

Adoption of five new programmes

Between 20 May and 25 June, the Commission approved Community part-financing for four new Community Initiative programmes (see table) and one new major gas pipeline project between Valencia and Cartagena in Spain. The pipeline will receive a contribution from the European Regional Development Fund of ECU 23.8 million.

To obtain information sheets on these interventions, contact L. Nigri, DG XVI/F/2, (fax: +32-2-296.60.03) or consult the pages on "ERDF programmes" at the Internet site of DG XVI (electronic address: <http://europa.eu.int/en/comm/dg16/dgl6home.htm>).

Eligible countries and regions	Community Initiative	Total public investment (ECU million)	Structural Funds contribution (ECU million)
D Baden-Württemberg	SMEs	1.0	0.9
Baden-Württemberg	Konver	44.5	12.7
I Italia	SMEs	383.4	191.7
E España	Rechar	51.6	34.2

A partnership approach to financial inspection of Structural Fund spending

On 18 June last, Portugal's General Inspector of Finance and the Commission's Financial Controller signed a memorandum of understanding on monitoring the spending of the Structural Funds in Portugal.

This is the seventh of a series of bilateral agreements already signed with the financial inspectorates in Spain, Italy, Luxembourg, France, Greece and the Netherlands. The Commission is currently preparing agreements with the other Member States.

These agreements are aimed at ensuring optimum cooperation between the Financial Controller at the Commission and his counterparts in the Member States. Both sides need to use comparable methodologies. Neither has all the means necessary for

checking on all the assistance provided by the Structural Funds, but all have a similar degree of independence in how they conduct their work.

The agreements generally contain:

- details of the arrangements to be made by the Member State to carry out audits on the basis of a methodology similar to that of the Commission, but taking into account specific national factors;
- arrangements for auditing individual operations on the basis of an agreed common methodology;
- pointers for developing a joint annual programme of audits by the Member State and the Commission with, if possible, participation of the European Court of Auditors.

First application of macroeconomic conditionality under the Cohesion Fund

Despite high public deficits in 1995, Spain, Greece and Portugal have been able to comply with the targets that had been set for them. The Commission has accordingly decided not to suspend financing of existing projects under the Cohesion Fund in these three Member States and has continued to approve new projects.

Readers will recall that the Cohesion Fund finances projects relating to the environment and trans-European transport networks in the four countries of the Union whose per capita GDP is less than 90% of the Community average (E, P, GR, IRL), with a view to helping these countries prepare for economic and monetary union. The rules governing the Cohesion Fund stipulate that new financing can be suspended in countries which have an excessive deficit, unless they comply with the Council's recommendations

setting precise targets for them to achieve in reducing their public deficits.

In 1995, three of the countries qualifying for assistance from the Cohesion Fund had deficits which were judged to be excessive, but the three deficits were nevertheless lower than the targets set in their national economic convergence programmes.

Country	Deficit in 1995 in % of national GDP	Target level for 1995
Spain	5.8%	5.9%
Greece	9.2%	10.7%
Portugal	5.4%	5.8%

The next assessment of these public deficits will take place in the autumn on the basis of budget data to be forwarded by the Member States before 1 September.

IGC, regions and local authorities

On 14 June the Mayor of Barcelona Mr P. Maragall, who is also President of the Committee of the Regions and chairman of the Consultative Council of Regional and Local Authorities (CCRE), handed over the Appeal of Valencia for a People's Europe to the current President of the Council, Mr Romano Prodi.

This document has already been signed by 2 500 towns, cities and regions. It calls on the Intergovernmental Conference which is currently discussing amendments to

the Treaties to include in the Treaty texts:

- a guarantee of the citizen's right to participate in public affairs through assemblies elected at local and regional level;
- a broader interpretation of the principle of subsidiarity and its application by recognizing the role of the local and regional authorities;
- an increase in the structural autonomy and democratic legitimacy of the Committee of the Regions.

In brief

New publications

The Commission has just published four new works in the series "Regional Development Studies":

- Evolution prospective des régions intérieures (et des espaces ruraux de faible densité de population) de la Communauté (available in French and Spanish, CX-85-94-567-C);
- The impact of the development of the countries of Central and Eastern Europe on the Community territory (available in English, CX-85-94-519-C);
- The prospective development of the central and capital city regions (available in English, CX-85-95-470-C);

- The Nordic countries - What impact on planning and development in the Union (available in English, CX-85-94-494-C).

Information on Internet

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