Cohesion Fund. Annual 1995 Report

1996/2176(COS) - 04/09/1996 - Non-legislative basic document

OBJECTIVE: : Presentation of the Annual Report of the Cohesion Fund 1995. SUBSTANCE : The Commission report points out that during 1995, the first full year of Cohesion Fund activities, the financing strategy of the Fund was further developed in full compatibility with the provisions of its Regulation. The balance between the two areas of assistance - transport infrastructure and environment - advanced further towards a 50/50 split and, within the transport sector, more emphasis was placed on the increase of rail facilities than on roads. - The Fund continues to finance exclusively those transport infrastructure projects which form part of, or provide direct access to, the Trans-European Transport Network (TEN-transport). The completion of priority sections of the Network therefore remains the main funding strategy in this area. - In the field of the environment, the priorities followed reflect the European Directives on drinking water supply, waste water treatment, and urban waste. Other environmental measures have also received finance, e.g. reafforestation, habitat protection, and nature conservation. The Commission takes the view that, in spite of a less than favourable economic context, the Cohesion Fund is now a fully operational and efficient instrument. Budgetary implementation for the year was 100% for commitment appropriations and almost 100% for payment appropriations. It also points out that the operation of the Fund has improved considerably, the main reasons being: - an increase in the prior appraisal of projects, in both economic and technical terms; - the introduction of a system for the effective monitoring of projects; - the implementation of financial management procedures which ensure a close link between payments and implementation on the ground. However, some difficulties have persisted as a result of the late notification of environment projects, the notification of projects below the threshold of ECU 10 million, and delays caused by public procurement difficulties. No case of fraud has been found in the first three years of operation of the Cohesion Fund.