



Cohesion Fund 1995: Summary of the annual report

The Cohesion Fund report for 1995 is the first to cover the activities of a whole calendar year. During 1995, the Cohesion Fund reinforced its contribution to achieving its main objective of social and economic cohesion throughout the European Union.

During the year, the financing strategy of the Fund was further developed, and the balance between the two areas of assistance - transport infrastructure and environment - advanced further towards a 50-50 split. Within the transport sector, more emphasis was placed on increasing rail facilities rather than roads. The Fund continues to finance exclusively those infrastructure projects which form part of, or provide direct access to, the Trans-European Transport Network. The completion of priority sections of this network therefore remains the main funding strategy in the field of transport.

In the field of the environment, the priorities reflect the European Directives on drinking water supply, waste water treatment and sewage and urban waste. Other environmental measures have also received finance, e.g. reafforestation, habitat protection and nature conservation. All assistance from the Fund has been provided in accordance with the polluter-pays principle.

This information sheet summarises the main projects funded and approved during 1995 for the four cohesion countries: Greece, Spain, Ireland and Portugal.

The Cohesion Fund

Established under the Maastricht Treaty, the Cohesion Fund is designed to smooth the way to Economic and Monetary Union for the Member States whose per capita income is under 90% of the Community average (Greece, Spain Ireland, and Portugal).

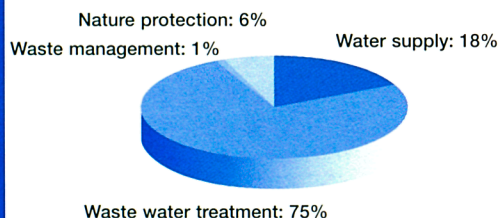
It supports projects in the field of environmental protection and trans-European transport networks throughout these countries. 16 billion ECU (1994 prices) has been earmarked for the fund for 1993 to 1999.

GREECE

Environment

The state of the environment in Greece is relatively good. It is varied, rich in biotopes and contains a remarkable biodiversity. There is, however, a serious lack of infrastructure for the supply and distribution of water, waste water treatment and waste management. In 1995, assistance to Greece from the Cohesion Fund amounted to 228 Mecus (million Ecus) for the environment.

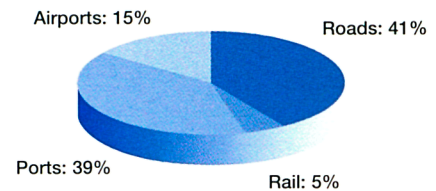
Two major projects were approved on a multi-annual basis: the supply of water to Thessaloniki from the river Aliakmon and the second phase of the biological treatment of waste water in the same city, which is of the utmost importance for water quality in the Bay of Thessaloniki. Other projects include further work on the Evinos project for the supply of water to Athens and improvements to the Mornos aqueduct. A large number of projects for waste water treatment and effluent have been part-financed in several large and medium-sized regional towns. Waste management has not generated the interest which the Commission would have liked; nevertheless the Cohesion Fund will approve the construction of landfill sites at Schisto, Liossia, Zante, Patras and Thessaloniki. In the field of nature protection, the Cohesion Fund devoted its assistance to research into and information on the environment, including finance for the Goulandris Centre for environmental research and education.



Transport

The financial commitment for the projects approved in the transport sector came to 160 Mecus, out of a total of 388 Mecus. Five projects were approved on the Via Egnatia, one of the two main routes in the country. One other project, the Corinth-Tripolis route, was approved because it provides two missing links in the Athens-Tripolis motorway route. The

rail project adopted was the Evangelismos-Leptokarya link on the North-South line which is one of the key sections of track between Thessaloniki and Athens. The Cohesion Fund also adopted three port projects (including the Ikonion terminal in Piraeus) and an air traffic control modernisation project involving the purchase and installation of seven radars, and also agreed to finance further work at Corfu airport.



SPAIN

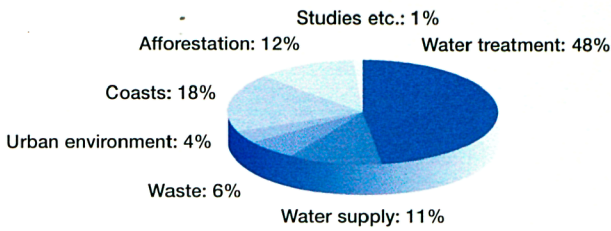
Environment

In 1995, Spain received 574 Mecus in commitments for environmental projects. The applications fell into five sectors: water supply, waste water treatment, urban waste, afforestation and planning and restoration of the coastline and the urban environment.

The sectors for assistance in 1995 confirm Spain's priorities for the environment. Drainage and waste water treatment is one of the most important of these priorities, accounting for 48% of assistance for the environment and intended in particular to implement Community Directive 91/271/EEC on waste water. In February 1995, Spain approved a national plan for drainage and waste water treatment. Water supply projects included 56 measures to improve or provide good quality water to large towns and to supply areas affected by drought and water shortages in the river basins of southern Spain. Projects submitted in other sectors included the selective collection of urban waste (solid waste), measures to regenerate plant cover where ecosystems have deteriorated because of fire (afforestation) and the regeneration of the historic centre of Barcelona (urban environment).

The central administration submitted three decisions covering 35 projects concerned with coastal improvements, the restoration of beaches and the environmental restoration of

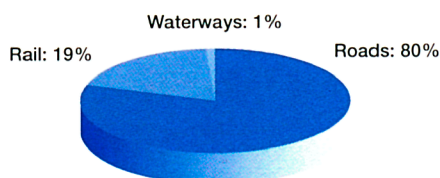
the coast in various places along the Mediterranean and Atlantic seabords.



Transport

Road projects played an important role in Spain in 1995, with Cohesion Fund financing being approved for several new sections of major motorways and highways including the Rías Bajas motorway (160.2 Mecus committed from the 1995 budget), which provides a key link from Galicia and northern Portugal to the Irún-Valladolid axis, and the Lérida-Gerona and Madrid-Valencia motorways. Approval was also given to the Somport tunnel project (26.9 Mecus), which is intended to provide an alternative to the existing congested crossings into France at Irún and La Junquera and will complete the Zaragoza-Huesca-France axis.

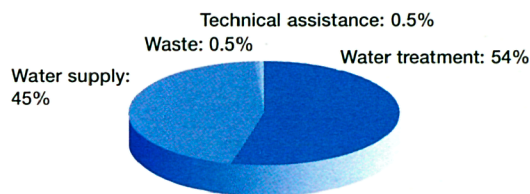
The main rail projects approved for Spain in 1995 were the upgrading of the Mediterranean Corridor (58.3 Mecus), where the aim is to achieve speeds of 200/220 km/h, and general modernisation of the Spanish conventional rail network (46.1 Mecus). In the maritime transport sector, the Vessel Traffic System projects include the establishment of a network of maritime traffic control centres at sensitive points on the Spanish coast to prevent accidents. In total, Spanish transport projects received 610 Mecus in 1995.



IRELAND

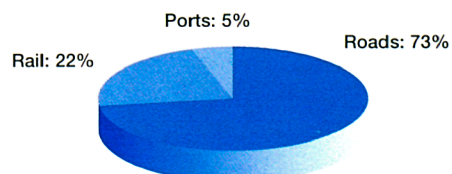
Environment

In 1995, the Cohesion Fund granted 190 Mecus in aid to Ireland, of which 93 Mecus (49% of the total) went to environmental projects. The priorities for assistance in 1995 remained the same as in previous years. Within the environment sector, the main priorities continued to be waste water treatment, with a smaller amount for water supply. Waste water treatment projects within the largest urban areas and in environmentally sensitive areas were the first choice for assistance. The water supply projects were concentrated in Dublin city and areas where the water supply is of particularly poor quality. The Ballymount solid waste facility in the south-west suburbs of Dublin received 1.1 Mecus to complete work begun in 1993.



Transport

The Cohesion Fund granted 97 Mecus (51% of the total aid granted to Ireland) for transport projects. The largest part of the budget continued to go to road projects on the trans-European network. In 1995, 71 Mecus were committed to nine new road projects (e.g. N1 Dublin-Belfast, Dublin ring road). Funding for rail projects was concentrated on the core of the network, the Dublin-Belfast and Dublin/Cork-Limerick lines (such as track and signalling replacement with associated infrastructure work). Assistance to ports remained in line with the policy of concentrating on the four largest ports of Dublin, Cork, Rosslare and Waterford (expansion of Lo-Lo terminal, additional works in Ro-Ro terminal).



Conditionality

The Cohesion Fund is subject to the principle of conditionality set out in article 6 of the Fund regulation. On december 20 1995, the Commission decided how to apply this principle in practice.

The Cohesion Fund's regulation establishes a link between the granting of assistance from the Fund and the monitoring of national budget deficits provided for in Article 104C of the EU Treaty. That is, Article 6 of the Regulation requires the Commission to suspend financing for new projects - or for new stages of projects - if the Member State concerned is found in accordance with the procedure to have an excessive deficit.

National authorities responsible for the implementation of the Cohesion Fund are as follows:

Spain:
Ministerio de Economía y Hacienda
Dirección General de Planificación
Paseo de la Castellana 162
E-28046 Madrid

Greece:
Υπουργείο Εθνικής Οικονομίας
Πλατεία Συντάγματος
GR-10180 Αθήνα

Portugal:
Direcção Geral do Desenvolvimento Regional (DGDR)
Av. Dom. Carlos I 126-7°
P-1200 Lisboa

Ireland:
Department of Finance
Upper Merion Street
IRL-Dublin 2

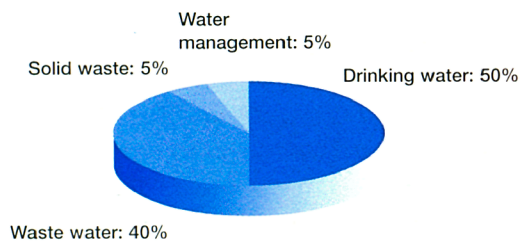
PORTUGAL

Environment

The projects submitted by Portugal in 1995 continued the strategy for assistance followed in 1993, the main aim of which is to provide infrastructure for water supply, waste water treatment and the management of solid urban waste in the most densely-populated regions of the country: Lisbon, Oporto and the Algarve.

Commitments in 1995 amounted to 147 Mecus for the environment. Examples include drainage in the Oporto region and the supply of drinking water in the eastern Algarve. Others involve measures which will continue over the coming years, such as two major systems for obtaining and distributing water in Oporto.

Compared with previous years, a greater number of projects - particularly in the drinking water and urban waste sectors - are on a large scale: e.g. the supply of drinking water to Oporto and the incinerators in Lisbon and Oporto. In the Algarve, the Fund supported the first stage of waste water treatment for the town of Portimão and a project in the Loulé area. Fewer projects were financed in this region than in previous years but the Fund will continue to provide assistance, particularly to the Ria Formosa, a nature park classified as a wetland of international importance.



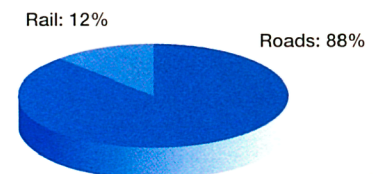
Transport

In 1995, the share taken by roads was particularly high in Portugal (88.1%), which reflects the decision at the end of 1994 to approve 311 Mecus of assistance for the second Tagus crossing at Lisbon.

Commitments from the 1995 budget for this project amounted to 178.09 Mecus. The total commitment for transport projects in Portugal was 240 Mecus in 1995.

From the main routes making up the basic network in Portugal, which is fully integrated into the trans-European network, three with the highest priority have been selected. These are: the completion of the Valença-Vila Real de S. António road northwards to the Spanish frontier, the early opening of the Portuguese section of the Lisbon-Madrid road and speeding up work on the Lisbon-Valladolid road.

The main strategic aim of the rail infrastructure plan in Portugal is the revitalisation of the main routes linking Portugal with the centre of Europe. The Fund is concerned with two lines: the North and the Beira Alta lines, both of which form an integral part of the trans-European network.



Cohesion Fund Commitments in 1995 (millions of Ecus)

	Environment	Transport
Greece	228	160
Spain	574	610
Ireland	93	97
Portugal	147	240
Total	1042	1107



European Commission
Directorate-General for Regional Policy and Cohesion GA-01-96-648-EN-C