Cohesion Fund. Annual 1996 Report

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OBJECTIVE: presentation of the annual report on the Cohesion Fund, 1996. SUBSTANCE: in presenting its annual report, the European Commission emphasises the fact that 1996 was a key year for the Cohesion Fund. Experience gained since 1993 provided the basis for the first assessments of the effects of completed projects. 1996 also saw the mid-term review of Member State eligibility, based on the GNP criterion. All four Member States were found to be still eligible. Finally, 1996 was the first year in which the Commission undertook an examination of Member States' compliance with their economic convergence programmes in the field of public deficits. In June and November the conditionality principle was applied through Commission Decisions concerning Spain, Portugal and Greece. On each occasion the three Member States were considered to have a budgetary performance within the targets recommended by the Council. The annual report also stresses the following points: - implementation of the 1996 budget was close to 100%, and no cases of fraud were reported with regard to Cohesion Fund projects; - the financing strategy of the Fund was further consolidated in 1996. An almost perfect balance was achieved between the two areas of assistance (transport infrastructure and environment) and the efforts to allocate a higher proportion of finance to rail transport continued; - the projects financed in the most remote regions received special attention; - in the field of the environment, in addition to the usual priority measures, new activities were accepted under the Fund. They include projects relating to coastal protection, reafforestation and desertification, habitat protection and nature conservation; - the polluter-pays principle is applied wherever a project is part-financed (every project is the subject of dual consultation with the responsible Commission departments). The Commission, together with external consultants, also carried out a study on the application of the polluter-pays principle in the four beneficiary Member States. The main results of this study are presented in the report; - closer attention was paid to estimating the short-term and long-term effects of projects on employment. The report estimates that 243 000 jobs have been created through Cohesion Fund assistance since 1993; - finally, information and publicity measures have been consolidated: every part-financed project must be the subject of an appropriate information and publicity campaign.