated Mediterranean Programmes	251
7.3.2 Integrated Development Operations	251
7.3.3 International Fund for Ireland	252
7.3.4 BICs	253
7.4 'Soft Law'	254
7.4.1 Regional Development Programmes/Plans	254
Regional development programmes	255
Plans	259
7.4.2 Periodic Reports	261
7.4.3 Guidelines	263
ERDF guidelines	263
EAGGF guidelines	265



ESF guidelines	266
7.4.4 Community Support Frameworks	267
7.4.5 Single Programming Documents	270
7.4.6 Commission Notices	271
Community initiatives	271
Pilot and demonstration projects	272
Environmental measures	272
7.5 Administrative Decisions	273
7.6 Contracts	274
7.7 Committee Work	276
7.7.1 Regional Policy Committee	276
7.7.2 Structural Funds Committees	277
ERDF committees	277
EAGGF committees	278
ESF Committee	279
7.7.3 IMP Committee	279
7.7.4 Monitoring Committees	280
7.7.5 Consultative Council of Regional and Local Authorities	281
7.7.6 Committee of the Regions	282
Functions	283
Composition	283
7.7.7 'Partnership'	284
Definition of 'partnership'	286
National constitutional arrangements	290
Technical assistance	292
7.8 Judicial Decision Making	293
7.8.1 <i>Locus Standi</i>	294
Recipients of assistance	295
Competitors	296
Interest groups	296
Regional authorities	301
7.8.2 Substantive Illegality	302
7.8.3 Procedural Illegality	304
Fair hearing	305
Reasons	305
7.8.4 Court of First Instance	308
7.8.5 National Courts	309
Interpretation of Union law	309
Validity of Union decisions	309
Enforcement	310
7.9 Conclusion	311



<b>8 Intergovernmental Procedures</b>	<b>313</b>
8.1 Introduction	313
8.2 EMU Resolutions	314
8.3 Single European Act	316
8.3.1 Increased Finance	316
8.3.2 EEC Treaty Amendments	317
8.4 Treaty on European Union	318
8.4.1 Provisions of the Treaty on European Union	318
8.4.2 EC Treaty Amendments	318
8.4.3 Protocol on Economic and Social Cohesion	319
8.4.4 Declaration on the Outermost Regions	320
8.5 Accession Acts	320
8.5.1 First Accession Act	321
8.5.2 Second Accession Act	322
8.5.3 Third Accession Act	322
ERDF allocations	323
Integrated Mediterranean Programmes	324
Sectoral instruments	325
8.5.4 Fourth Accession Act	326
8.6 Europe Agreements	326
8.7 Conclusion	327
<b>9 Conclusions</b>	<b>329</b>
<i>Bibliography</i>	337
<i>Index</i>	347