


Procedure file

Basic information		
COS - Procedure on a strategy paper (historic)	1995/2013(COS)	Procedure completed
Cohesion Financial Instrument activities. Report 1993-1994		
Subject 4.70.02 Cohesion policy, Cohesion Fund (CF)		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	REGI Regional Policy		26/01/1995
		ELDR COSTA NEVES Carlos	
	Committee for opinion	Rapporteur for opinion	Appointed
	ECON Economic and Monetary Affairs, Industrial Policy		06/04/1995
	PSE TORRES MARQUES Helena		
	TRAN Transport and Tourism		
	ENVI Environment, Public Health and Consumer Protection		19/01/1995
	PPE VALVERDE LÓPEZ José		
	CONT Budgetary Control	The committee decided not to give an opinion.	
Council of the European Union			

Key events			
17/01/1995	Non-legislative basic document published	COM(1995)0001	Summary
13/02/1995	Committee referral announced in Parliament		
24/05/1995	Vote in committee		Summary
24/05/1995	Committee report tabled for plenary	A4-0126/1995	
28/06/1995	Debate in Parliament		
29/06/1995	Decision by Parliament	T4-0330/1995	Summary
29/06/1995	End of procedure in Parliament		
17/07/1995	Final act published in Official Journal		

Technical information

Procedure reference	1995/2013(COS)
Procedure type	COS - Procedure on a strategy paper (historic)
Procedure subtype	Commission strategy paper
Legal basis	Rules of Procedure EP 142
Stage reached in procedure	Procedure completed
Committee dossier	REGI/4/06376

Documentation gateway

Non-legislative basic document		COM(1995)0001	17/01/1995	EC	Summary
Committee report tabled for plenary, single reading		A4-0126/1995 OJ C 166 03.07.1995, p. 0004	24/05/1995	EP	
Text adopted by Parliament, single reading		T4-0330/1995 OJ C 183 17.07.1995, p. 0018-0036	29/06/1995	EP	Summary
Committee of the Regions: opinion		CDR0305/1995 OJ C 100 02.04.1996, p. 0137	20/09/1995	CofR	

Cohesion Financial Instrument activities. Report 1993-1994

The Commission's annual report to the European Parliament, the Council, the ESC and the Committee of the Regions on the cohesion financial instrument (1993/94) sets out the decisions taken by the Community before the introduction of the Cohesion Fund (on 26 May 1994), the actual creation of which was, in fact, delayed by ratification of the Maastricht Treaty. However, this delay was mitigated by the decision taken by the Member States at the Edinburgh summit in December 1992 to create an interim "Cohesion financial instrument" which would allow the four fund beneficiaries (Spain, Portugal, Greece, Ireland) to benefit from important funding as of 1 April 1993 in order to further the economic and social cohesion of the Community. Implementation: the Commission, which manages this instrument, succeeded in committing almost all the commitment appropriations budgeted for 1993, viz. ECU 1,565 million in the first year (representing financial transfers in the form of advances of approximately ECU 730 million). These efforts continued in 1994, but difficulties arose because some cohesion states notified their projects after the cohesion financial instrument had expired on 26 May 1994. As a result, most of the projects were adopted in 1994 on the basis of the regulation establishing the Cohesion Fund rather than on the basis of the interim instrument. Fields of intervention: transport infrastructures and the environment were the two preferred areas in which projects were selected, with a fair balance maintained between these two priorities: . transport infrastructures: all projects (without exception) related to the trans-European networks (or access to them); . environment: the Commission gave preference to projects implementing important directives in this sector (especially the 1992 fifth environmental and sustainable development programme): drinking water supplies, treatment of waste water, solid residues and urban refuse. Evaluation of projects and anti-fraud control: the Commission and the EIB boosted their project evaluation facilities, including within the Commission services themselves. Project monitoring appeared to be satisfactory, despite certain delays in Spain, Portugal and Ireland in the environmental sector. Only the situation in Greece gives cause for concern with regard to certain transport infrastructure projects due to regulations governing public procurement in Greece. As far as anti-fraud controls are concerned, no irregularities or fraud have been uncovered to date. The Commission has taken care to make all funding actions transparent and to inform the public of projects implemented with Community aid, the objective being to increase citizens' awareness of action by the Union to promote economic and social cohesion and, in this sense, Parliament's call for greater publicity for projects implemented under the Cohesion Fund was applied as soon as the financial instrument was introduced.?

Cohesion Financial Instrument activities. Report 1993-1994

Adopting the report by Mr Carlos Costa Neves, the Committee on Regional Policy congratulated the Commission on the speed with which it had introduced the cohesion financial instrument. It noted that no irregularities or fraud had been reported for approved projects and considered that the implementation of the budget was satisfactory in the 1993 financial year, although it did feel that it was impossible to draw conclusions for 1994, given the brief period covered by the instrument in that period. The report deplored the fact that the Commission had not provided any information on the funding of projects in Objective 1 zones and highlighted the imbalance in spending on environmental projects, stressing once again the importance of maintaining a balance between the two areas of intervention, i.e. transport infrastructures (which represented 60% of projects) and the environment. The rapporteur also called on the Commission to: - boost funding for smaller-scale environmental projects; in the future, the Cohesion Fund should be used mainly for large-scale projects and for combining projects in the two sectors concerned; - strengthen the ex ante evaluation of the environmental impact of transport infrastructure projects and give priority to more environmentally-friendly modes of transport (inland waterway networks, rail transport and intermodality between these systems); environmental impact reports should be available before choices are made and work can begin; - substantially increase the number of projects in extremely remote regions; - improve its evaluation of the impact of projects on the basis of compliance with convergence criteria. The report also called for: - better public information on investments under the Cohesion Fund; - more powers for monitoring committees and for more delegates from regional and local authorities to be elected to these committees; - a better financial evaluation of projects; - priority to be given in the environmental area to fighting erosion and slowing down desertification.?

Cohesion Financial Instrument activities. Report 1993-1994

In its resolution on the cohesion financial instrument, the European Parliament congratulated the Commission on the speed with which it had introduced this instrument. It noted that no irregularities or fraud had been reported and considered that the implementation of the budget was satisfactory in the 1993 financial year, although it did feel that it was impossible to draw conclusions for 1994, given the brief period covered by the instrument in that period. However, it noted an omission in the Commission report, which had failed to provide any information on the funding of projects in Objective 1 zones and it deplored the imbalance in spending on environmental projects. It therefore called on the Commission to boost spending on smaller-scale environmental projects. At the same time, it felt that, in the future, the Cohesion fund should: - be used to carry out large-scale projects and to combine projects in the 2 main sectors (transport and environmental infrastructures); - limit the priority given to road infrastructure projects (72.2% of overall aid) to the detriment of more environmentally-friendly modes of transport. It therefore specifically called on the Commission to take account of the environmental impact of projects (environmental impact studies should be available for all projects before any decisions are taken or work begun). The Commission should also give priority to inland waterway networks, rail transport and intermodal systems in the transport infrastructure sector and to all projects to combat erosion and slow down desertification in the environmental sector; - give priority to projects in the extremely remote regions of the Community, especially small-scale projects which can have a significant impact on these regions. It also felt that the Commission had taken too little account of convergence criteria (especially public deficits) in the choice of projects. It supported the Commission's readiness to agree to fund separate stages of the same project under the Structural Funds and the financial instrument, but called for efforts to be made with respect to the financial evaluation of projects (especially environmental projects). It further recommended that citizens be clearly informed about investments made under the Cohesion Fund. As far as monitoring is concerned, it regretted that, with the exception of Ireland, there had been delays in setting up monitoring committees and called for the local and regional authorities to be clearly represented on these committees and to be given the authority to select and manage projects. Finally, it called on the Commission to report on the impact of the Cohesion Fund on the beneficiary states.?