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EHG(L2)(80) 19 REVISE

COPY NO 1

26 November 1980

EUROPEAN COUNCIL, LUXEMBOURG

1/2 DECEMBER 1980

EUROPEAN REGIONAL DEVELOPMENT FUND

Brief by the Foreign and Commonwealth Office

OBJECTIVE:

1. To sympathise with the Greeks but to avoid giving commitment.

POINTS TO MAKE

2. Fully understand Greek need to stress economic benefits of accession. Have a common interest in promoting convergence.
3. Our representatives in Brussels are taking part in discussions on the precise quota to be allocated Greece and how existing quotas should be amended to accommodate it. Cannot take a view on the precise quota until these discussions are completed.
4. Provision for Greece should not be at the expense of other less prosperous Member States.

BACKGROUND

References None

5. Community needs to make provision for Greece to benefit from ERDF on accession. Quota section 95% of Fund. Commission proposed 15% quota, with consequent reductions in the quotas of the nine based on relative GDP. Under Commission proposals UK quota would fall from 27.03% to 23.34%.
6. We have argued that provision for Greece must be at the expense of the six more prosperous Member States but have taken no position on the Greek share. Instead we have asked the Commission to justify the figure. The growing consensus in Brussels is that the 15% should be reduced perhaps to 12-13% with the exclusion of Athens from

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the calculations. The arrangements made for Greece will set a precedent in view of the impending accession of Spain and Portugal. The Greeks raised the question of their quota share with the Prime Minister in September. We have made clear that there is no linkage between this question and any bilateral subjects. We have taken a constructive attitude in considering the Greek Regional Development Programme, and will do likewise with their ERDF applications so that they can receive ERDF assistance as soon as they are eligible.

Affairs

7. The Foreign/Council on 25 November failed to agree on Presidency proposals which would have given Greece 13% and the UK 23.84%. Seven Member States were able to agree but the proposals were blocked by Belgium (on the grounds that they wanted the provision for Greece to be borne linearly by the other Member States) and Germany (because they favoured a Greek quota of 15% and could not accept that an extra provision for Denmark should be borne by France, Germany and the Netherlands). Discussion will continue at Coreper.

FOREIGN AND COMMONWEALTH OFFICE

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