

**Newsletter No. 24**

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Informal meeting of the Council

Meeting in Madrid on 30 November and 1 December 1995, the Ministers responsible for regional policy and spatial planning discussed four questions: the creation of employment through structural policies, the revision of the policy on industrial areas in decline (Objective 2), the evaluation of Structural Fund measures and the European dimension of spatial planning.

As regards the creation of employment, in a document presented to the Ministers, the Commission put forward a number of options, such as the use of the appropriations released by the reduction in inflation (deflator) to support local development initiatives and a more systematic approach to job creation in the work of the monitoring committees.

So far as the definition of areas eligible for Objective 2 during the 1997-99 period was concerned, there was broad agreement amongst Ministers on continuity with the current period (1994-96). The Member States nevertheless recognized that an effort had to be

made to ensure that the resources allocated to each of them were more intensively concentrated in the areas suffering from the most serious problems. The Commission and the Ministers also agreed that measures part-financed by the Structural Funds during the 1997-99 period must make a clear contribution to the creation of employment and must take on board other priorities such as the environment, the promotion of equal opportunities and technological development.

As regards evaluation, Ministers stressed the importance of mid-term evaluations for improving the effectiveness of structural measures and reaffirmed their intention of strengthening the practical application of the results of evaluation in the monitoring committees.

Finally, in the field of spatial planning, Ministers proposed that the Committee on Spatial Development continue its work to complete the European Spatial Development Perspective (ESDP) in the coming 18 months.

Cohesion Fund: summary - 1995

During 1995 the Cohesion Fund provided funding of ECU 2,151 million for 225

environmental or trans-European transport network projects as follows:

Contribution from the Cohesion Fund in 1995 (in ECU million)	Environmental projects	Transport projects
Greece	228,2	159,7
Spain	574,2	610,6
France	93,2	97,2
Ireland	146,6	240,5

Conditionality of the Cohesion Fund

On 20 December 1995 the European Commission adopted the detailed rules for the application of the principle of the conditionality of Cohesion Fund assistance.

Unlike the Structural Fund Regulations, the Regulation setting up the Cohesion Fund establishes a link between the granting of assistance from the Cohesion Fund and the monitoring of the limitation of national budget deficits provided for in Article 104c of the Maastricht Treaty. In September 1994, the Council decided that all Member States receiving funding from the Cohesion Fund, with the

exception of Ireland, had excessive public deficits. On that basis, the Council made recommendations to Spain, Greece and Portugal with targets for limiting the deficits for 1995 and 1996.

In the spring of 1996, after the Member States concerned have presented their final budgetary reports for 1995, an examination will be made as to whether the targets for 1995 have been achieved. If a Member State has not achieved its target for 1995, the Commission will suspend payments to it from the Cohesion Fund for all new projects and for all new phases of projects already under way.

Structural Funds

Final programmes for 1995

The decisions to provide financing from the Community Structural Funds adopted at the end of 1995 covered a large number of Community Initiatives Programmes (see Inforegio News No. 25) and several measures implementing the Objective 1 Community support frameworks for the Mezzogiorno (Italy) and for the whole of Greece.

Italy Objective 1: industry and services

The aim of this programme is to consolidate the productive base in the south of the country. It is the largest operational programme financed by the Structural Funds in the Mezzogiorno. The main measures planned include aid for tangible and intangible investments in undertakings, special measures for young entrepreneurs, aid for craft enterprises and measures for SMEs in areas in crisis.

Total cost = total public investment: ECU 4 962.4 million
Contribution from the Structural Funds: ECU 2 592.7 million

Calabria (I): Porto di Gioia Tauro

Drawn up in cooperation with the Italian authorities, the region of Calabria and the Contship Italia S.p.A company, the aim of this large project is to adapt the installations at Gioia Tauro to create a modern container port.
Cost of the investment to be part-financed: ECU 120 million
Contribution from the Structural Funds: ECU 40 million

Greece: tourism and culture

This national programme is divided into two distinct sections: one section to improve tourist facilities through diversification of the services currently offered, the construction of marinas and the modernization of infrastructures, without significantly increasing the number of beds and a "cultural infrastructure" section devoted, inter alia, to the restoration of monuments and the construction of conference facilities.

Total cost: ECU 795.6 million
Total public investment: ECU 479.3 million
Contribution from the Structural Funds: ECU 219.1 million

Greece: telecommunications

This national programme essentially aims to extend the digitalization of the telecommunications network, promote the development of new services and improve vocational training in the sector.

Total cost: ECU 321.8 million
Total public investment: ECU 318.5 million
Contribution from the Structural Funds: ECU 172.7 million

Greece: the postal service

This national programme will help to improve the services offered by the Greek postal service, inter alia, by providing it with new infrastructures and promoting computerization.

Total cost: ECU 117.1 million
Total public investment: ECU 117.1 million
Contribution from the Structural Funds: ECU 78 million



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