



COMMISSION OF THE EUROPEAN COMMUNITIES

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COMMISSION REPORT

ANNUAL REPORT OF THE COHESION FUND 1999

FOREWORD

This annual report on the activities of the Cohesion Fund covers the calendar year 1999.

Like the previous report, this report provides an overview of developments since 1993 in order to give the reader a full picture of the current affairs of the Fund.

The reporting format reflects the requirements of the Cohesion Fund Regulation. It has been adapted in order to take into account the comments made by the European Parliament, the Economic and Social Committee and the Committee of the Regions.

It is hoped that it will serve as a useful reference document for all interested in the promotion and furtherance of the economic and social cohesion of the Union.

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INTRODUCTION

Economic environment and conditionality

During the period 1993-99, the Cohesion Fund enabled the four beneficiary countries (Spain, Greece, Ireland and Portugal) to sustain a substantial level of public investment in the areas of the environment and transport, while complying with the goals of reducing expected budget deficits through the convergence programmes drawn up in preparation for economic and monetary union.

Budget implementation

Thanks to work on programming financial implementation carried out in liaison with the Member States, two goals were achieved at the end of the period 1993-99:

- compliance with the aims of allocating financial resources among countries (in accordance with the percentage ranges specified in the Regulation),
- balance between the two areas of assistance (transport and the environment).

Transport

In 1999 the Cohesion Fund committed a total of €1 523.5 million to transport projects. Total assistance committed since 1993 to transport TENs projects by the Cohesion Fund and its predecessor, the financial instrument, amounts to €8 325.7 million.

The European Parliament had hoped that the Cohesion Fund would be able to provide greater assistance to rail transport. This was achieved in 1999, when investment in rail grew substantially in Greece, Spain and, to a lesser degree, Portugal.

The environment

In 1999 the Commission tightened the environment protection requirements under the two Directives which affect Cohesion Fund projects: Directive 85/337/EEC 1985 on the assessment of the effects of certain public and private projects on the environment (the 'EIA' Directive) and Directive 92/43/EEC on the conservation of natural habitats and of wild fauna and flora (the 'Habitats' Directive).

Following the request made by Parliament when it was considering the previous report, investment in the area of solid waste was stepped up in 1999 (Greece and particularly Portugal).

Information and publicity

In 1999, the Cohesion Fund was discussed at two meetings between the Member States and the Commission, the first in Brussels in January and the second in Madrid in July.

At the first meeting, the work of the Cohesion Fund in 1998 was presented to the Member States while the second provided an opportunity for discussions on the future of the Cohesion Fund (new Regulation).

There were also some seminars (principally in Lisbon) and a number of meetings.

In October a short guide was drawn to help the Member States cope with the new Cohesion Fund Regulation 2000-06. The guide was presented to the Member States on 30 November.

Evaluation

The *ex-post* evaluation programme was launched to cover a period of three years starting in mid-1998. A total of 120 projects will be evaluated over this period, 60 in each of the two fields of Cohesion Fund assistance. So far, 71 projects have been evaluated, 40 in the transport sector and 31 in the environmental field.

Sound financial management

In 1999, as in earlier years, no case of fraud was discovered and reported by the Member States to the Commission anti-fraud unit (UCLAF).

Main developments in each country

The most important developments in each of the four beneficiary countries were as follows:

Greece

Greece received €550 million in assistance from the Cohesion Fund in 1999, with €206 million (37.5%) of the total going to environmental projects and €343.7 million (62.5%) to transport infrastructure.

Cohesion Fund support by sector						
Commitments						
Greece	1993-98		1999		Total 1993-99	
	€million	%	€million	%	€million	%
Environment						
Drinking water	539.6	22.0	75.3	13.7	614.9	20.5
Waste water	598.3	24.4	111.3	20.2	709.6	23.7
Solid waste	6.3	0.3	14.8	2.7	21.1	0.7
Erosion and afforestation	55.6	2.3	0	0.0	55.6	1.9
Other	57.9	2.4	4.6	0.8	62.5	2.1
Total	1257.7	51.4	206	37.5	1 463.7	48.8
Transport						
Roads	587.8	24.0	92.5	16.8	680.3	27.8
Railways	342.8	14.0	141.6	25.8	484.4	19.8

Airports	159.9	6.5	99.9	18.2	259.8	10.6
Seaports	67.9	2.8	9.7	1.8	77.6	3.2
Traffic control systems	32.4	1.3	0	0.0	32.4	1.3
Miscellaneous	0	0.0	0	0.0	0	0.0
Total	1190.8	48.6	343.7	62.5	1534.5	51.2
Total support	2448.5	100	550	100	2998	100

Environment

For the period 1993-99 the share of projects in the environment sector was 48.8%.

Transport

In 1999, the Commission allocated €343.7 million to the transport sector in Greece, 41% went to rail infrastructure, 29% to airport infrastructure and the road sector accounted for 27%. In 1993-99 the share of transport stood at 51.2%.

Spain

Spain received €1 757.6 million in assistance from the Cohesion Fund in 1999, with €925.1 million (52.6%) of the total going to environmental projects and €832.5 million (47.4%) to transport infrastructure.

COHESION FUND SUPPORT BY SECTOR						
COMMITMENTS						
Spain	1993-98		1999		Total 1993-99	
	€million	%	€million	%	€million	%
Environment						
Drinking water	951.6	12.7	259.4	14.8	1211	13.1
Waste water	1500.1	20.0	567.9	32.2	2068	22.4
Solid waste	419.7	5.6	61.3	3.5	481	5.2
Erosion and afforestation	529.6	7.1	35.4	2.0	565	6.1
Divers	328.1	4.4	1.1	0.1	239.2	3.6
Total	3729.1	49.8	925.1	52.6	4654.2	50.3
Transport						
Roads	2531.8	33.8	79.2	4.5	2609	28.2
Railways	1134.1	15.1	725.1	41.2	1860.3	20.1
Airports	73.2	1.0	0	0	73.2	0.8
Seaports	25.3	0.3	28.2	1.6	25.3	0.3
Miscellaneous	29.1	0	0	0	29.1	0.3
Total	3764.4	50.2	832.5	47.4	4596.9	49.7
Total support	7493.5	100	1757.6	100	9251.1	100

Environment

The activities in 1999 concentrated on the continued implementation of priority projects which had been defined in earlier years. For the period 1993-99 the share of projects in the environment sector was 50.3%.

Transport

In 1999, the Commission allocated €832.5 million to the transport sector in Spain, 87% went to rail infrastructure and the road sector accounted for 9%. In 1993-99 the share of transport stood at 49.7%.

Ireland

Ireland received €269.6 million in assistance from the Cohesion Fund in 1999, with €150.1 million (55.7%) of the total going to environmental projects and €119.5 million (44.3%) to transport infrastructure.

COHESION FUND SUPPORT BY SECTOR						
COMMITMENTS						
Ireland	1993-98		1999		Total 1993-99	
	€million	%	€million	%	€million	%
Environment						
Drinking water	222.4*	18.2	28.7	10.7	251.1	16.8
Waste water	358.3*	29.3	121.4	45.0	479.7	32.1
Solid waste	9.4	0.8	0.0	0.0	9.4	0.6
Other	6.8	0.6	0.0	0.0	6.8	0.4
Total	596.9	48.8	150.1	55.7	747.0	50.0
Transport						
Roads	460.7	37.8	96.7	35.8	462.7	37.4
Railways	118.8	9.7	22.9	8.5	118.8	9.5
Airports	3.3	0.3	0.0	0.0	3.3	0.2
Seaports	38.5	3.1	0.0	0.0	38.5	2.6
Traffic control systems	5.5	0.4	0.0	0.0	5.5	0.4
Total	626.7	51.2	119.6	44.3	748.3	50.0
Total support	1223.6	100	269.6	100	1495.3	100

* In the last annual report a drinking water project was mis-categorised as a waste water project.

Environment

The activities in 1999 concentrated on the continued implementation of priority projects which had been defined in earlier years. For the period 1993-99 the share of projects in the environment sector was 49.96%.

Transport

In 1999, the Commission allocated €119.6 million to the transport sector in Ireland, 19.9% went to the rail infrastructure and the road sector accounted for 80.1%. In 1993-99 the share of transport stood at 50.04%.

Portugal

Portugal received €549.7 million in assistance from the Cohesion Fund in 1999, with €324.2 million (59%) of the total going to environmental projects and €225.5 million (41%) to transport infrastructure.

COHESION FUND SUPPORT BY SECTOR						
COMMITMENTS						
Portugal	1993-98		1999		Total 1993-99	
	€million	%	€million	%	€million	%
Environment						
Drinking water	437.1	17.8	70.5	12.8	507.6	16.9
Waste water	416.5	17.0	135.9	24.7	552.4	18.4
Solid waste	319.7	13.0	117.6	21.4	437.3	14.6
Divers	61.9	2.5	0.2	0.0	62.1	2.1
Total	1235.2	50.3	324.2	59.0	1559.4	51.9
Transport						
Roads	779.7	31.8	76.6	13.9	856.3	28.5
Railways	266.2	10.8	67.8	12.3	334	11.1
Airports	115	4.7	44.9	8.2	159.9	5.3
Seaports	59.6	2.4	36.2	6.6	95.8	3.2
Traffic control systems		0		0		0
Total	1220.5	49.7	225.5	41.0	1446	48.1
Total support	2455.7	100	549.7	100	3005.4	100

Environment

For the period 1993-99 the share of projects in the environment sector was 51.9%.

Transport

In 1999, the Commission allocated €225.5 million to the transport sector in Portugal, 20% went to airport infrastructure, 16% to seaports, 30% to rail infrastructure and the road sector accounted for 34%. In 1993-99 the share of transport stood at 48.1%.

1. GENERAL BACKGROUND

1.1. Convergence and economic development in the Cohesion countries

1.1.1. Greece

Greece's economic policy in 1999 was guided by the objectives of the updated convergence programme submitted in September 1998 under the requirements of the Stability and Growth Pact.¹

¹ OJ C 372, 2.12.1998.

Greece has been considered by the Council to be a country whose deficit has been excessive since 1994, within the meaning of Article 104(6) of the Union Treaty. Under paragraph 7 of that Article the Council has since then made annual recommendations to Greece with a view to putting an end to this situation. In 1998, the general government deficit fell to 2.5% of GDP, marginally above the Convergence Programme target. The general government debt ratio reached a peak of 112.3 % of GDP in 1996 but declined thereafter by 6.0 percentage points to 106.3% of GDP in 1998.² On 17 December 1999 the Council abrogated its decision that an excessive deficit existed in Greece.³

In 1999, the budgetary position of Greece turned out to be better than projected in the Convergence Programme. The general government deficit was 1.6% of GDP as against the 2.1% set in the Programme. The debt/GDP ratio also fell further, to 104.4%.

In December 1999, Greece submitted the first update of the Convergence Programme covering 1999/2002. This was assessed by the Council on 31 January 2000.⁴

The 1999 update restates the strategy defined in the previous programme to achieve the completion of nominal convergence at the beginning of 2000.

1.1.2. Spain

In 1999 Spain's economic policy was guided by the objectives of the 1998 Stability Programme. The programme reaffirmed the economic strategy followed in recent years within the new framework of the participation of Spain in the EMU: promoting healthy economic growth through fiscal consolidation and structural reforms. Primary objectives of this policy are real convergence with European partners in terms of per capita income and reduction of unemployment. The Programme was considered by the Council as being in line with the Stability and Growth Pact⁵. On 25 January 2000, the Spanish government submitted the Stability Programme Update which builds on the previous programme strategy covering the period 1999-2003, and which was assessed by the Council on 28 February 2000.

Further progress in budgetary consolidation was achieved in 1999. According to the latest official estimates, the general government deficit fell from 2.6% in 1998 to 1.1% of GDP in 1999, lower than the 1.3% envisaged in the Stability Programme Update. This deficit reduction relied more on expenditure restraint, especially on current expenditure, than on increased revenue. For 2000, the budgetary target of 0.8% of GDP was officially reduced recently to 0.4% with the aim of reaching a balance in 2001. According to the Stability Programme Update, the general government accounts will register surpluses of 0.1% and 0.2% of GDP by the years 2002 and 2003 respectively. The debt-to-GDP ratio is expected in the 1999 update to have fallen by 1.3 percentage points to 63.5% in 1999 compared to 66.4% forecast in the original programme. This ratio is targeted to fall below 60% in 2002 and to decline to 55.8% in 2003.

² The changeover to ESA95, as from March 2000, implies a deficit of 3.1% of GDP in 1998 and a debt/GDP ratio of 105.4, down from 111.3 in 1996.

³ OJ L 12, 18.1.2000, p. 24.

⁴ Council Opinion - OJ C 60, 2.3.2000, p. 4.

⁵ OJ C 124, 5.5.1999.

1.1.3. Ireland

Implementation of Ireland's stability programme in 1999 exceeded the expectations of the authorities. The programme was considered by the Council as being in conformity with the Stability and Growth Pact.⁶ Economic growth is estimated by the authorities to have been 8.4% (some 1¾% above the authorities' original projection). The general government balance, before adjustments for special factors, was an estimated surplus of 3.2% of GDP (twice that originally projected in the first stability programme). It was boosted by the higher than expected growth in economic activity. The government debt to GDP ratio fell to 52% in 1999.

Ireland presented its updated stability programme – 2000-02 – in December 1999; it was assessed by the Council on 31 January 2000. It incorporates measures announced in the budget, also in December 1999. The programme confirms that Ireland will continue to meet the objectives of the Stability and Growth Pact with surpluses on the general government balance in each of the years to 2002. A further sharp decline in the gross debt to GDP ratio, to about 36% in 2002, is projected.

1.1.4. Portugal

Budgetary developments in 1999 took place in the framework of the Portuguese stability programme. This programme was considered by the Council as broadly in line with the Stability and Growth Pact requirements.⁷ Provisional estimates show that the government deficit reached 2.0 % of GDP in 1999, in line with the target set in the stability programme. Buoyant tax revenues, thanks also to the ongoing efforts to make the tax administration more efficient, helped in meeting this target, with current primary expenditure also seeing rapid growth.

Portugal submitted its updated stability programme, covering the period 2000-04, on 17 February 2000. The programme envisages a gradual reduction of the general government deficit from 1.5 % of GDP in 2000 to a balanced budget in 2004. The debt-to-GDP ratio is projected to decline from 57.1% in 2000 to 48.4% in 2004. Rising primary government surpluses coupled with significant proceeds from privatisation are behind this decline.

1.2. Conditionality

1.2.1. Introduction

Under Article 6 of Council Regulation (EC) No 1164/94, assistance from the Cohesion Fund is conditional on the sound management of the general government finances. Assistance for new projects in a beneficiary Member State can be suspended if the Council decides that an excessive deficit exists in that Member State and if that decision is not abrogated in accordance with Article 104 of the Treaty.

Every spring the general government deficits for the previous year are assessed using the Commission's spring economic forecasts based on budget data for the past year reported by the Member States before 1 March. Every autumn the general

⁶ OJ C 42, 17.2.1999.

⁷ OJ C 68, 11.3.1999.

government deficits for the current year are assessed using the Commission's autumn economic forecasts, after verification of their reliability.

1.2.2. Council Decision concerning Greece

On 17 December 1999 the Council abrogated its Decision of 26 September 1994 on the existence of an excessive government deficit in Greece⁸. The political agreement for this Decision was reached in the Ecofin Council of 29 November 1999, based on a recommendation from the Commission, adopted by the College on 10 November.

Accordingly, Article 6 of the Cohesion Fund Regulation ceased to apply to Greece and so the Commission did not produce an assessment of compliance with conditionality by Greece in autumn 1999.

2. PRINCIPLES OF IMPLEMENTATION AND ASSISTANCE GRANTED

2.1. Coordination with other Community policies

2.1.1. Public procurement

Since the Cohesion Fund was established, the Commission has paid particular attention to ensuring that Community legislation on public procurement is correctly transposed into national law and that the Community rules are scrupulously adhered to in the context of Community financial assistance. This is of particular importance in the case of assistance from the Cohesion Fund in view of its high rates of financial participation, which call for particular scrutiny by the Commission to verify open and fair access in public procurement.

In its verification missions, the Commission undertakes routine checks on compliance with the relevant Community directives on public procurement and the correctness of the tender selection procedures. Close monitoring by the Commission of projects approved by the Fund has enabled national administrations to better understand and apply Community procedures for the award of public contracts and tendering. The Commission finds that national authorities and Monitoring Committees cooperate increasingly well and respond exhaustively to the questions it raises in the course of its consideration of applications for project finance and its monitoring of project implementation.

2.1.2. Environmental protection

Article 8 of Council Regulation (EC) No 1164/94 establishing a Cohesion Fund states that projects are to be in keeping with Community policies, including those concerning environmental protection.

The objectives of Community policy on the environment are set out in Article 174 of the Treaty. They cover:

- preserving and improving the environment;

⁸ OJ L 12, 18.1.2000.

- protecting human health;
- the rational utilisation of natural resources.

The Community programme of policy and action in relation to the environment and sustainable development (the Fifth Action Programme) - adopted by Resolution of the Council in 1993 - provided for the Cohesion Fund to assist in the achievement of the Treaty objectives and, in particular, in resolving detailed Community environmental issues such as the reduction of water pollution and appropriate waste management. As well as focusing on key environmental themes, the Programme also concentrated on the need to integrate the environmental dimension into other Community policies in order to change and influence the undesirable side effects of certain economic activities. This latter aspect is of concern to the Cohesion Fund in that transport infrastructures are the other investment priorities to which funding is channelled.

Furthermore, in July 1997, to improve and strengthen the internal procedures which it had adopted in 1993, the Commission gave its agreement to a range of measures intended to ensure that greater account is taken of environmental considerations when policy and administrative decisions are taken. Hence the European Parliament has adopted increased appropriations for the environment ('Greening of the Budget').

2.1.3. *Structural Funds*

The Structural Funds, in particular the ERDF and occasionally the EAGGF Guidance Section, are normally consulted on applications and decisions, including amendments if these are substantial. The relevant departments provide ample advice on specific issues for which they are responsible.

Well established and permanent coordination arrangements are also necessary since Article 9 of Regulation (EC) No 1164/94 establishing a Cohesion Fund stipulates that no item of expenditure may be assisted from both the Cohesion Fund and the Structural Funds. In addition, combined assistance for a particular project from the Cohesion Fund and any other Community source, such as for example the TENs budget, must not exceed 90% of total expenditure.

According to the decisions of the Edinburgh Summit, the combined commitment appropriations under Objective 1 of the Structural Funds and the Cohesion Fund are meant to allow a doubling in real terms of Community financial assistance for the Objective 1 regions in the four cohesion countries. In Spain, where only part of the country is eligible for assistance under Objective 1, a commitment allocation of ECU 7 950 million from the Cohesion Fund was included in the Objective 1 Community support framework for 1993-99. In this way the Cohesion Fund is contributing to the real doubling of Community assistance for Spain's least prosperous regions. As a 'non-regional' Fund, the Cohesion Fund does not record assistance granted by region. Attainment of the aim of doubling in real terms the Union's solidarity effort for Spain's poorest regions lies entirely in the hands of the central and autonomous regional governments. In accordance with the principle of subsidiarity, the channelling of finance into these regions must be assured by the national government, which has the authority to present to the Cohesion Fund appropriate applications for funding of projects in the regions concerned, and it is the job of the Objective 1 Monitoring Committee to assess progress towards this target.

Thanks to these coordination procedures, no case of double financing has been detected during the various inspection visits. However, as mentioned in previous reports, the Fund does agree to support clearly identified stages of projects to which the ERDF may be providing assistance for other stages, in particular on very large transport infrastructure projects.

2.2. Transport and environment balance

Council Regulation (EC) No 1164/94 establishing a Cohesion Fund requires a suitable balance to be struck between projects in the field of the environment and projects relating to transport infrastructure.

The Commission explained its position in this regard in its communication in 1995 to the Council, the European Parliament, the Economic and Social Committee and the Committee of the Regions⁹ in which it undertook to strive, in partnership with the beneficiary countries, to ensure that, over 1993-99 as a whole, equal amounts of assistance should go to transport projects and to those in the field of the environment.

Early in the period, the breakdown of appropriations showed considerable unevenness but balance was achieved over the period 1993-99 taken as a whole.

TRANSPORT/ENVIRONMENT BALANCE (*)				
% OF COMMITMENT APPROPRIATIONS				
Beneficiary country	Transport		Environment	
	1999	1993-99	1999	1993-99
Greece	62.5	51.2	37.5	48.8
Spain	47.7	49.7	52.6	50.3
Ireland	44.8	50.0	55.2	50.0
Portugal	41	48.1	59	51.9
Total	48.7	51.8	51.3	48.2

(*) Excluding technical assistance

2.2.1. The Cohesion Fund and environmental protection

In 1999, the Commission stepped up environmental protection requirements under two directives which affect Cohesion Fund projects.

These are:

- Directive 85/337/EEC on the assessment of the effects of certain public and private projects on the environment ('EIA Directive'), and

⁹ COM(95) 509 final.

- Directive 92/43/EEC on the conservation of natural habitats and of wild fauna and flora ('Habitats Directive').

EIA Directive

Amending Directive 97/11/EC, which was to be transposed by March 1999, introduced thresholds and objective criteria to determine the projects which should be assessed from the point of view of the extent of their impact on the environment. The list of projects for which an EIA is required in all cases was extended and greater provision made for public participation in the decision-making process.

Habitats Directive

This directive set 10 June 1998 as the deadline for drawing up lists of sites to be protected under Natura 2000. It also increased the checks to ensure that, where sites are likely to be affected by a project receiving Community finance, the Member States concerned take all necessary steps from the point of view of the environment.

2.2.2. Improving the trans-European transport network (TEN) in 1999

In the transport sector, the Cohesion Fund finances only infrastructure projects of common interest identified under the guidelines adopted by Decision 1692/96/EC of 23 July 1996 of the European Parliament and the Council. These guidelines provide the basis for the selection of projects to be assisted by the Cohesion Fund.

Given its specific objectives and the significant resources at its disposal, the Cohesion Fund plays a key role in the development of the TENs within the four beneficiary Member States of the Cohesion Fund. For the period 1993-99, a total of €8.3 billion, representing approximately half the Fund's budget, was allocated to transport projects (see table below). For the period 2000-06, the Cohesion Fund intends to allocate the same proportion of its budget to transport projects.

The Cohesion Fund has worked closely with the four beneficiary Member States to determine priorities for measures, and coordinates its assistance with that of the EIB, the ERDF and the TENs budget to ensure that resources are deployed as effectively as possible. In 1999, the Cohesion Fund and DG Transport continued to maintain close contact in order to ensure a consistent approach to the implementation of TENs projects. Inter-departmental meetings and consultations on TENs projects financed by the Cohesion Fund took place regularly. This cooperation should be reinforced during the 2000-06 period to allow Cohesion Fund resources to have the greatest possible impact on implementing the TENs in the beneficiary countries.

Within the planned transport networks, priority has generally been given to key road, rail and maritime routes, which provide or upgrade the main links between the Cohesion countries and the rest of the EU. Other assisted projects are intended to improve communications and trade between peripheral regions and the main centres of economic activity within the countries concerned, and to improve the continuity of the networks close to urban centres. The many town and city by-passes or ring roads financed by the Cohesion Fund have served the function of both improving network links and mitigating the adverse environmental effects of traffic in towns and city centres.

Concerning the high priority projects endorsed by the Essen European Council (December 1994), the Cohesion Fund has given particular emphasis to the implementation of the high priority projects that lie wholly or partly within the territories of the Cohesion Member States: high speed train South; the Greek motorways (Pathe and Via Egnatia); the Portugal/Spain multimodal link; Cork-Dublin-Belfast rail link; and the Ireland-UK-Benelux road link.

In 1999 the Cohesion Fund committed a total of €1 523.5 million to transport projects.¹⁰ Total assistance committed since 1993 to transport TENs projects by the Cohesion Fund, and its predecessor, the financial instrument, amounts to €8 325.7 million.

Commitments to TENs projects by transport sector

Sector	Commitments 1993-98		Commitments 1999		Total commitments 1993-99	
	€million	% of total	€million	% of total	€million	% of total
Roads	4 362.1	64.1	345.2	22.5	4 706.1	56
Railways	1 861.9	27.4	958.5	63	2 819.2	33.7
Ports	191.3	2.8	45.9	3	237.2	3
Airports	351.5	5.2	144.8	9.5	496.2	6
Other*	37.9	0.6	29.1	1.9	67.0	0.8
Total	6 804.7	100.0	1 523.5	100.0	8 325.7	100.0

*Including VTS (vessel traffic systems for maritime surveillance)

2.3. Implementation of the budget, commitments and payments

2.3.1. Budget available

The Edinburgh European Council in December 1992 agreed on the financial endowment for the Cohesion Fund over the period 1993-99 and provided €15 150 million at constant 1992 prices for those Union members whose per capita GNP is less than 90% of the Union's average. The annual budgetary provisions are adjusted to allow for the Union's average annual increase in prices.

¹⁰ This includes commitments to new projects, or new stages of existing projects, as well as additional commitments to projects approved in previous years (new annual instalments or amendments to earlier decisions).

TREND OF BUDGETARY ALLOCATIONS								
Commitment appropriations								€million
Year	1993	1994	1995	1996	1997	1998	1999	Total
1992 prices	1500.0	1750.0	2000.0	2250.0	2500.0	2550.0	2600.0	15150.0
Cumulated 1992 prices	1500.0	3250.0	5250.0	7500.0	10000.0	12550.0	15150.0	
Price adjusted	1565.0	1853.0	2151.7	2443.7	2748.7	2870.7	3118.0	16750.8
Cumulated adjusted amounts	1565.0	3418.0	5569.7	8013.4	10762.1	13632.8	16750.8	
Commitments implemented								
Per year	1564.6	1853.1	2151.7	2443.6	2748.7	2870.7	3117.7	
Cumulated	1564.6	3417.7	5569.4	8013.1	10761.8	13632.5	16750.2	
% of total allocation	9.3	20.4	33.2	47.8	64.2	81.4	100	

The table shows the annual breakdown of allocations at 1992 prices and in price-adjusted values.

By the end of 1999 the Commission had committed all the financial appropriations of the Cohesion Fund for 1993-99 and 91.6% of payment appropriations had been implemented. The reasons why not all these appropriations could be used were the late arrival of some applications for payment arrived late and the workload on Commission staff.

Annex I to the Cohesion Fund Regulation sets out the indicative breakdown among the eligible Member States for 1993-99.

% of total appropriations

	Greece	Spain	Ireland	Portugal
Indicative allocation range	16 to 20	52 to 58	7 to 10	16 to 20

In implementing the Cohesion Fund, the Commission has carefully followed the guidelines set by the Council and has targeted the central rates of the indicative allocation for the beneficiary countries. The following tables shows in detail the financial allocation implemented by the Commission for the four cohesion countries in the period to 1999.

COMMITMENTS IMPLEMENTED (%)								
BY BENEFICIARY MEMBER STATE								
Year	1993	1994	1995	1996	1997	1998	1999	1993-99
Greece	17.9	17.9	18.0	17.9	18.0	18.0	17.6	17.9
Spain	54.9	54.9	55.0	54.9	55.1	54.9	56.2	55.1
Ireland	9.1	9.1	8.8	9.1	8.9	9.0	8.7	8.97
Portugal	18.1	18.0	18.0	18.0	17.9	18.1	17.6	17.98
Technical assistance	0.02	0.03	0.09	0.09	0.07	0.06	0	0.05
Total	100	100	100	100	100	100	100	100

2.3.2. Budget implementation

Funding for 1999 amounted to €3 117.7 million in commitment appropriations. This was increased by €11 379 000 following the reconstitution of appropriations under Article 7(6) of the Financial Regulation.

Appropriations for payments initially stood at €2 876.675 million but were reduced to €1 876.675 million under 'Notenboom' budgetary procedure following a transfer of €1 000 million to item B2-1200 "Objective 1 (ERDF-CSF)".

€ '000

	1998		1999			
	Budget (1)	Implementation %	Initial budget	Actual budget (1)	Implementation %	Carryovers to 1999
Engagements	2 870 700	100.0	3 117 700	3 129 060	100.0	None
Payments	2 448 475	100.0	2 876 675	1 876 675	91.6	157.7

(1) Including supplementary and amending budget, transfers, carryovers and reconstitution of appropriations

Compared with 1998, appropriations for commitments increased by 9% in 1999 while those for payments fell by 30%. Since 1999 was the last year of the 1993-99 programming period, the need for payment appropriations was proportionately less than the amounts committed because a large part of the commitments did not result in the payment of advances (commitments of further annual instalments, retention of the final balance).

Commitments in 1999

The appropriations for commitments in the 1999 budget were fully used in accordance with the relevant breakdown, both by country and by area of assistance.

As the table below shows, the quota fixed for Spain was slightly higher than the middle of the bracket (55%) in order offset the imbalances built up in previous years. In the last year of the Fund, it was essential to make a rigorous breakdown among the Member States of all the appropriations actually used throughout the period 1993-99, in accordance with the mid-point of the bracket laid down by the Fund Regulation (Spain 55%, Portugal and Greece 18%, Ireland 9%).

The amount for the environment (51.3%) was also slightly higher in order to secure balance over the period 1993-99.

€million

Member State	Commitments				
	3129.1				
	Transport	Environ.	TOTAL	Quota	%
Spain	832.5	925.1	1.757.6	1.757.6	56.17
Ireland	121.8	150.1	271.9	271.9	8.69
Portugal	225.5	324.2	549.7	549.7	17.57
Greece	343.7	206.0	549.7	549.7	17.57
Technical assistance				0.2	0.00
Total	1.523.5	1.605.4	3.128.9	3.129.1	100.00
Breakdown	48.69%	51.31%			

Part of the commitments went to provide finance for projects adopted in 1999. However, the vast bulk arose from the commitment of the instalment for 1999 of assistance granted to projects adopted in previous years. In the case of certain major projects already adopted, this 1999 instalment was substantial because it had to cover expenditure on projects planned for 1999 and subsequent years. The Commission also had to commit from the 1999 budget all the assistance granted to projects adopted that year. Approval of the Cohesion Fund Regulation in July 1999 meant that resources available after 1999 could not be taken into account when decisions were adopted and commitments made.

Payments in 1999

The main features of the consumption of payment appropriations were:

- the transfer of €1 000 million under the Notenboom procedure,
- the under-consumption of the funding available.

The transfer was made for the following reasons (which were not known when the budget proposals were drawn up):

- most commitments concerned expenditure over several years. Payments, by contrast, concern expenditure implemented in 1999 and so only a small part of the commitment made,
- for many projects nearing completion, the only payment to be made is that of the balance. Under the rules on financial implementation, the balance may not be paid until the project has been completed physically and financially and the final report drawn up,
- some projects adopted were financed using special arrangements under which public expenditure is used only towards the end of the project and resulted in the payment of very small advances.

Failure to use all the payment appropriations available was due to the fact that a large number of applications for payment reached the Commission in December 1999. The work-load of the Commission departments concerned at the end of the year meant that these applications could not be charged to 1999.

Summary of commitments and payments in 1993-99

The following tables provide an overall view for 1999 and the whole period since 1993 of the breakdown of commitment and payment appropriations by beneficiary Member State and by sector. Article 7(4) of the Regulation establishing a Cohesion Fund authorises the Commission to spend up to 0.5% of the total allocation to the Fund at its own initiative measures but so far it has been prudent in using this possibility.

COMMITMENTS AND PAYMENTS BY BENEFICIARY MEMBER STATE AND SECTOR IN 1999					
	Total	Transport		Environment	
	€ million	€ million	% of total	€ million	% of total
Commitments					
Greece	549.7	343.7	62.5	206	37.5
Spain	1757.6	832.5	47.7	925.1	52.6
Ireland	271.9	121.8	44.8	150.1	55.2
Portugal	549.7	225.5	41	324.2	59
Technical assistance	0.2	-	-	-	-
Total	3129.1	1523.5	48.7	1605.4	51.3
Payments					
Greece	247.6	134.6	54.3	113	45.7
Spain	941.7	282	30	659.7	70
Ireland	190.4	51.7	27.9	138.7	72.8
Portugal	331.8	183.2	55.2	148.6	44.8
Technical assistance	3.1	-	-	-	-
Total	1714.6	651.5	38	1060	62

COMMITMENTS AND PAYMENTS BY BENEFICIARY MEMBER STATE AND SECTOR 1993-99					
	Total	Transport		Environment	
	€ million	€ million	% of total	€ million	% of total
Commitments					
Greece	2998,2	1534,6	51,2	1463,6	48,8
Spain	9251	4597	49,7	4654	50,3
Ireland	1495,3	748,3	50,0	747,0	50,0
Portugal	3005	1446	48,1	1559	51,9
Technical assistance	8,4	-	-	-	-
Total	16760,9	8328,3	49,7	8424,3	50,3
Payments					
Greece	1938.7	1012.8	52.2	925.9	47.8
Spain	6022.3	3665	60.9	2357.3	39.1
Ireland	1112.5	587.8	52.8	524.7	47.2
Portugal	2562.1	1361.3	53.1	1200.8	46.9
Technical assistance	7.8	-	-	-	-
Total	11643.4	6626.9	56.9	5008.7	43.1

The following table shows the allocations by sector and the most relevant sub-items in environment and transport. The table gives totals for the period from 1993 to 1998, the details for 1999 and totals for the period until end-1999.

Allocations by sector						
All beneficiaries	1993-98		1999		Total 1993-99	
	€ million	%	€ million	%	€ million	%
Environment						
Drinking water	2142.7	31.4	433.9	13.9	2576.5	15.4
Waste water	2881.2	42.3	936.5	29.9	3817.8	22.8
Solid waste	755.1	11.1	193.7	6.2	948.8	5.7
Erosion control and afforestation	585.2	8.6	35.4	1.1	622.7	3.7
Other	454.7	6.7	5.9	0.2	458.4	2.7
Total	6818.9	100	1605.4	51.3	8424.2	50.3
Transport						
Roads	4362.1	64.1	345.2	11	4706.1	28.1
Railways	1861.9	27.4	958.5	30.6	2819.2	16.8

Airports	351.5	5.2	144.8	4.6	496.2	3
Ports	191.3	2.8	45.9	1.5	237.2	1.4
Traffic control systems	37.9	0.6	0	0	37.9	0.2
Other			29.1	0.9	29.1	0.2
Total	6804.7	100	1523.5	48.7	8325.7	49.7
Total support	13623.6		3128.9	100	16749.9	100

3. PROJECTS AND MEASURES ADOPTED

3.1. The Fund in each Member State

3.1.1. Greece

In 1999, the Cohesion Fund allocated a total of €549.7 million to projects in Greece - 62.5% to projects in the transport sector and 37.5% to environmental projects.

3.1.1.1. Environment

The overall strategy for the adoption of projects was the same as in the past for the priority sectors of water supply, waste-water treatment, waste management and nature protection.

The list of all the projects adopted or amended in the field of the environment is shown in the table in Annex III.

Water supply

This category of projects includes one major project, to supply water to Thessaloniki from the River Aliakmon, further work on the Evinos major project¹¹ to supply water to Athens and improvements to the Mornos aqueduct,¹² which links with the Evinos major project.

In the case of the project to supply water to Athens, the Cohesion Fund paid attention to the sound management of water resources and improvements to the water-supply pipes. The Evinos/Mornos tunnel has been used to supply water to Athens since summer 1995. The Cohesion Fund also facilitated appointment of a project manager for the Athens water supply company (EYDAP) and approved finance for the management and transport of water (remote management and operation).

¹¹ The Evinos project is continuing following approval of its third, penultimate, phase.

¹² Extension of the Mornos aqueduct was approved as regards the points where it enters the Athens urban area.

In view of Athens' needs for external supply networks and in order to guarantee its water supplies, the Cohesion Fund approved finance to improve links between Athens and other drinking water reservoirs at Yliki and Marathon.

In the case of the major project to supply water to Thessaloniki, the Fund was concerned to ensure sound management of water resources, monitoring of existing facilities and the engagement of a project manager. Despite the considerable efforts made to implement the project, it is regrettably suffering from substantial delays caused by technical difficulties.

It is also monitoring closely the project to establish a bank of hydrological and meteorological data to help improve the management of the country's water resources.

The Cohesion Fund has begun a thorough evaluation of the project to supply water to Rhodes and neighbouring islands as part of the environmental master plan for the Dodecanese. Initial finance for studies and a project manager was supplemented by finance for a panel of experts and purchase of the land required.

Waste water treatment

The main principles followed in granting this assistance were:

- to adopt projects which are, as far as possible, complete, operational and consistent with an overall strategy and integrated with the economic and social development of each region,
- to protect the environment, given that the projects enjoying priority would be primarily those benefiting towns near to a sensitive area and/or with a population of over 15 000 people on which the Community timetable imposes certain immediate priorities (1998/2000).

All finance has been granted on the basis of complete applications and a thorough study has been carried out on each project, as well as prior appraisals and on-going evaluations.

A large number of projects concerned with the treatment of waste water and effluent, mainly from urban areas, have been part-financed in a number of large and medium-sized regional towns.

The award of the contract for the second stage of the major project providing a biological treatment plant for Athens located on the island of Psytalia was closely monitored. This project is of the highest priority and is essential; it was the subject of a thorough prior appraisal. When it comes into operation, it will help improve water quality in the Gulf of Saronikos and so also the environment of the urban areas nearby.

Financing of the second stage of the biological waste-water treatment station in Thessaloniki continued during 1999. This project is of the utmost importance for water quality in the Gulf of Thessaloniki area and will serve the second largest city in Greece. Specifically regarding water quality in the Gulf, the Cohesion Fund approved a project for the biological treatment of waste water in the tourist area of Thessaloniki, whose treated effluent is also discharged into the Gulf. This work,

together with the Kalochori drainage project, constitutes a series of measures to improve the environment in the region.

As suggested by the Greek authorities, the Cohesion Fund gave greater attention to the on-going evaluation of this project. The two parties agreed on operational improvements to conclude the project.

In addition to the major projects, the Cohesion Fund is also part-financing a number of other water supply and drainage projects throughout Greece.

The new projects include:

- the Aposselemi dam, €8.3 million;
- Messolonghi, waste water and treatment station, €5.4 million;
- Zakynthos, water and waste water, €6.1 million;
- Alexandroipolis, water, €13 million;
- Kalymnos, waste water, €3.4 million;
- Mantoudi-Prokopi, waste water, €4 million
- Plomari, water and waste water, €3.5 million;
- Archanes, waste water, €2.6 million;
- Sarantapotamos, water course, €2.5 million;
- Elassona, waste water, €4.7 million;
- Corinth, rain water, €5 million
- Kalamata - waste and rain water - €1.8 million.

Waste management

In 1999 the Cohesion Fund received and considered applications for assistance to finance major waste treatment projects in Athens and Thessaloniki. Because these projects were not fully prepared and lacked adequate management structures, no finance could be proposed for them in 1999.

The Cohesion Fund provided part-finance for the following projects:

- Rhodes, tip, €2.2 million;
- Messolonghi, tip, €2.3 million;
- Komotini, tip, €2 million;
- Corfu, tip, €2.2 million

- Aridea-Pella, tip, €1.8 million.

Pilot projects

In 1998 the Greek authorities adopted the Master Plan for the pilot project to restore Lake Koronia and the study on the integrated pilot project for the island of Santorini.

In 1999, the Cohesion Fund provided finance for the first phase of each of these projects, i.e.:

- the rehabilitation of lake Koronia, €2.5 million;
- a coordinated measure for the treatment of waste, waste-water and desalination to produce drinking water from sea water on Santorini, €1.6 million.

Nature conservancy

In 1999 the Cohesion Fund continued to part-finance the “GAIA” Centre project for research and training on the environment, providing €500 000.

3.1.1.2. Transport

In the transport sector, the Commission approved aid totalling €93 million to finance various sections of the Pathe and Egnatia motorways (priority projects for the TENs European networks). In addition, €142 million was provided to finance rail projects (principally the Patras-Athens-Thessaloniki route) and €10 million to finance projects in the port sector (infrastructure in the port of Piraeus).

Measures in the transport sector were financed in coordination with the ERDF “Transport” programme and in accordance with the priorities laid down in the TEN.

The Cohesion Fund and the ERDF work together since they both contribute to financing the extension and modernisation of the Greek rail and motorway networks, in particular the Pathe and Egnatia motorways. These networks require further improvement and the establishment of warehouse centres to make them easier to use.

The Cohesion Fund is using appropriations for technical assistance to finance the study on the Lesvos centre. It believes that this approach could help involve the private sector, which would benefit from the rapid and efficient transport of goods. More rapid transport of goods based on an efficient system (ports linked to networks with intermodal platforms for combined transport), would help reduce the selling price of goods, so increasing exports to the Member States and directly and indirectly creating jobs.

The list of all projects adopted or amended in the field of transport may be found in the table in Annex III.

Roads

The strategy involves the completion of the two main road routes in Greece, the Egnatia and Pathe motorways.

Via Egnatia motorway

The section Ag. Nikolaos-Koumaria progressed well and the section is expected to be open to traffic in July 2000; the final report will be ready at the end of 2000.

The Ag. Sillas interchange is complete and the other projects, Ag. Andreas –N. Karvali, MR 4+937-MR 9+400 and ‘Construction of six viaducts’, which concerns the Kavala by-pass, have progressed well. The whole section is expected to be in use by traffic from the end of 2000.

Pathe motorway

The sections “Patras by-pass” and “Iliki-Kastro-Martino” are finished and the final report is expected in the first half of 2000. The “Martino-Atalanti-Arkitsa-Ag. Konstantinos-Viaduct” section is almost finished and construction of the “Tragana tolls” is progressing well. These sections are being used by traffic.

On the 20-km-long “Rahes-Ag. Theodori junction” section, of which 15 km is being used by traffic, the second stage of a complementary contract is expected to be financed by the Cohesion Fund next year with completion planned for the end of 2001.

“Skotina-Litohoro-Dion-Katerini”: The whole section is in use by traffic apart from 1 km. The second phase of a complementary contract is expected to be financed by the Cohesion Fund next year with completion planned for the end of 2001.

Air traffic control

Installation of the four terminal radars has been completed, as have the quality controls required. Only the radome from the Rhodes terminal radar is missing. It should be installed in February 2000 and will be followed by operating checks.

Procedures for the installation of the three long-range radars at Thassos, Rhodes and Karpathos are progressing.

After some delay, the Aeronautical Investigation system and the Safety Management system progressed in 1999 and it is hoped that a contractor for each one will be selected during 2000. Particularly in the case of Safety Management, results are expected by the end of 2000.

Railways

In 1999, the rail projects already approved continued to progress, although some remained considerably behind schedule. Representatives of the Cohesion Fund Directorate checked the progress of all the projects in the course of *ad hoc* missions during the year.

It was also found that the management of ERGOSE needed improvement. The Greek authorities agreed to take the steps required.

Sea transport

One port project was adopted in 1999. It concerns the construction of quays where cruise ships can moor in the Palataki area of the port of Piraeus, the project received assistance amounting to €9.7 million.

3.1.2. *Spain (including outermost regions)*

To reach a balance in the budget allocation between transport and the environment in Spain over the period 1993-99, the Cohesion Fund sought to provide greater financial assistance to environmental projects so that over the period 1997-99 the breakdown would be 55% to environmental projects and 45% to transport projects. (see list of projects in Annex III).

3.1.2.1. Environment

Water supply

During the period 1993-99, Cohesion Fund assistance for water supply projects amounted to €1 211 million, 13.1% of total Community assistance to Spain.

The aim was to increase the available volume of high-quality drinking water through the construction of infrastructure to catch, transport and treat water and regulatory work on existing infrastructure. A warning system (SAIH) was installed with Cohesion Fund assistance in all main water basins.

In 1999, the Cohesion Fund contribution of €259 million to water supply represented 28% of resources available for environmental projects in Spain. This required ten new decisions and seven amending decisions, with increased costs permitting the inclusion of extra elements.

Most of the decisions adopted in this field concentrated on problems of upgrading existing supply systems and improving water quality so that it complied with the criteria set out in Community Directives 80/778/EEC and 98/83/EC.

The aim of the projects adopted in the Madrid region was to ensure water supplies to rapidly growing urban areas in all circumstances by making greater use of the opportunities for interconnection among six separate water sources. A more rational management of resources is being sought through improved coordination.

Other large cities and regions of Spain such as Salamanca, Albacete, Cartagena, Alicante, the lower Ebro and the Balearic Islands benefited in 1999 from the adoption of projects which will, in due course, guarantee supplies and quality in line with Community directives.

Waste-water treatment

In 1993-99, considerable progress was made in this area, mainly thanks to assistance from the Cohesion Fund, which provided grants totalling €2 068 million. These accounted for 22.4% of the appropriations allocated to Spain for the seven-year period. This investment permitted implementation of the Spanish national plan for drainage and waste-water treatment, adopted in 1995, and compliance with Directive 91/271/EEC.

During 1999 this sector absorbed a very large part of the resources available for Spain, €567.9 million or 32.3% of the total. Of the 18 decisions adopted, five concerned amendments (further work or additional phases) and 13 concerned new projects involving treatment stations or integrated drainage systems in the following Autonomous Communities: Andalusia, Balearic Islands, Canary Islands, Cantabria,

Castille-Leon, Catalonia, Madrid and Valencia. The projects include adoption of the system at Prat de Llobregat in Catalonia, at a cost of €204 million, to cover construction of a biological treatment station, an under-sea discharge and a network of collectors to serve nine municipalities in the Barcelona metropolitan area.

The particular emphasis which the Cohesion Fund has placed on financing projects in the outlying regions of the beneficiary countries resulted in the financing of waste-water treatment stations on the two largest islands of the Canaries archipelago at a cost of €25 million.

Waste management

In 1999, €70.3 million was devoted to waste management projects. Of this amount, €47.7 million (68%) corresponded to commitments for projects approved in previous years (new annual instalments or amendments to earlier decisions) and the rest to commitments for two newly approved projects. In both cases, the new projects are to implement the regional waste management plans of the regions where they are located. These plans are based on agreements between the national government and the Autonomous Communities, which are responsible for waste management in their territories.

With the 1999 commitments, the waste management sector has accounted for €481 million, 10.3% of the expenditure by the Cohesion Fund on environment projects since 1993.

Protecting and reclaiming the coastline

A decision granting €9 million to finance an environmental restoration project on the shore of the ría de Ferrol was adopted. Its main aim is to restore natural features as far as possible, provide access to the coast and restore run-down areas.

Afforestation and erosion control projects

In 1993-99, the decisions adopted relating to afforestation and erosion control projects in Spain involved €565 million of assistance from the Cohesion Fund, 12.1% of the environment budget for Spain.

These projects stem from the Spanish Reforestation Plan drawn up for 1995-99 and include a series of operations carried out under the responsibility of the Directorate for Nature Conservation of the Spanish Ministry of the Environment, and of the Autonomous Regions.

The projects cover the following principal activities:

- replanting of vulnerable areas using appropriate tree and shrub species;
- treatment of existing forested areas to improve the vegetation and maintain an equilibrium between soil protection and forest cover;
- small infrastructure works to stabilise the banks of rivers and streams;
- afforestation and treatment of areas damaged by fire or at risk of being damaged.

The projects were all aimed at fighting soil erosion and desertification in vulnerable regions and at protecting and regenerating forests damaged by fire. They extend over all the major river basins of Spain and represent a concerted response to the fact that an estimated 40% of the country's land area is faced with serious erosion problems.

In 1999, two new projects were approved (€19.5 million) in the regions of Valencia and the Ebro basin. The projects approved in previous years were revised in 1999 to include new measures in areas where these activities need to be expanded. The most recent information received suggests that practically all the works will be finally completed in 2000.

3.1.2.2. Transport

1999 was a year of consolidating Spanish transport infrastructure projects with only a few new decisions adopted.

The Cohesion Fund made a substantial financial contribution to Spanish transport infrastructure projects, principally road and rail, in line with the objectives of the "Plan Director de Infraestructuras 1993-2007" and the Community's guidelines for the development of the trans-European transport network (see 2.2.2. above). A total of €4 597 000 of assistance from the Fund has been committed since 1993, 50.3% of the total allocation for Spain.

Commitments for road projects accounted for €2 611 000 (56.8% of the total for transport) and those for rail projects €1 859 200 (40.4% of that total).

Roads and motorways

Road projects accounted for the major part of Cohesion Fund assistance in Spain until 1997, from then on the emphasis became somewhat less marked. The importance of such investment reflects the need to complete and upgrade the extensive Spanish main road system in response to the rapid growth of road traffic. All the projects supported by the Cohesion Fund aim to meet the objectives of the TENs and of the general plan for roads in Spain. These include the completion of the most heavily used motorway corridors, the connection of outlying regions with the major centres of economic activity, a reduction in the excessively radial structure of the Spanish road network, the relief of urban congestion and the integration of the Spanish road network with that of its EU neighbours.

In line with these objectives, Cohesion Fund assistance was concentrated on the main corridors (see Annex).

The Cohesion Fund has placed great emphasis on monitoring projects approved in earlier years. This has been done primarily via the information (physical and financial indicators) submitted by the Spanish authorities, by the information submitted when applying for intermediate or final payments of grant and via missions to monitor project implementation on the ground.

Railways

The "Plan Director de Infraestructuras 1993-2007" identifies the main priorities for upgrading Spain's rail infrastructure, including the development of high-speed lines, improvement of track, signalling and other structures on existing lines, and general

safety and conservation measures. The Cohesion Fund has contributed to the financing of these actions wherever they relate to the development of the TENs.

Since 1993, Cohesion Fund assistance has been concentrated on the projects listed in the Annex.

Ports and airports

The total assistance provided for ports and airports accounts for 2.2% of the transport budget (€101.4 million) and has been spent exclusively in the Balearic Islands.

Vessel Traffic Systems (VTS)

Projects in this category relate to the control of maritime traffic and the fight against marine pollution. No new project was adopted in 1999. In fact, no new request for assistance in this category was introduced in 1999. In the period 1993-99 €25.3 million was granted to VTS projects under the National Plan for VTS.

3.1.3. Ireland

As described in previous reports, the balance of commitments under the Cohesion Fund for Ireland has moved over time from support for relatively small projects to support for large projects with multi-annual budgets, and away from the approval of new projects towards the continuing implementation of major projects. Activities in 1999 saw the continuation of this trend. Assistance was mainly allocated to projects aided in earlier years with no entirely new projects approved. The year was also characterised by the completion of a good number of projects in both sectors.

As in recent years, the bulk of assistance in the environment sector was committed to the continued implementation of priority projects, either to new stages of projects which the Commission had assisted in earlier years or to annual instalments of aid to larger projects approved earlier. The one new project stage assisted was Dublin Region Waste Water Scheme Stage V. No entirely new project was added in 1999.

More than 80% of the assistance for environment projects in 1999 went to waste-water projects. As in previous years, waste-water treatment projects within the largest urban areas and in environmentally sensitive areas, which are required by Community Directives to be completed not later than the end of the decade, were the priorities for assistance. The project stages which saw the completion of assistance were the main drainage schemes in Wexford (Stage II), Dublin (Stage II), Dundalk (Stage II), Cork (Stage II) and Drogheda (Stage II). The Commission continued to support groups of related water-treatment projects in lake and river catchments with the aim of maximising the impact of aid already committed for the environmental protection of these areas. The catchment projects where Community assistance was completed in 1999 are in the River Suir basin and the Lough Ree area.

Assistance to water supply projects in 1999 concentrated on the continued upgrading of the water supply to the Greater Dublin Area and on the water-conservation projects in Dublin. Water conservation has remained a priority for assistance since a consultancy study in 1996 showed that leakage control is often more cost-effective than the construction of new primary infrastructure.

In transport, the bulk of the budget was used for the continuing implementation of major projects on the trans-European road network, with most assistance in 1999 going to projects on the Dublin-Belfast route.

In the rail sector assistance was completed to the to the project covering sections of the Dublin-Galway, Dublin-Sligo, Dublin-Waterford and Mallow-Tralee lines and to the extension of the DART in Dublin.

A list of projects may be found in Annex III.

3.1.3.1. Environment

Waste-water treatment

The main part of the assistance was committed to annual instalments of aid for large projects under construction and a new stage of a project for which the Commission had already provided assistance.

Water supply projects

The main part of the assistance was committed to completing annual instalments of aid for two projects already under construction.

3.1.3.2. Transport

Roads

In 1999, €98.9 million was committed to road projects. All the assistance went to annual instalments of aid to large projects which were already under construction. No entirely new transport project was approved in 1999 though an additional stage of a major motorway project was supported in part by a single annual instalment.

With a view to sound financial management, the Commission took a decision to reduce the assistance granted to two projects which were experiencing delays related to environmental aspects. This resulted in increased funds being committed to the Drogheda bypass project (stage II).

Rail

A sum of €22.9 million was committed in final annual instalments to two existing priority projects on the rail network.

3.1.4. *Portugal*

3.1.4.1. Environment

During the period 1993-99, the priorities in the environment sector remained the supply of drinking water, the collection and treatment of waste water and the management of solid urban waste.

Over the period as a whole, the environment accounted for 51.9% of Cohesion Fund assistance to Portugal, having increased substantially in recent years, and particularly in 1999, when it accounted for 59% of the total committed.

Again over the period as a whole, the breakdown by area of assistance shows that waste water accounted for the largest share of commitments (18.4% of the total - €552 million), followed by the supply of drinking water (16.9% - €507 million) and the treatment of solid waste (14.6% - €437 million).

In 1999, commitments for waste-water and waste-treatment projects speeded up (respectively 24.7% and 21.4% of the total). This was the result of efforts by the Member State to make up the delay in implementing Directive 91/271/EC.

In the case of waste treatment, priority was given to the collection and treatment systems set out in the strategic plan financed by the Cohesion Fund and adopted by Portugal in 1996.

Between 1994 and 1999, the percentage of the population of Portugal affected by these three areas was:

	1994	1999
Supply of drinking water	77%	90%
Waste-water treatment	21%	70%
Waste treatment	42%	94%

Supply of drinking water

Cohesion Fund assistance for the supply of drinking water in 1993-99 totalled €507 million, about 17% of total assistance from the Fund to Portugal and one third of the amount allocated to the environment sector in that period.

The assistance strategy used concentrated heavily on the three most densely populated regions of Portugal (Greater Lisbon, Greater Oporto and the Algarve), in an attempt to make up the backlog in this area and Portugal and comply with Community Directives 80/778/EEC and 98/83/EC.

The introduction of inter-municipal management systems has helped complete large-scale projects which are ideally suited to the assistance strategy selected. They offer substantial economies of scale and the use of reliable technical and management resources.

In 1999, the level of Cohesion Fund assistance in this area fell to about 13% of the total committed because in this last year there were no more budgetary resources available for the adoption of new projects, apart from the commitment of annual instalments for major projects in progress and the extra finance required to complete work on preparation of the national Plan for water and the water catchment plans.

Waste-water treatment

Cohesion Fund assistance for waste-water treatment concerned almost exclusively the three most heavily populated urban areas of Portugal: Lisbon, Oporto and the Algarve. The few exceptions to this geographical criterion were projects to provide solutions to particularly severe environmental problems whose urgency required rapid and sometimes substantial assistance.

In 1999, commitments from the Cohesion Fund in this sector totalled 24.7% of the resources allocated to environmental projects.

Despite this work, the situation as regards waste-water treatment is still lagging well behind the schedule set out in Directive 91/271/EEC for the installation of treatment systems and so greater efforts will be required in future. As shown by the study carried out for the Cohesion Fund by WS Atkins International, Portugal needs considerable investment in the treatment of urban waste water if it is to meet all the Community standards.

In 1999, the Commission and the Portuguese authorities stepped up work on waste water by providing it with the largest slice of investment for the environment. This enabled significant progress to be made in implementing the Community Directives in this field, particularly Council Directive 91/271/EEC of 21 May 1991 as amended by Commission Directive 98/15/EC of 27 February 1998.

In the case of assistance granted as a result of new decisions, in 1999 the waste-water sector received €11 045 750 in new appropriations, allocated to a single new project (see Annex III).

First phase of the integrated project to clean up the basins of the Rio Lis and the Ribeira de Seica: this integrated system for the drainage and treatment of waste water discharged into these basins from urban areas includes solutions for treating waste water from pig farms located there, which cause substantial pollution. The solutions planned apply the polluter-pays principle and include contributions from the Ministry of Agriculture and farmers, through their associations. The solution adopted, whose overall aim is to improve the quality of the environment in the Lis basin, will act as an example for other similar cases in other water basins in Portugal.

Waste

As in 1998, the work of the Cohesion Fund on urban waste concentrated mainly on monitoring the implementation of projects adopted in previous years.

Only one new item of assistance was adopted in 1999, for the first phase of the project for a unit to process waste on the island of Madeira. This first phase entails an investment of €46 million, of which the Cohesion Fund is providing €31 million. It includes the construction and equipment of an incinerator for urban waste and a second for hospital waste. When it is completed, this project will provide an integrated solution to the problem of waste produced on the islands of Madeira and Porto Santo. The investment is substantial because it involves improvements to the environment, public health and the quality of life. It will also have a direct and positive impact on tourism, which is of key importance for the economy of the archipelago.

The first period of implementation of the Cohesion Fund will conclude at the end of 1999. This makes it possible to make a general assessment of assistance in the waste sector from the Fund to Portugal throughout the period 1993-99.

Preparation in 1996 of the strategic Plan for solid urban waste, part-financed by the Cohesion Fund, identified the problems and defined the strategy for assistance, to correct the poor indicators reflecting Portugal's treatment of urban waste.

To provide the infrastructure required, Portugal adopted a management model based on the establishment of inter-municipal bodies, associations of municipalities and mixed capital (public and private) companies

Throughout the period, the Cohesion Fund has financed six projects under the responsibility of inter-municipal bodies, three under the responsibility of associations of municipalities and two under the responsibility of mixed capital companies. These projects, together with the one to process waste on Madeira, account for the bulk of assistance from the Fund. Total investment amounts to €646 million, to which the Fund has contributed €438 million, 14.6% of the total appropriations allocated to Portugal over the period.

These projects have resulted in the construction of a network of basic infrastructure to provide adequate management of urban waste. They cover virtually the whole of the Portuguese coastline, where the population density is greatest. This includes some 7.2 million people, 73% of the population, living on about 29% of the land area.

3.1.4.2. Transport

- A year of consolidation

Because 1999 was the end of the first period of Cohesion Fund assistance, it saw principally the consolidation of transport infrastructure projects in Portugal rather than the launch of new projects.

Accordingly, the commitments of €225.5 million made in 1999 for transport projects related solely to the 1999 instalments of projects approved in earlier years.

In 1999, it was possible to pay the balance of the assistance granted to the Vasco da Gama bridge (over €29.3 million out of total assistance of €311.2 million), following a number of discussions with the Portuguese authorities to ensure full compliance with the environmental clauses attached to the Community part-financing. During the year, the Commission was also able, following receipt of the relevant final report, to financially close the projects concerning the Beira Alta railway line.

- Preparations for the next period of assistance

1999 provided an opportunity to begin considering with the Portuguese authorities the future of the work of the Fund, starting from an overall view of what had been achieved since 1993. As far as transport is concerned, this is briefly sketched out below.

At a number of meetings with the Portuguese authorities, mainly at round tables organised before the presentation of Portugal's Regional Development Programme, the Commission took the opportunity to announce its priorities for action and express its concerns, particularly as regards the environment.

- Stress was laid on the following guidelines:
 - a rigorous evaluation of the resources available for 2000/06 which would help improve the definition of priorities, particularly as regards completion of the

trans-European transport networks, and the coordination of assistance from the various Community instruments;

- concentration would be possible on implementation of Essen priority project No 8 (“Multimodal link between Portugal and Spain and the rest of Europe”);
 - priority would be given to improving the performance of rail and sea transport to permit the transfer of road traffic to less polluting forms of transport and help promote sustainable development;
 - greater use of the PPP (public/private partnership) approach should help increase the multiplier effect of Community assistance and make possible the part-financing of a broader range of projects.
- Overall view of achievements since 1993

The financial contribution to transport since 1993, which amounted to €1 446 million (48.1% of total funding to Portugal), was the key to a strategy aimed at ensuring the appropriate integration of Portugal into the trans-European network and making its transport system more effective, despite its outlying situation.

Thanks to assistance from the Fund, which, particularly at the beginning of the period, concentrated quite heavily (29% of Portugal’s ‘quota’), on road transport, the Lisbon-Madrid and Lisbon-La Coruña routes could be completed and construction of the Lisbon-Valladolid route speeded up. These three high-priority routes form part of the trans-European network and the last two also form part of Essen priority project No 8. In addition, a decisive contribution was made to eliminating serious bottlenecks in the urban areas of Lisbon (by part-financing projects such as the internal and external ring roads, extensions to the motorway north of the city and the new bridge over the Tagus) and Oporto (increasing the capacity of the Oporto/Agua Santa stretch and some of the works concerning the ‘Freixo’ bridge).

A considerable effort (€334 million, 11% of the total) was made throughout this period to assist the two rail corridors of strategic importance linking Portugal with the centre of Europe. The Fund assisted a number of projects included in the overall plans to modernise these two rail lines in order to support the ambitious programme of infrastructure investment which Portugal undertook in this area. Work on the ‘Beira Alta’ line was completed, mainly thanks to joint assistance from the Cohesion Fund and the ERDF, while the programme to modernise the Nord line will continue in 2000/06.

Sea transport also received assistance from the Fund throughout this period but this did not exceed 3% of the total. The Fund gave priority in the allocation of its assistance to investment in short-haul sea transport (the ports of Lisbon and Leixões) likely to encourage the transfer of some land traffic to the sea and to measures to promote interoperability with other modes of transport and port safety (ports of Leixões and Sines).

As regards air transport, only one project – Funchal airport on Madeira – received Fund support of some €160 million (5% of the total) to improve access to this outermost region and boost the tourist sector, which is of great importance to the island.

3.2. Technical assistance and studies

3.2.1. General policy of the Fund

To carry out its management duties successfully and make the assistance granted more effective, the Cohesion Fund Directorate calls on a number of experts and consultants in the various sectors to which it provides assistance.

Consultants in fact play a very important role in assessing, analysing and monitoring the projects submitted for part-financing by the Fund. Experts can supplement the Commission's technical expertise with their practical and up-to-date knowledge of a variety of subjects and so help it meet its obligations better.

3.2.2. Technical assistance at the initiative of the Commission

Technical assistance schemes using outside consultants are very important in helping the Cohesion Fund carry out its duties.

This work extends the range of knowledge available within the Commission.

The consultants are chosen through calls for tender in accordance with the procedures laid down by Directive 92/50/EEC on tenders for public services and are thus among the best in Europe.

Most of the consultants working for the Cohesion Fund are companies from countries other than the cohesion countries. They often work alongside consultants from the beneficiary countries.

From the 1999 budget of the Cohesion Fund €157 412 was committed for technical assistance measures and studies, slightly less (down 10%) than in 1998 because a number of the framework contracts for technical assistance in the areas of concern to the Fund are multi-annual contracts which were still in force and did not require new commitments.

The budget committed in 1993-99, €8.6 million, was about 0.05% of the total resources committed by the Fund.

The present framework contracts are now expiring. Accordingly, two major calls for tenders were published in June to choose consultants for the new period which will begin in 2000. A consortium of consultants was chosen for a contract in the field of transport and another consortium in the field of the environment to assist the Commission in its technical assessment of the projects to be financed or already in progress.

4. MONITORING, CHECKS AND IRREGULARITIES

4.1. Monitoring: committees and missions

4.1.1. Greece

Monitoring Committees

The Monitoring Committee for Cohesion Fund projects met several times in March and October 1999 in the cases of transport and the environment. *Ad hoc* Committees also met, for Spata, for the Evinos and Eydap projects and for the Psyttalia (environment) project.

These Monitoring Committee meetings are chaired by the Secretary-General of the Greek Ministry for Economic Affairs. They comprise the Secretaries-General of the other Ministries concerned with Cohesion Fund assistance, representatives of the Commission, i.e. the Cohesion Fund and the other Directorates and Directorates-General concerned, representatives of the EIB, other representatives of the Greek Ministries and representatives of the associations of local councils and mayors as project promoters.

The Committee considered tables summarising each decision and project and reports on each project. The Commission pays particular attention to compliance with Community policies.

The various meetings of the Monitoring Committee also provided an opportunity to:

- notify the amounts of commitments and payments in 1999 for projects in Greece in the fields of transport and the environment;
- notify the authority designated by the Member State, the supervisory Ministries and final beneficiaries of the results of consideration of the new applications for assistance;
- secure direct knowledge of the problems encountered by the final beneficiaries in carrying out the works;
- explain the position of each side (Member State and Commission) on the future status of projects, eligibility of expenditure and information to be provided to the Commission;
- hear from the Greek authorities about possible amendments to be made in 1999 to projects already approved, on which the Commission has to state an opinion.

Implementation of the PATHE and Egnatia transport projects in 1999 progressed satisfactorily in terms of commitments and construction. Considerable delays in implementing rail projects were noted and the Commission sent a warning letter.

The *ad hoc* Committee for the new Athens airport at Spata met twice in 1999. It looked at the physical and financial progress of the project and at compliance with Community policies, particularly on the environment, and with the special provisions of the Commission decision, which relate chiefly to the completion of access roads to the airport and the installation on schedule of navigational equipment. Thanks to the efforts of all the parties concerned, the necessary steps have been taken. Construction of the airport is also proceeding as planned.

The physical and financial implementation of environmental projects during 1999 was generally satisfactory, although there are delays in some projects. Where the explanations of these delays did not appear convincing, the Commission sent a warning letter based on Annex VI to the decisions granting assistance from the Cohesion Fund.

The *ad hoc* Committee for the Evinos project met twice in 1999. It is monitoring the supply of water to Athens from the river Evinos and the projects of the Athens water company (EYDAP) concerned with the transport of water and the management of water resources in the Athens conglomeration.

The Evinos project is being monitored in physical, financial and technical terms. A large part of the project part-financed by the Cohesion Fund has been completed and preparation of the extended final study has advanced as desired. Montgomery Watson has started to act as project manager for the EYDAP projects.

The Monitoring Committee for the second stage of biological treatment for Athens at Psytalia met twice in 1999. The project is being monitored in physical, financial and technical terms.

Inspection visits

As part of the launching of pilot projects, the Cohesion Fund carried out two missions during 1999 to Thessaloniki, to Lake Koronia, so that the project to protect that lake could begin. There was considerable discussion with the Greek local, regional and national authorities on the spot and these authorities also met experts chosen by the Cohesion Fund to draw up the master plan for this project with the participation of representatives of the villages around the lake to keep them informed and make them aware of the environmental, economic and social importance of the project. Adoption of the first phase at the end of 1999 will mean that work on protecting Lake Koronia can begin.

Other missions were also undertaken throughout 1999 to launch the Santorini pilot project (water supply, waste-water treatment and waste). These again entailed discussions with the local, regional and national authorities and providing information to the population of the island on the importance of the project. Adoption of the first phase at the end of 1999 will help improve the protection of the environment on Santorini by providing an overall view of the problems encountered.

Particular attention was paid to projects around Thessaloniki to provide the city with drinking water from the river Aliakmon and to clean up the Gulf of Thermaikos.

Other inspections were also carried out in 1999 by Cohesion Fund rapporteurs. They are listed, with the quality control inspections, in Annex II to this report.

4.1.2. Spain

Monitoring Committees

In 1999, two meetings of the Monitoring Committee were held in Madrid, the eleventh meeting on 27, 28 and 29 April and the twelfth on 19, 20 and 21 October.

There are seven sub-committees:

- Committee for the HST South project: Madrid-Barcelona line
- Committee for transport projects submitted by the national government
- Committee for afforestation projects

- Committee for projects submitted by local authorities
- Committee for environmental projects submitted by the national government including water projects
- Committee for projects submitted by the Autonomous Communities
- Committee for public/private partnerships

The Committee considered some 220 monitoring reports on the situation of projects and groups of projects.

Work on a number of projects had been completed although administrative questions concerning the winding-up of contracts is delaying despatch of the final reports and hence payment of the balance. A request has been made that the final report accompanying the payment of the balance should specify that the goals set have been achieved and set the project in the context of a plan.

The projects have been implemented efficiently but there are some management problems arising from the large number of amendments and mergers.

The committee on public-private partnership projects met for the first time in 1999. It is concerned with projects which have a private financing component. Contracts for most of these projects are awarded in the form of a concession. Others are managed by public companies established with the participation of national, regional and local government.

Since these Monitoring Committees were the last before the new Regulation came into force, they provided an opportunity to use the experience acquired to consider the past and guidelines for the future.

Reflections on the forthcoming period are of three types:

- (1) changes made by the new Regulation,
- (2) the new principles of a strategic context for Cohesion Fund assistance,
- (3) new management practices aimed at greater simplicity, efficiency and transparency.

Monitoring missions

The missions carried out permitted on the spot visits to projects being implemented and those being considered. Meetings with the bodies responsible for the presentation and implementation of projects were organised to obtain more details on the various sectoral plans of the regions visited. The missions enabled progress on the works to be checked, difficulties encountered in implementing the projects to be clarified and, in the case of projects under consideration, the goals sought to be better understood.

The list of these missions may be found in Annex II.

4.1.3. *Ireland*

Monitoring Committee

The Monitoring Committee in Ireland met on two occasions in 1999, on 15 April and 25 November.

As in previous years, the Commission was represented by the Cohesion Fund Directorate and representatives of other Directorates with an interest in the Fund's operations in Ireland. The Irish authorities were represented by the Department of Finance, which chairs and provides the secretariat for the Committee, by representatives of the Irish government departments responsible for the sectors receiving assistance and representatives of the public agencies responsible for the implementation of projects (e.g. Irish Rail, the state rail company, the port authorities). As in previous meetings, representatives of certain local authorities responsible for the design, implementation and management of road, water-treatment and water-supply projects also participated.

In general, the Commission continued to be happy with the quality of the information supplied on the management of projects. In a minority of projects it was necessary, however, to request additional information on certain subjects with a view to establishing an accurate picture of progress or on the reasons for delays in project completion.

The Commission was generally satisfied with the progress achieved. While there was clear progress with the successful completion of a number of projects in 1999 approximately half of all projects remained to be completed at end-1999. In particular the Commission expressed concern about the number of environmental projects for which time extensions were requested and the scale of cost increases reported for some projects. The Commission maintained its position that increases in grant aid would be accepted only if detailed justification were provided to explain the cost increases. Any increases would be subject to the availability of resources. This position has been accepted by the Irish authorities and no specific requests were made for cost increases to be met.

Inspection visits

The missions are listed in Annex II.

4.1.4. *Portugal*

Monitoring Committee

During 1999, the Monitoring Committee met twice, on 25 and 26 March and on 26 and 27 October. These meetings, which continue to use a systems-analysis approach which highlights the links between the various projects and the overall coherence of assistance, are still of the utmost importance for the correct monitoring of each project. This is where problems in project implementation can be identified and the best solutions sought.

These meetings cover a number of specific Monitoring Sub-committees. In addition to a general Monitoring Committee, committees for the projects on urban waste and the extension of Funchal airport on Madeira have been established. The project to

finance the Alqueva hydroelectric power station is also being monitored by the Structural Fund Monitoring Committee for the Specific Programme for the Integrated Development of the Alqueva area (PEDIZA), which met twice in 1999.

Inspection visits

Besides attending meetings of the Monitoring Committee, unit DG REGIO-E-2 undertook a number of inspections in 1999 to assess progress on projects, to see on the spot the problems encountered during implementation and to seek the best solutions which would allow the projects to be implemented normally.

This unit also took part in technical meetings to define or improve the assistance strategies in certain areas of concern to the Cohesion Fund, particularly water management and rail transport, and in meetings on the application of new financing techniques, including the public-private partnership (PPP).

The inspections carried out by unit REGIO-E-2 in Portugal are listed in Annex II.

4.2. Inspection visits

4.2.1. Greece

Checks by DG Regional Policy

The inspection departments of DG Regional Policy carried out a mission in January to look at how the systems of declarations of expenditure within the Ministry of the National Economy in Athens worked and to examine financial management and monitoring by the competent authorities and project implementation by final beneficiaries.

The projects checked were:

93-94.09.61.070 - Goulandris Museum Centre for environmental research and training in the history of nature.

95.09.65.040 - New Athens airport at Spata.

94.09.61.027 - Sewerage network in Keratea.

93.09.65.005 - Piraeus ring road.

94.09.65.005 - Quay II at the new N. Ikonion container station in Piraeus.

The following were the main findings, which have been taken up with the national authorities:

- cases of possibly ineligible expenditure, because either not covered by the decision or incurred before the eligibility period;
- lack of separate accounting for the airport project;
- delays in submission of payment claims to Commission;

- deficiencies in the checking of expenditure declarations before the submission of claims to Commission.

During a second mission, in February, DG Regional Policy inspectors looked at two projects:

94.09.61.043 - Restoration of tips and study for the construction of a transit station for waste in Thessaloniki.

94.09.61.075 - Water supply - drains and biological treatment of waste water in Naoussa.

No particular findings requiring action were made during this audit.

Financial control

A first mission to Greece took place on 17 and 18 February 1999 and concerned environment projects at Volos and Larissa (projects 95/09/61/062, 94/09/61/042, 94/09/61/062-1 and 96/09/61/085).

A second mission to Greece took place from 15 to 18 March 1999 and concerned environmental and transport projects on Corfu (projects 94/09/61/028, 93/09/65/003 and 93/09/65/001).

Reports have been drafted concerning both control missions and these have been forwarded to the national authorities. The main audit findings were discussed with Greek internal audit authorities in the annual bilateral coordination meeting.

These were that:

- since eligible and ineligible expenditure were recorded in the same accounts, it was difficult to ensure that declared expenditure corresponded with the accounting system;
- it remained unclear whether and how statements of expenditure from project managers are checked before submission to the Commission;
- advances paid by the Commission to the Ministry of Finance were only partially (65%) forwarded to the project managers and it remained unclear when and under what terms the remainder was transferred to the project manager.

4.2.2. *Spain*

Checks by DG Regional Policy

In October, DG Regional Policy's inspection staff examined a number of projects in order to:

- check the effectiveness of the system of financial management and monitoring by the competent authorities at national level and at that of the Autonomous Communities,
- verify the implementation of certain projects by the final beneficiaries,

- verify the quality of checks on declarations of expenditure,
- analyse the impact of the projects on the development of the areas covered by the programme.

The inspection covered the following projects:

95.11.65.001 - Baix Llobregat expressway

96.11.65.004 - Rías Bajas expressway, Alto Allariz-San Ciprián section

97.11.61.047 - SOGAMA

96.11.61.051 - Management of solid urban waste in the Barcelona Metropolitan Area

96.11.61.052 - Drainage in the Barcelona Metropolitan Area

94.11.61.021 - Environmental restoration in Ciutat Vella (Barcelona).

Financial control

An inspection in Spain took place from 17 to 20 May 1999 and concerned a part of the transport project “Alta Velocidad Madrid-Barcelona-Frontera francesa” (project 95/11/65/007). Inspectors from DG Regional Policy also took part in this inspection mission organised by DG Audit.

The main findings of the mission were that:

- the measures taken for the financial management of the project were examined and found satisfactory;
- an adequate accounting system was employed and all back-up documentation was made available;
- the audit was performed with satisfactory results with regards to the verification of expenditure declarations submitted to the Commission;
- the DGAPP certified some data that had not been checked by this service.

The authority was recommended to carry out sample checks.

A report has been drafted and forwarded to the national authorities. The main audit findings were discussed with Spanish internal audit authorities in the annual bilateral coordination meeting.

4.2.3. *Ireland*

Checks by DG Regional Policy

In 1999 the financial control unit of DG Regional Policy carried out one audit mission in relation to the Cohesion Fund project Lough Mask Regional Water Supply (Project No 94/07/61/019). The mission took place in Ireland as part of a programme of similar controls between 21 and 25 June.

The management and control systems established by the national authorities were examined and found to be functioning well. There were thorough checks on the project by the implementing unit as well as by the recently formed Cohesion Fund Internal Control Unit which carries out the 5% checks required by Commission Regulation (EC) No 2064/97.

Considerable cost increases of around 50% on certain contracts were attributed to a variety of factors (the use of price variation clauses, addition of extra works, archaeological works, road restorations and land purchase fees). The national and local authorities were asked to improve the quality of cost projections in the future. In order to encourage improvements in this area the Commission has adopted a general policy of not accommodating cost increases in Cohesion Fund projects.

4.2.4. Portugal

Checks by DG Regional Policy

In February DG Regional Policy inspection staff examined two projects:

- water distribution on the Barlavento Algarvio
- waste water at Vila do Conde

The checks, which concerned primarily the rules governing public contracts, compulsory purchases, guarantees, the eligibility of expenditure, payments, transfers and compatibility with the Community policies, did not give rise to any particular complaints about the project.

4.3. Irregularities and suspension of assistance

Under Article 12 of Council Regulation (EC) No 1164/94, the Commission has adopted Regulation (EC) No 1831/94 concerning irregularities and the recovery of sums wrongly paid in connection with the financing of the Cohesion Fund and the organisation of an information system in this field¹³.

Article 3 of the Commission Regulation requires the beneficiary Member States to notify the Commission of any irregularities which have been the subject of preliminary administrative or judicial investigations.

Since the entry into force of Regulations (EC) Nos 1831/94 and 1681/94 (which applied to the cohesion financial instrument), the Commission has been notified of five cases, three of them during 1999. One case notified by the Greek authorities concerned non-compliance with the rules on public procurement and the other two, notified by the Spanish and Irish authorities, concerned ineligible expenditure.

The anti-fraud unit carried out no investigations concerning the Cohesion Fund.

Furthermore, budget heading B2-301, which had €300 000 for measures to combat fraud against the Cohesion Fund, was not used because the authorities concerned did not seek funding and because of the reorganisation of the anti-fraud unit.

¹³

OJ L 191, 29.7.1994.

5. EVALUATION AND ASSESSMENT

5.1. General

For a thorough project appraisal, applications need to be supported with adequate documentation and an economic analysis demonstrating that a project will generate medium-term economic and social benefits commensurate with the resources deployed. In general, cost-benefit analysis is used for this purpose. In the environment sector, however, there are often limits to a straightforward application of the cost-benefit model, so in this sector the Regulation also allows the use of other forms of analysis and demonstration of benefits. The preparation of cost-benefit and other types of analysis is primarily the responsibility of the beneficiary Member States. The Commission may, however, support appraisals and evaluation of projects through technical assistance measures or within a first phase of project financing.

The Commission has been using technical expertise from outside consultants where this is deemed appropriate and has a standing agreement with the European Investment Bank for assistance with project appraisals.

5.2. Prior appraisal of projects

Cost-benefit analyses or other forms of quantified analysis are obligatory for every project submitted for Cohesion Fund assistance. Member States have made substantial efforts to comply with this requirement and the quality of the economic analyses submitted with project applications has improved. However, further progress remains to be made, in particular in the case of environment projects. Greater consistency between different sectors of assistance and between the approaches adopted by different countries is also desirable.

5.3. Cooperation with the EIB in examining projects

The framework agreement on cooperation between the Cohesion Fund and the European Investment Bank which was signed in 1994 expired in 1999. A new framework agreement was signed on 16 June 2000 so that this very useful cooperation on the prior appraisal of projects could continue throughout the new programming period until the end of 2006.

The agreement permits the on-going exchange of information, regular meetings and the use of the EIB's expertise in appraising projects for which the promoter or the national authorities hoped to secure joint financing from the EIB and the Cohesion Fund. The EIB's expertise in large-scale projects and those of considerable financial complexity enables the best combination of sources of finance (grants and loans) to be found.

The new framework agreement on cooperation with the EIB concerns not only Cohesion Fund projects, but also ISPA projects and major projects under the ERDF.

5.4. *Ex-post* evaluation programme

The *ex-post* evaluation programme was launched for three years starting in mid 1998. A total of 120 projects will be evaluated over this period, 60 in each of the two fields of Cohesion Fund assistance. So far, 71 projects have been evaluated, 40 in the transport sector and 31 in the environmental field.

5.4.1. Environment

During 1999, a total of 18 environmental projects, listed in Annex IV, were evaluated in the four Member States.

The environmental impact of all the projects was satisfactory. Sanitation projects had a more immediate and evident environmental benefit, even if, in some cases, the delay in completing the scheme also delayed the environmental impact. Water supply projects in general improved water management and led to better conservation of water resources. Coastal, urban and natural environment improvement projects helped preserve flora and fauna and link the natural and urban environments.

In general, the projects analysed proved beneficial to the local population and to the environment of the project area. Projects performed in accordance with initial objectives, except for one water supply project (No 95/11/61/028-2) in Spain, which started to operate late.

The projects had positive economic externalities, as a consequence of the positive environmental effects. Some projects indirectly increased land values within the impacted area and stimulated economic development, so prompting new activities and employment.

5.4.2. Transport

A total of 27 transport projects in Spain and Ireland were evaluated during 1999. These projects are listed in Annex V. In Greece, none of the transport projects was ready to be submitted to evaluation and the *ex-post* programme for this country did not begin until 2000.

The main conclusions derived from the reports finalised in 1999 can be summarised as follows:

- The projects assessed contribute substantially to achievement of the goals of social and economic convergence by reducing the gap between regions and countries inside the EU.
- Cross-border positive impacts have been achieved, so contributing to market integration inside the European Union.
- Access to large parts of the territory of the Cohesion countries has dramatically improved, translating into better and more comfortable communication conditions.
- Traffic flows on TENs routes and national networks connections have generally improved more than expected. Travel time saving have been considerable and safety conditions have improved significantly.
- Large metropolitan areas have secured substantial benefits: reduction of congestion costs, a better performance of urban systems, abatement of negative environmental impacts and new opportunities for urban development.

Environmental issues have been carefully considered, especially in most modern projects. The necessary measures have been implemented in a way which minimises any negative environmental impact.

6. INTER-INSTITUTIONAL DIALOGUE, INFORMATION AND PUBLICITY

6.1. Annual report

Article 14 of the Cohesion Fund Regulation requires the Commission to present an annual report on the activities of the Fund for examination and opinion to the European Parliament, the Council, the Economic and Social Committee and the Committee of the Regions.

The Commission approved the Annual Report covering the year 1998 on 15 October 1999 and then duly transmitted it to these institutions.

6.1.1. *European Parliament*

Overall, Parliament was very satisfied with the performance of the Cohesion Fund in 1998.

It congratulated the Commission and the Member States on its sound budgetary implementation in 1998 and the lack of fraud in that year.

As regards transport infrastructure, Parliament welcomed the increased investment in rail and sea transport rather than roads in response to its request, first made in 1998, for increased financing to go to more environmentally-friendly means of transport.

Parliament stressed the need for greater attention to be paid to the treatment of solid waste. The Commission noted that so far Cohesion Fund projects had concentrated on those areas covered by Community Directives, drinking water, waste-water treatment and the treatment of solid waste, which had itself absorbed 14% of the total budget, considerably more than the average for 1993-97.

Parliament was concerned about the date of presentation of the 1998 Report (October 1999), which it considered late. Although the Commission understood Parliament's arguments, it pointed out that some delays were unavoidable: if the report were to be useful, it had to be as complete as possible, and this took time. In any case, relations between Parliament and the Commission were sufficiently close for problems to be discussed outside the formal setting of consideration of the annual report.

Parliament regretted that a study carried out by the London School of Economics (LSE) had taken five years to be completed (the time taken between the start of the projects evaluated and the final evaluation). The Commission did not consider five years unusual for a study of this breadth. It was now evaluating the study and would make it available to Parliament as soon as possible.

6.1.2. *Economic and Social Committee*

In general, the 1998 annual report was very well received by the Economic and Social Committee.

Like Parliament, the Committee regretted the delay in the presentation of the annual report. As it had done to Parliament, the Commission stressed the need for the report to be complete so that it would be difficult to reduce the time required.

The Committee regretted that work on eligibility had not been completed until 1998, less than two years before the end of the current Cohesion Fund. The Commission explained that this delay had been caused by a long process of internal and external coordination at the Commission (the Member States had had to be consulted on the eligibility rules at various levels and on several occasions).

The Committee noted that, in some respects, the 1998 report was not up to the standard of earlier reports because of the excessively brief and not always uniform presentation of the data by Member State. The Commission replied that, in view of the large amount of information made available to the public, particularly via the internet, annual reports should concentrate on the essential features. Details of implementation could be found on DG Regional Policy's Internet site (Inforegio).

Although it was satisfied with the average level of implementation of projects, the Committee drew attention to the disparities between the two areas of assistance from the Fund (transport and environment).

The main reason for this disparity was the different use by the sectors of the 'single instalment' mechanism, which was more common in the field of the environment. This meant that the commitment was made only once while the payments were spread over several years as the project was implemented. In the case of transport, commitments were more often made in annual instalments because they were normally for major projects. That meant that the "payments as a percentage of commitments" indicator was inevitably higher.

The Committee repeated its concern about the trend of aid in areas such as nature conservancy and, in particular, combating erosion and afforestation, whose relative importance had fallen.

The Commission replied that the first priority was operations to implement the 'acquis communautaire' as regards drinking water and the treatment of waste water. Combating desertification was not one of the priorities of the Fund. The beneficiary Member States might nevertheless submit applications for consideration by Commission, as they could for all aspects of nature conservancy.

As regards transport, the Committee reiterated its concern about the breakdown of resources (1993-98), the bulk of which (64.1%) were being absorbed by roads and road transport, despite the recent shift towards rail.

The Commission had never ceased asking the beneficiary Member States to submit other types of projects for part-financing. The share going to rail was rising, mainly thanks to a clear increase in Spain

The Committee again expressed its concern about the smaller flow of investment in maritime, port and river projects.

The Commission noted that these activities were normally commercial in nature and often generated considerable revenue, which reduced the need for aid from the Community budget correspondingly.

The Committee sought more information on the economic model devised by the London School of Economics to measure the impact of the Cohesion Fund.

The Commission had published the complete LSE study, which was now being distributed widely.

6.2. Information to the Member States

The Member States are kept informed of the activities of the Cohesion Fund through well-established information meetings, which normally take place twice a year.

In 1999 the first meeting was held in Brussels in January and the second in Madrid in July.

At the first meeting, the activities of the Cohesion Fund in 1998, particularly the applications for aid, the intermediate monitoring and evaluation, *ex-post* evaluation and information on Article H of Annex II to Regulation (EC) No 1164/94, were presented to the Member States.

At the second annual meeting, the Commission presented the annual Report on the work of the Cohesion Fund in 1998 and the prospects for the end of 1999. It also presented the new Cohesion Fund Regulation and a discussion ensued.

6.3. Other information events

6.3.1. Information to the social partners

No meetings with the social partners were organised in 1999; they were informed about the Cohesion Fund at meetings with the Commission on the Structural Funds.

6.3.2. Other

Seminar in Lisbon on multimodal goods platforms (Freight Villages)

On 26 March 1999, the Cohesion Fund Directorate organised a seminar in Lisbon on multimodal goods platforms (Freight Villages) for specialists on this subject from different Member States to set out the advantages of investments of this type.

The seminar, intended for transport operators and those responsible for transport departments in the Portuguese civil service, was attended by the Minister and Secretary of State for Transport. The aim of the initiative was to make those concerned more aware of this type of economically attractive project which could make better use of rail transport and reduce the burden on the roads, which would be very beneficial for the environment.

Preparations for the next programming period 2000-06

A number of measures to prepare for 2000-06 took place in 1999. They included:

- two round table discussions with the Greek authorities responsible for both areas (transport and environment) in June 1999,

- preparation (June-October 1999) of a brief guide by the department responsible for the Cohesion Fund to help the Member States through the new Cohesion Fund Regulation 2000-06, followed by a presentation and discussion of the guide with the four Member States (30 November 1999).

6.4. Commission measures on publicity and information

The Cohesion Fund is also the subject of publications by DG Regional Policy on regional policy and cohesion.

The Annual Report was published in a convenient format and was also summarised in the Inforegio newsletter edited by DG Regional Policy.

Ad hoc material is produced for specific events such as presentations and conferences using portable stands, graphic design by computer, audio-visual material and printed matter.

Under budget heading B2-1600, the Cohesion Fund has produced a number of studies on the Fund and the environment which are now available.

ANNEXES

Annex I	:	Projects completed in 1999
Annex II	:	List of monitoring and quality control missions in 1999
Annex III	:	Fund assistance by beneficiary Member State
Annex IV	:	<i>Ex-post</i> evaluations in the field of the environment
Annex V	:	<i>Ex-post</i> evaluations in the field of transport

ANNEX I	PROJECTS COMPLETED IN 1999
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SPAIN

Environment

Project No 94/11/61/022 Decision : C(94)3696 of 21/12/1994

Decision : C(96)2740 of 7/10/1996

Decision : C(99)1241 of 12/5/1999

Environmental restoration.

Environmental restoration of public works. Series of measures to restore the natural environment, particularly areas blight by the construction of public road infrastructure.

Total cost: €14 941 777

Assistance granted: €12 700 510

Project No 95/11/61/010-2 Decision: C(96)3384/F of 17/12/1996

Group of projects concerning afforestation, the prevention of erosion, desertification and the regeneration of ecosystems damaged by fire in the catchment area of the Canary Islands.

Total cost: €4 956 751

Assistance granted: €4 213 238

Project No 95/11/61/021-A Decision: C(95)3074/F of 8/11/1995

Decision: C(97) 873/F of 25/3/1997

Decision: C(98) 390/F of 23/2/1998

Sewerage, Madrid-1995.

Group of projects to deodorise waste water to help improve the quality of the environment along the Manzanares in Madrid.

Total cost: €2 013 335

Assistance granted: €1 610 668

Project No 95/11/61/021-E Decision: C(95)3029/F of 6/12/1995

Decision: C(97) 511/F of 24/2/1997

Urban environment 1995-Madrid.

Group of projects concerning the construction of a centre for acoustic research in Madrid and restoration of run-down areas and improvement of the environment in the Casa de Campo park (first phase).

Total cost: €4 130 652 euros

Assistance granted: €3 304 522 euros

Project No 95/11/61/023-A Decision: C(95)3115/F of 12/12/1995

Decision: C(98) 390/F of 23/2/1998

Disposal of waste water in the Barcelona metropolitan area -1995.

Group of 23 projects concerning sewerage in the Barcelona metropolitan area (1995).

Total cost: €15 813 813

Assistance granted: €12 651 050

Project No 95/11/61/024-3 Decision: C(95)3512/F of 11/1/1996

Decision: C(97) 349/F of 7/2/1997

Waste-water disposal and treatment 1995 - Gobelás interceptor sewer, Bilbao.

Total cost: €10 300 449

Assistance granted: €8 240 359

Project No 95/11/61/024-5 Decision: C(96) 404/F of 19/2/96

Decision: C(98)1313/F of 13/5/98

Waste-water disposal and treatment in San Sebastian.

Group of seven projects for channelling water and restructuring collectors in various areas of San Sebastian.

Total cost: €3 237 698

Assistance granted: €2 590 158

Project No 95/11/61/026-5 Decision: C(96) 404/F of 19/2/1996

Decision: C(98)1313/F of 13/5/1998

Urban environment, Zaragoza.

Group of three projects: Las Glorietas Park (phase 2), improvement of the banks of the Canal Imperial (phase 2) and the Huerva 'Green Corridor' (phase 3).

Total cost: €3 237 698

Assistance granted: €2 590 158

Project No 95/11/61/030 Decision: C(95)3134/F of 11/12/1995

Jaén waste-water treatment station.

Total cost: €11 628 050

Assistance granted: €9 302 440

Project No 95/11/61/034 Decision: C(95)3294/F of 18/12/1995

Decision: C(97) 661/F of 13/03/1997

Collection and treatment of waste water on the Catalan coast.

Group of nine projects comprising a complex of waste-water treatment stations, networks of sewers and underwater outfalls.

Total cost: €73 649 452

Assistance granted: €58 919 562

Project No 95/11/61/043-3 Decision: C(95)3254 of 18/12/1995

Decision: C(97) 661 of 12/3/1997

Closure and cleaning up of clandestine tips in Extremadura.

Group of 22 projects involving: transport, transfer and compaction of waste and restoration of natural environment.

Total cost: €9 610 468

Assistance granted: €7 688 374

Project No 96/11/61/029 Decision: C(96)2514/F of 13/9/1996

Provision of extra water resources in Palma de Mallorca.

Group of three projects involving: exploitation of run-off water, recovery of factory discharges by reverse osmosis and tertiary treatment to reutilize waste water in urban services in Palma de Mallorca.

Total cost: €7 088 960

Assistance granted: €5 671 169

Transport

Project No 93/11/65/016 Decision: C(93)3258/F of 15/11/1993

Decision: C(94)2796/F of 27/10/1994

Decision: C(95)3519/F of 11/1/1996

N 234, Gilet-Soneja section.

Total cost: €48 845 621

Assistance granted: €41 518 775

Project No 94/11/65/006 Decision: C(94)3757/F of 21/12/1994

Decision: C(96)1375/F of 28/5/1996

Madrid-Alicante and La Encina-Valencia railway lines, phase II (removal of level crossings and increase in running speeds to 200/220 km/h).

Total cost: €86 102 110

Assistance granted: €73 186 792

Project No 95/11/65/002 Decision: C(95)2935/F of 27/11/1995

Decision: C(97)2566/F of 29/7/1997

Decision: C(98)4327/F of 21/12/1998

Zaragoza-Huesca expressway.

Total cost: €120 070 769

Assistance granted: €102 060 153

PORTUGAL

Environment

Project No 95/10/61/028 Decision: C(96)2955 of 24/10/1996

Decision: C(98)432 of 25/2/1998

Improving the supply of drinking water to four municipalities in the greater Lisbon and middle Tagus system.

Total cost €5 289 470

Assistance granted €4 496 050

Transport

Project No 93/10/65/010 – 94/10/65/007 Decision: C(98) 2233 of 27/7/98

Modernisation of the Beira Alta railway line – The completion of sections I and III, to which this project relates, will complete the whole project and improve rail links between Portugal and Spain and the rest of Europe.

Total cost €64 392 000

Assistance granted €51 513 600

IRELAND

Environment

Project No: 94/07/61/008

Decision: C(96)1696 of 25/6/96,

Decision: C(97)2609 F/4 of 29/7/97

Killarney Sewerage Improvement Scheme

Projects consisted of the enhancement of the capacity of the system and treatment works to 42 000 p/e. and the laying of new sewers in the area close to the lakes. The improvement included the upgrading of the under-capacity sewers, the provision of new storm and foul sewer systems, the provision of new sewage pumping stations and the construction of an extension to the existing waste water treatment plant to a population equivalent of 42 000. The project also included the planning and design stage of sludge handling facilities designed to implement the findings of the Irish national sludge strategy in the South Kerry region.

Total cost: €12 960 000

Assistance granted: €11 019 000

Project No: 94/07/61/009

Decision C(95)3008/4 of 6/12/95

Tralee Main Drainage Scheme

Project involved the provision of a sewerage scheme for Tralee town and surrounding areas, including the upgrading of under-capacity sewers, the provision of separating chambers for foul/storm water, the installation of foil and storm pumping stations, the construction of a new waste water treatment plant and an outfall pipe to Tralee Bay. The treatment plant has a biological capacity of 40 000 p/e. and includes an ultraviolet disinfection plant.

Total cost: €10 866 000

Assistance granted: €9 237 000

Transport

Project No: 93/07/65/014

Decision C(95)1641 final/3 of 13/7/95

Dublin Port Lo/Lo

The upgrading of one of the three container terminals in Dublin port.

Project involved refurbishing a proportion of the existing quay wall to allow it to be dredged to a depth of 7.5 metres and maximise its use for cargo operations by providing the necessary crane run-off area.

Total cost: €4 169 000

Assistance granted: €3 543 650

Project No: 93/07/65/029

Decision C(95)1641/4 of 13/7/1995,

Decision C(96)1111/2 of 3/5/1996,

Decision C(97) 2606/5 of 28/7/1997,

Decision C(98)2085 final/1 of 22/7/1998

Balbriggan by-pass (stage 2)

The project involved a dual two-lane motorway by-pass of Balbriggan from south of Balrothery to the North of Gormanstown and the construction of three interchanges. It will eventually form part of a new motorway from Dublin to the border. It will form part of the EO1 route linking Rosslare to Larne and will form part of the M1 from Dublin to Belfast.

Total cost: €40 370 000

Assistance granted: €34 314 000

Project No: 93/07/65/034

Decision C(95)1867/1N4 of 24/7/1995,

Decision C(96)1111/final/2 of 3/5/1996

Curlows by-pass

This project on the N4 Dublin-Sligo route provided essential infrastructure support for economic (particularly industrial and tourism) development by improving access to ports, airports and the main domestic markets. It also helped improve access to sub-regions (particularly North West and West), thereby enhancing their attractiveness as locations for investment and economic development.

Total cost: €21 794 000

Assistance granted: €18 525 000

Project No: 93/07/65/042

Decision C(94)2684/9 of 14/10/94,

Decision C(95)1874/4 of 25/7/95,

Decision C(96)1111/2 of 3/5/1996,

Decision C(97)2606 final/5 of 28/07/97,

Decision C(98)2085 final/1 of 22/07/98

Arklow by-pass

Project involved 12 km of dual carriageway by-pass of Arklow town in south Co Wicklow, including two railway bridges, one river crossing, six bridges over existing roads, two interchanges and two bridges providing access.

Total cost: €47 247 000

Assistance granted: €40 159 000

Project No: 94/07/65/006

Decision: C(96)3690/1 of 9/12/96,

Decision: C(97)2606/1 of 28/7/97

Rathcoole Interchange

Project involved improvements on the N7 Dublin to Cork/Limerick road, 15 km south-west of Dublin city to eliminate traffic movements across the N7 and the traffic signals at Rathcoole. It involved replacing 800 m of the existing dual carriageway, the construction of a bridge, three new roundabouts and new and upgraded connecting roads.

Total cost: €22 119 500

Assistance granted: €18 801 575

ANNEX II LIST OF MONITORING AND QUALITY CONTROL MISSIONS IN 1999

Spain

Inspection missions

3 and 4 February - Catalonia

Project No 98/11/61/022 - Disposal and treatment of waste-water from Prat de Llobregat

Project No 95/11/61/022E - Environmental renovation in Ciutat Vella – Casc Antic, Barcelona

1-2 June - Andalusia

Project No 98/11/61/050 - Restoration of the Riotinto mining area (Huelva)

14 December – Basque Country

Project No 95/11/61/043-7 - Restoration of polluted soil in the Basque Country. HCH safety cell.

Greece

Other monitoring missions

- (1) projects in the ports sector: port of Piraeus, (project No 93/09/65/005 port of Piraeus ring road, project No 94/09/65/005 Ikonio-II container terminal in the port of Piraeus, project No 99/09/65/001, Palataki, construction of quays for cruise ships in the port of Piraeus), port of Iraklio (project No 93/09/65/032, linking of quays IV and V for the loading and unloading of goods in the port of Iraklio), port of Igoumenitsa, (project No 93/09/65/004, construction of new port at Igoumenitsa);
- (2) projects in the rail sector: Evaluation of the contract of the project manager, presentation of the new master plan for the Thriassio rail complex, examination of contracts and supplements for the purchase of supplies and the construction of the rail projects, monitoring of the rail projects: project No 94/09/65/004 electrification of the Piraeus-Athens-Thessaloniki line, project No 93/94/09/65/009 Evangelismos-Leptokarya, projects Nos 94/09/65/011, 95/09/65/034 rail complex at Thriassio and lines linking Thriassio with the network and with Piraeus;
- (3) projects for studies on the Chios/Lesvos freight village at Kilkis;
- (4) EYDAP projects, all the projects being carried out by that body were checked;
- (5) airport projects: the Corfu airport project (projects Nos 93/09/65/003 and 94/09/65/014 extension of the terminal and construction of a fire station),
- (6) motorway projects: Pathe and Egnatia

During the year the Cohesion Fund had a study carried out by the consultant “KAMPSAX” on the operation of the project management for EYDE/PATHE. The most important points were:

- (1) EYDE/PATHE is not adequately staffed to undertake effective supervision of the various contracts;
- (2) the final designs of structures are prepared by the contractors, which permits cost increases;
- (3) insufficient emphasis is being placed upon safety issues on works along the motorway;
- (4) the know-how transfer from the Project Managers is weak. A system to monitor it should be established;
- (5) progress reporting is also weak. It is repetitive and not regularly presented.

Quality control inspections

Inspections to check the quality of the work done by ESPEL at the request of the Greek authorities.

Category i means that projects have almost no failures and no corrective measures need to be taken. Category ii means that the projects have failures which do not affect the stability of the constructions. Corrective measures are needed.

- Information concerning controls on PATHE.

Section: “Patras by-pass, K1-K4: category ii

EYDE/PATHE says that it has proved to ESPEL that none of the remarks made is valid and has asked for a fresh inspection of the project. It has stated that the project manager and the service took samples simultaneously with ESPEL and the results were within the specifications.

- Although the tender documents form one volume, ESPEL reports that the document “study budget” is missing from the tender documents.

Section: “Patras by-pass, K5-K6-K7-A:

EYDE/PATHE has not received the technical report and an indication of category for this project.

Section: “Skotina-Litohoro”: category i

Section: “Litohoro-Dion”: category i

- Information concerning checks on the Via Egnatia.

16 contracts have been checked, including four financed by the Cohesion Fund, at the Kavala by-pass.

10 out of the 16 are of category i.

5 out of 16 are of category ii. The necessary measures to correct the failures have already been taken by the construction managers.

For the “Kavala by-pass six viaducts” project the checks were carried out by a group of administrators from the General State Account Department, Ministry of National Economy and Unit for Monitoring and Organisation (M.O.U.) who looked at the progress of the project, the procedures applied by the agency, compliance with national and Community provisions during work on the project, the completeness and legality of the supporting and other documents concerning the declaration of expenditure and the on-site verification of the achievement of the physical objectives. The results of the control were very positive.

Ireland

Inspection visits

21-25 June

Project No 94/07/61/019 Lough Mask Regional Water Supply Scheme. Financial control visit by DG Regional Policy.

26 November

Project No 95/07/61010 Dublin Regional Waste Water treatment scheme, Stage I & II, site monitoring visit to interim sludge treatment works - The plant was in the process of being commissioned.

Portugal

Inspection visits

Four projects concerning the Inter-municipal water supply system for the ‘Barlavento Algarvio’. The inspection was carried out with assistance from external consultants engaged by DG Regional Policy-E in the drinking water sector.

Meeting on the progress of a study on preparation of the national water plan and the plans for each catchment area.

Two projects on the treatment system for solid urban waste in the Litoral Centro.

Three projects on the treatment system for solid urban waste in the Margem Sul.

Thirteen projects on the drainage system in the Algarve.

Project for the Port of Lisbon (Sta. Apolónia)

Meetings with BRISA (the motorway concession holder) on implementing the public/private partnership.

Meeting with the authorities responsible for transport to assess the compatibility of the projects already financed on the Norte line with the new strategy being prepared for the rail sector.

ANNEX III COHESION FUND ASSISTANCE BY BENEFICIARY MEMBER STATE

GREECE

GREECE - ENVIRONMENT			
PROJECTS ADOPTED OR AMENDED OR INSTALMENTS OF PROJECTS CONTINUED IN 1999			
No of project	Name of project	Type of commitment	CF contribution, €million
94/09/61/005	Water supply to Thessaloniki, Aliakmon	Annual commitments	26
94/09/61/010	Extension of biological treatment station at Thessaloniki	Annual commitments	21.1
94/09/61/029-1	Waste-water treatment, Patras	Annual commitments	0.4
94/09/61/034	Renovation outfall, Ano Liossia	Annual commitments	2.8
94/09/61/041-1	Waste-water treatment, Iraklio	Annual commitments	3.3
94/09/61/046-1	Drainage, Rhodes	Annual commitments	1.6
94/09/61/078,027	Markopoulo, Kalyvia, Kouvaras	Annual commitments	2.5
94/09/61/004	Psytalia, waste-water treatment	Annual commitments	27.5
96/09/61/085	Drainage, Larissa	Annual commitments	0.8
Eydap			
94/09/61/011-6	Safety of Mornos aqueduct at Taxiarchis	Single commitment	0.4
94/09/61/011-9	Increasing capacity and raising of Mornos aqueduct	Annual commitments	17.4

94/09/61/070	GAIA Centre for research and training the environment	Single commitment	0.5
95/09/61/063	Mytilene, water supply, sewers and treatment station	Single commitment	4.8
94/09/61/034-1	Schisto, tip	Single commitment	0.9
94/09/61/046	Rhodes, waste water	Single commitment	0.9
94/09/61/055-2	Serres, waste water	Single commitment	2.4
94/09/61/055-3	Yannitsa, waste water	Single commitment	0.7
94/09/61/015-2	Krya – Vrissi, waste water	Single commitment	0.9
94/09/61/017	P.Kavala, waste water	Single commitment	1.1
94/09/61/019-1	Villia, waste water	Single commitment	0.7
94/09/61/022&041-2	Chania, waste water	Single commitment	2.7
94/09/61/031-1	Xylokastro, waste water	Single commitment	0.4
94/09/61/050	Metsovo, waste water and treatment station	Single commitment	0.4
94/09/61/053-1,059	Argos, water and waste water	Single commitment	3.1
94/09/61/055-4,	Alexandria, waste water	Single commitment	0.3
94/09/61/056	Florina, waste water	Single commitment	2.6
94/09/61/060	Rethymno, water and waste water	Single commitment	2.3
94/09/61/064-1	Lamia, water and waste water	Single commitment	0.6
94/09/61/067	Didymoticho, waste water	Single commitment	0.4
94/09/61/076	Katerini, tip	Single commitment	0.6
94/09/61/080	Aposselemi dam	Single commitment	8.3
97/09/61/002	Messolonghi, waste water and treatment station	Single commitment	5.4
97/09/61/004	Zakynthos, water and waste water	Single commitment	6.1
97/09/61/005	Alexandroipolis water	Single commitment	13.0
97/09/61/006	Messini, waste water	Single commitment	1.0
97/09/61/007	Kalymnos, waste water	Single commitment	3.4
97/09/61/009	Mantoudi-Prokopi, waste water	Single commitment	4.0
97/09/61/012	Plomari, water and waste water	Single commitment	3.5
98/09/61/003	Archanes, waste water	Single commitment	2.6

98/09/61/005	Sarantapotamos, torrent	Single commitment	2.5
98/09/61/008	Elassona, waste water	Single commitment	4.7
98/09/61/010	Corinth, rain water	Single commitment	5.0
98/09/61/012	Kalamata, waste water, rain water	Single commitment	1.8
99/09/61/001	Rhodes, tip	Single commitment	2.2
99/09/61/002	Messolonghi, tip	Single commitment	2.3
99/09/61/003	Komotini, tip	Single commitment	2.0
99/09/61/004	Corfu, tip	Single commitment	2.2
99/09/61/005	Aridea – Pella, tip	Single commitment	1.8
99/09/61/008	Lake Koronia, restoration	Single commitment	2.5
99/09/61/009	Santorini, coordinated measure	Single commitment	1.6
		Total	206

GREECE - ROAD PROJECTS			
ADOPTED OR AMENDED AND INSTALMENTS OF PROJECTS CONTINUED IN 1999			
No of project	Name of project	Type of commitment	CF assistance, €million
EGNATIA 94/09/65/019	Asprovalta-Strymonas	Single commitment	45.9

PATHE			
94/09/65/012-c,d,f	Martino-Atalanti-Arkitsa-Ag. Konstantinos, Yliki Viaduct	Single commitment	0
94/09/65/028-d	Katerini underpass	Single commitment	11.0
94/09/65/028-a,b,c,	Skotina-Litohoro-Dion-Katerini	Single commitment	13.2
94/09/65/013-a,b	Rashes-Agroinnvest Pelasgia tolls -Ag. Theodori	Single commitment	8.3
94/09/65/015-f	Patras by-pass	Single commitment	4.1

Other access roads Corridor			
94/09/65/023	Corinth-Tripolis-Kalamata	Single commitment	10.0

GREECE - AIRPORT PROJECT CONTINUED IN 1999			
No of project	Name of project	Type of commitment	CF assistance, €million
AIRPORT 95/09/65/040	Athens international airport at Spata	Annual commitments	99,9

GREECE - RAIL PROJECTS CONTINUED IN 1999			
No of project	Name of project	Type of commitment	CF assistance, €million
RAIL			
94/09/65/004	Electrification of the PATHE line	Annual commitments	3.9
94/09/65/009	Evangelismos-Leptokarya	Annual commitments	90.2
94/09/65/010	Elefsina-Corinth	Annual commitments	16.0
94/09/65/011	Complex of works at Thriassio	Annual commitments	0.9
98/09/65/001	Bridging the river Axios	Single commitment	15.2
94/09/65/006	Paleofarsalos-Kalambaka	Single commitment	2.7
94/09/65/008	Thessaloniki-Alexandroupolis	Single commitment	12.8

GREECE - SEA TRANSPORT - PROJECT ADOPTED IN 1999			
No of project	Name of project	Type of commitment	CF assistance, €million
99/09/65/001	Palataki, moorings for cruiseships in the port of Piraeus	Single commitment	9.7

SPAIN

SPAIN - PROJECTS ADOPTED EN 1999			
WATER SUPPLY			
Name of project	Type of project	CF assistance in 1999	Total CF assistance €million
- Raising water from Rabasa to Fenollar (98/11/61/010)	Water supply to Marina Baja de Alicante	5 898 817	5.9
- Water supply to Madrid – Pardo/Fuencarral and NIII sections (98/11/61/037 and /051)	Interconnection of sources of water to supply Madrid	28 885 063	28.9
- Water supply to Madrid - Work to connect catchment areas (98/11/61/042)	Interconnection of catchment areas supplying water to Madrid	253 793 336	25.8
- Inter-municipal water scheme at Sorbe-Guadalajara (98/11/61/035, /043 and /044)	Water supply to Madrid	31 419 440	31.4
- Water supply to Lleida and its region from the Santa Ana dam (98/11/61/039)	Water supply	7.798.649	7.7
- Water supply to Albacete from the Tagus-Segura aqueduct (98/11/61/052)	Regularisation of the water supply to Albacete	20.434.412	20.4
- Ibiur dam (97/11/61/056-1)	Water supply from the Tolosa area	12.901.710	12.9
- Joint supply to the urban areas of the Lower Ebro (98/11/61/045)	Water supply	7.795.025	7.8
- Protection and refilling of aquifers west of Almería (99/11/61/003)	Nature conservation	28 190 820	28.1
- Main pipelines and equalising reservoir for Calvia and Andratx (99/11/61/004)	Water supply on the Balearic Islands	9 088 203	9.0
- Special plan to develop Cartagena (99/11/61/002)	Work to supply water to the area of Cartagena	7 709 191	7.7
- Catchment and supply of water to Salamanca (99/11/61/006)	Water supply to Salamanca	17 710 600	17.7

SPAIN - PROJECTS IN PROGRESS AND APPROVED IN PREVIOUS YEARS (1993-99)			
WATER SUPPLY			
Name of project	Type of project	CF assistance in 1999 €million	Total CF assistance €million
- Desalination units (M 94/11/61/014)	Plant to obtain drinking water in a number of catchment areas	5.9	35.0
- Water supply to Madrid - CASRAMA system (96/11/61/001)	Supply of drinking water	13.1	43.6
- Desalination unit in the Canary Islands (M 96/11/61/004)	Plant to obtain drinking water	1.4	26.4
- SAIH Tagus basin (M96/11/61/005)	Warning system to prevent catchment areas emptying	1.8	30.7
- Desalination Palma de Majorca Bay (M 96/11/61/007)	Plant to obtain drinking water	1.9	33.3
- Desalination Las Palmas- Tele – Canaries (M 97/11/61/057)	Plant to obtain drinking water	7.1	41.8
- Improvements downstream of Guadalhorce (M 97/11/61/062)	Regularisation of water course. Flood prevention	29.3	58.6

SPAIN - PROJECTS ADOPTED IN 1999			
DRAINAGE-WATER TREATMENT			
Name of project	Type of project	CF assistance in 1999	Total CF assistance €million
Extension of the waste-water treatment station for Santa Cruz and Las Palmas. Canary Islands. 98/11/61/003	Work to improve and extend waste-water treatment stations.	14.8	14.8
Waste-water treatment station at Arroyo Culebro (Fuenlabrada). Madrid. 98/11/61/004	Construction of the infrastructure required to collect, treat and discharge waste water	36.9	36.9
Waste-water collectors and treatment station at Vélez Málaga. Andalusia/.98/11/61/005	Construction of the infrastructure required for the drainage and treatment of waste water.	17.9	17.9

Waste-water treatment station at Benalmédena and collectors at Torremuelle (Benalmédena). Andalusia. 98/11/61/006	Construction, adjustment and operational testing of the treatment station and measures to improve drainage infrastructure.	22.4	22.4
Waste-water treatment station at Aranda del Duero, Béjar and Medina del Campo. Castille-Leon. 98/11/61/007	Construction of the infrastructure required for the drainage and treatment of waste water.	25.4	25.4
Collectors and waste-water treatment station at Rincón de la Victoria. Andalusia. 98/11/61/017	Construction of the treatment station and equalising reservoir to store the treated water	12.9	12.9
Waste-water treatment station at La Gavia. Madrid. 98/11/61/018	Construction of the infrastructure required for the drainage and treatment of waste water.	25.7	25.7
Waste-water treatment station at Benidorm. Benidorm and Villajoyosa collectors. 98/11/61/019	Collection works and extension and improvement of the treatment stations.	19.1	19.1
Waste-water treatment station in southern Gran Canaria. Canary Islands. 98/11/61/021	Installation of screening and pumping plant, canalisation, discharge and replacement of collector.	3.7	10.3
Waste-water treatment station at Prat Llobregat. Catalonia. 98/11/61/022	Treatment station, undersea outfall, including pumping station and network of collectors to the system.	204.3	204.3
Waste-water treatment station at Palma de Mallorca. Balearic Islands. 98/11/61/026	Construction, adjustment and operational testing of the new waste-water treatment station.	19.1	19.1
Drainage at Saja-Besaya, Sorravides-Maps and Reocín Valle del Buelna. Cantabria. 98/11/61/049	General sewerage in several sections of the catchment area of the river system.	19.4	19.4
Environmental work around the Ebro dam. Castille-León and Cantabria. 98/11/61/054	Water treatment and management, interpretation of the environment and environmental improvements.	13.7	13.7

SPAIN – PROJECTS IN PROGRESS AND APPROVED IN PREVIOUS YEARS (1993-99)			
DRAINAGE-WATER TREATMENT			
Name of project	Type of project	CF assistance in 1999	Total CF assistance €million
Water treatment Huesca and Teruel. Aragon. 95/11/61/031	Waste-water treatment stations.	0.6	15.3

Treatment of discharges in the Valencia region. 97/11/61/028	Treatment of effluent discharged into water courses and the Mediterranean	41.2	75.0
Waste-water treatment in Andalusia. 97/11/61/030	Various treatment stations.	3.0	53.3
Collectors in the Oviedo south Basin and San Claudio. Asturias. 98/11/61/020	Rain-water catchment conduits for various rivers and waste-water pipes.	23.7	24.6
Mar Menor south collectors. Murcia. M94/11/61/018	Installation of waste-water conduits, collectors, pumping stations, waste-water discharges.	11.8	34.7
Murcia east waste-water treatment station. Murcia. M95/11/61/015	Modifications needed in the waste-water treatment plant.	4.1	23.9
Drainage Costa del Sol (Mortil, La Línea, Almuñecar). Andalusia. M95/11/61/013	Collection of water discharged from urban centres and conveyance to waste-water treatment stations.	23.1	40.0
Drainage Campo de Dalías. Andalusia. M95/11/61/014	Tertiary treatment using microfilters in two treatment stations.	3.8	46.0

SPAIN - PROJECTS ADOPTED IN 1999

WASTE MANAGEMENT

Project Title	Type of Project	1999 commitment	Total grant approved (million Euro)
Waste management recovery of zones 2 and 3 (Córdoba, Andalusia). 98/11/61/046	Waste management	9 281 244	9.3
Environmental complex for recycling and recovery of urban solid waste in the Campo de Gibraltar (Cádiz, Andalusia). 98/11/61/047	Waste management	13 302 802	13.3

SPAIN - PROJECTS ADOPTED IN PREVIOUS YEARS WITH COMMITMENTS IN 1999

WASTE MANAGEMENT

Project Title	Type of Project	1999 commitment	Total grant approved (€million)
Urban Solid Waste (Barcelona, Catalonia) 95/11/61/022D	Urban waste management	7 868 139	19.2

Plan for the management of special waste to be incinerated (Tarragona. Catalonia) 97/11/61/001	Incinerator	1 596 3154	31.9
Management of urban solid waste (Galicia) 97/11/61/047	Urban waste management	38 285 694	71.8

SPAIN - PROJECTS ADOPTED IN 1999			
AFFORESTATION/COMBATING EROSION			
Name of project	Type of project	CF assistance in 1999	Total CF assistance €million
Adjustments to natural water courses in Valencia (Valencia) 98/11/61/012	Improvements to water courses	19 517 310	19.5
Work on banks and water courses (Aragon) Ebro Basin 98/11/61/053	Improvements to water courses	14 199 822	14.2

SPAIN - PROJECTS IN PROGRESS AND APPROVED IN PREVIOUS YEARS			
ROADS			
Name of project	Type of project	CF assistance in 1999	Total CF assistance €million
Somport tunnel (phase II). 94/11/65/005	Road widening	15 843 114	80.8
Baix Llobregat expressway M95/11/65/001	New road	33 645 286	171.0
Madrid-Valencia expressway: Atalaya-Motilla. 96/11/65/007	New road	5 379 976	101.9
Madrid-Valencia expressway: Minglanilla-Caudete. 96/11/65/008	New road	3 892 088	102.9
By-pass Las Palmas de Gran Canarias 97/65/11/001	New road	10 430 035	43.6
Rías Bajas expressway: Benavente-Camarzana de Tera 96/11/65/009	New road	9 991 868	47.1
TOTAL		79 192 367	

SPAIN - PROJECTS ADOPTED IN 1999			
RAIL			
Name of project	Type of project	CF assistance in 1999	Total CF assistance €million
Madrid-Barcelona HST Access at Lleida 99/11/65/001	New line	22 862 540	22.9
SPAIN - PROJECTS IN PROGRESS AND APPROVED IN PREVIOUS YEARS (1993-99)			
RAIL			
Name of project	Type of project	CF assistance in 1999	Total CF assistance €million
Mediterranean corridor -raising speed to 200/220 km/h (3rd phase) (Valencia, Catalonia) 95/11/65/005	Modernisation of railway line	12 790 458	172.7
Madrid-Barcelona HST (Calatayud-Ricla-Zaragoza-Lleida). 95/11/65/007	New railway line	347 896 663	411.8
Madrid underground line - Access to Barajas airport. M97/11/65/002-003	New underground line	58 442 425	139.9
Madrid-Barcelona HST (Chiloeches-Calatayud). 98/11/65/004	New railway line	260 557 485	339.6
Madrid-Barcelona HST (Madrid-Chiloeches). 98/11/65/002	New railway line	101 780 273	132.4
Madrid-Barcelona HST (Ricla-Zaragoza section). 98/11/65/003	New railway line	125 871 417	164.0
TOTAL		725 136 586	

SPAIN - PROJECTS ADOPTED IN 1999			
PORTS			
Name of project	Type of project	CF assistance in 1999	Total CF assistance €million
Port of Ibiza (Balearic Islands). 98/11/65/005	Port improvements	28 158 006	28.2

IRELAND

IRELAND - PROJECTS ASSISTED IN 1999			
WASTE-WATER TREATMENT			
	Project Name	Type of project/commitment	Aid granted in 1999 (€million)
93/07/61/007 93/07/61/013 93/07/61/014 93/07/61/033 95/07/61/010	Dublin Region Waste Water Treatment (Stage I & II)	Final annual instalment	1.7
93/07/61/020 95/07/61/015	Dundalk (Stage I & II)	Final annual instalment	15.8
96/07/61/010	Cork (Stage I & II)	Final annual instalment	50.7
93/07/61/031 94/07/61/022	Wexford (Stage I & II)	Final annual instalment	8.3
93/07/61/018 96/07/61/003	Drogheda (Stage I & II)	Final annual instalment	13.5
94/07/61/021	Lough Ree	Final instalment to existing group of projects	4.0
94/07/61/014	River Suir	Final instalment to existing group of projects	4.4
98/07/61/004	Dublin Region Waste Water Treatment (Stage IV)	New stage of project (construction stage)	23.0
TOTAL			121.4

IRELAND - PROJECTS ASSISTED IN 1999			
WATER SUPPLY			

	Project name	Type of project/commitment	Aid granted in 1999 (€million)
96/07/61/001	Dublin Water Conservation	Final annual instalment	23.7
96/07/61/007	Dublin Region Water Supply (Stage III)	Final annual instalment	5.0
TOTAL			28.7

IRELAND - PROJECTS ASSISTED IN 1999 ROADS				
		Project Name	Type of commitment	Aid granted in 1999 (€million)
N1 Dublin-Belfast	98/07/65/001	Drigheda Bypass (II)	Single instalment	52.2
	95/07/65/007	Dunleer-Dundalk (II)	Final instalment	33.3
Dublin Ring Road	94/07/65/010	Southern Cross	Final instalment	13.4
Various			Decommitments	2.2
TOTAL				96.7

IRELAND - PROJECTS ASSISTED IN 1999 RAIL			
	Railway Line	Type of Project and commitment	Aid granted in 1999 (€million)
96/07/65/002- 96/07/65/006	Dublin – Galway Dublin -Waterford Dublin-Sligo Mallow-Tralee Network signalling	Final instalment for projects to upgrade parts of the TENs rail network	17.2
96/07/65/001	DART extension	Final instalment	5.7
	TOTAL		22.9

In the two tables above, "final instalment" identifies multi-annual projects where aid is committed each year until completion. The two final instalments listed below complete the Commission's support to these projects.

PORTUGAL

PORTUGAL - Projets adoptés en 1999			
Traitement des eaux usées			
N° du Projet	Titre du projet	Type engagement	Concours FC
97/10/61/021	Dépollution Intégrée de Lis et Seiça	Engagement unique	11.045.750
99/10/61/004	Etude - Inventaire des zones contaminées	Engagement unique	123.802
Divers	Renfort du concours de 6 projets	Engagement unique	31.186.089

PORTUGAL - Projets adoptés en 1999			
Traitement des déchets urbains			
96/10/61/017	Traitement des déchets de l'île de Madère	Engagement unique	30.953.086

PORTUGAL - Tranche de 1999 relative aux projets adoptés précédemment			
Traitement des eaux usées			
N° du Projet	Titre du projet	Concours	Tranche 1999
93/10/61/014-96/018	Assainissement Costa do Estoril	52.048.900	8.925.852
94/10/61/006-007	Dépollution du fleuve Trancão	49.816.223	5.415.270
95/10/61/004-013	Assainissement de Ria de Aveiro	59.252.362	27.078.472
95/10/61/027	ETAR de Chelas	21.862.256	9.174.256
96/10/61/020	ETAR de Beirolas	19.096.950	4.709.910
97/10/61/002	Assain.G.Porto-Bassin Douro este	30.555.885	9.902.061
97/10/61/004	Assain.G.Porto-Bassin Douro nord est	18.045.976	6.097.849
97/10/61/018	Traitement eaux usées de Setúbal	18.302.200	14.028.400
97/10/61/020	Assainissement Caldas da Rainha/Obidos II	13.744.901	8.444.513

PORTUGAL - Tranche de 1999 relative aux projets adoptés précédemment			
Approvisionnement en eau			
93/10/61/006-015-96/016	Approvi.en eau au Barlavento Algarvio	61.211.878	6.171.188
93/10/61/017	Barrage de Enxoé	21.698.045	140.598
94/10/61/028	Alqueva I	64.553.443	6.314.221
95/10/61/009-96/015	Approvisionnement eau Région Porto Nord	86.099.310	17.219.862
95/10/61/010	Approvisionnement eau Sotavento Algarve	41.367.095	8.273.419
95/10/61/008	Approvisionnement eau Région.Porto Sud	112.142.514	32.444.514

PORTUGAL - Tranche de 1999 relative aux projets adoptés précédemment			
Traitement des déchets urbains			
93/10/61/016-94/026-95/023	LIPOR	87.735.976	25.620.482
95/10/61/024-96/013-013A	Déchets Algarve	46.800.186	13.047.670
95/10/61/026	VALORSUL	96.930.476	16.550.223
96/10/61/009	Déchets Litoral Centro	36.805.000	7.361.000
96/10/61/010	Déchets Feira/Gaia	18.467.950	3.693.590
96/10/61/011	Déchets Litoral Noroeste	31.319.100	6.263.820
96/10/61/012	Déchets Margem Sul	24.043.950	14.024.000

PORTUGAL - Tranche de 1999 relative aux projets adoptés précédemment			
Projets routiers			
94/10/65/005	Pont sur le Tage	311.211.212	29.286.595
96/10/65/002-97/004	A3 Braga/Ponte de Lima/Valença	128.300.670	41.560.134
97/10/65/003	A6 Montemor/Evora	34.064.000	5.695.704

PORTUGAL - Tranche de 1999 relative aux projets adoptés précédemment			
Projets ferroviaires			
96/10/65/001	Ligne du Nord II	104.929.607	10.492.961
97/10/65/001	Ligne du Nord III - Pampilhosa/Quintãs	66.087.548	24.911.808
97/10/65/002	Ligne du Nord IV-Albergaria/Alfarelos	74.256.310	32.441.195

PORTUGAL - Tranche de 1999 relative aux projets adoptés précédemment			
Projets portuaires			
95/10/65/002	Port de Lisbonne - Staz Apolónia	29.892.885	19.715.820
95/10/65/004	Port de Leixõesq - Accès routier	24.504.800	16.518.210

PORTUGAL - Tranche de 1999 relative aux projets adoptés précédemment			
Projets aéroportuaires			
96/10/65/003	Aéroport de Madère	159.981.983	44.917.692

SPAIN

95/11/61/041, Recycling of batteries and fluorescent lamps, Vilomara Plant.

The project concerns the construction of a recycling plant for batteries and fluorescent lamps in Catalonia, to recover mercury and heavy metals. The plant was completed in July 1998. The investment cost was €8.4 million.

95/11/61/036, Construction of sewer lines and waste-water treatment plant, Turia II.

The implementation of phase II included the construction of the Turia waste-water treatment plant and two main sewer lines. The project still needs complementary implementation by the municipalities before providing its full benefit, but it has already reduced the quantity of pollution previously discharged into the river. The project was completed in November 1997. The investment cost was €11.7 million.

93/11/61/026, Park and civil works on the River Ter in Girona.

The project has improved environmental and social living conditions in a district of Girona. It removed an unauthorised landfill, implemented a green area in town, constructed a pedestrian bridge and most importantly linked the urban with the natural environment. The project was completed on April 1998 and its investment cost was €3.9 million.

95/11/61/024-3, Gobela Interceptor System – Greater Bilbao, Spain.

Construction of the Gobela main sewer line in Greater Bilbao. The project is part of a large sanitation system serving more than one million inhabitants. It has improved bathing water and the quality of the River Nervión. The project was completed in February 1998. Its investment cost was €10.9 million.

93/11/61/055, Regeneration of Gros Beach - Zurriola.

The aim of the project was to protect the northern coast from erosion and to regenerate Zurriola beach, so improving living conditions in the Gros district of San Sebastián. The project was completed in March 1995 and its investment cost was €9.8 million.

95/11/61/043-2, Recuperation of contaminated soils in Boecillo, Valladolid.

The project concerns the removal and correct disposal of toxic waste, rehabilitating 3 ha of land. The project was completed in March 1997 at a cost of €1.7 million.

95/11/61/028-2, Urgent infrastructure against drought, Segura catchment area, Mula waste-water treatment plant.

Extension of the Mula waste-water treatment plant by lagoons and sand filtration. The project was completed in December 1995. The investment cost was €2.1 million.

95/11/61/028-2, Urgent infrastructure against drought, Segura catchment area, La Pedrera water treatment plant.

Construction of a reverse osmosis water treatment plant to use effluent as drinking water. The project was completed in December 1995. The investment cost was €4.4 million.

95/11/61/025-4, Recycling of packaging waste in Tudela.

Construction of a recycling plant to recover plastic and metals from packaging waste, serving an estimated population of 350 000 inhabitants. The project was completed in June 1998. The investment cost was €4.4 million.

95/11/61/039-1, Construction of Alcudia waste-water treatment plants on Majorca.

Extension of the Alcudia waste-water treatment plant to absorb the tourist pollution peaks and allow the extension of residential areas. The project was completed in March 1995. The investment cost was €1.1 million.

GREECE

94/09/61/043, Completion of the sewage treatment plant in the tourist area of Thessaloniki.

Completion of the Ainia wastewater treatment plant south of Thessaloniki. The project is part of a sanitation system under construction, serving a population equivalent of 90 000 p.e. The project was completed in October 1997. The investment cost was €3.3 million.

94/09/061/037-2, Sewerage, drainage and water supply networks for Xanthi.

The project concerns the extension of Xanthi sewerage and drainage network and the partial refurbishment of the water supply system. The project was completed in November 1995. The investment cost was €2 million.

IRELAND

93/07/61/015 - 94/07/61/001, Dublin Region Water Supply (Stage I).

Improvements to two water treatment plants and water mains in two districts. The project is part of the Greater Dublin water supply scheme extension and improvement. The project was completed on January 1999 and its investment cost was €65.8 million.

94/07/61/008, Killarney sewerage improvement scheme.

Extension of Killarney wastewater treatment plant and sewer network to accommodate the extension of tourist, industrial and residential areas. The project was completed in June 1999. The investment cost was €15.3 million.

93/07/61/038 and 94/07/61/019, Lough Mask Regional water supply scheme.

Extension of the existing water supply scheme constructing new trunk mains, distribution lines and one reservoir. The project was completed in March 1997. The investment cost was €25.8 million.

PORTUGAL

93/10/61/002, Extension of Asseiceira water treatment plant.

Extension of the water treatment plant to supply the Greater Lisbon and Middle Tagus regions. The extension consisted of eight new rapid gravity filters and one sludge thickener. The project was completed in September 1996. The investment cost was €4.9 million.

94/10/61/016, Castelo de Bode conveyor.

Extension of the Castelo do Bode pipeline to supply the Greater Lisbon and Middle Tagus regions. The project was completed on July 1996. The investment cost was €27.1 million.

94/10/61/015, Odeleite Beliche water system.

Construction of Odeleite dam, trunk main, pumping station and first phase of Tavira water treatment plant. The project was completed in July 1998. The investment cost was €101 million.

SPAIN

93/11/65/012, Valladolid eastern ring road - Cohesion Fund contribution €26.2 million.

93/11/65/018, Trinidad-Montgat motorway - Cohesion Fund contribution €37.1 million.

93/11/65/003, Bailén-Granada first phase - Cohesion Fund contribution €7.9 million.

94/11/65/003, Bailén-Granada motorway second phase - Cohesion Fund contribution €309.3 million.

93/11/65/023, Ribadesella-Luarca motorway - Cohesion Fund contribution €16.5 million.

93/11/65/024, Madrid-Valencia-Xátiva Railway - Cohesion Fund contribution €64.2 million.

93/11/65/027, Northern Atlantic VTS Finisterre-Coruña - Cohesion Fund contribution €18.4 million.

93/11/65/029, Southern Atlantic VTS Sta. Cruz de Tenerife - Cohesion Fund contribution €18.4 million.

94/11/65/001, A-6 motorway Madrid - Cohesion Fund contribution €75.6 million.

94/11/65/004, Lleida by-pass - Cohesion Fund contribution €83.1 million.

94/11/65/008, Costa del Sol-San Roque motorway - Cohesion Fund contribution €34.7 million.

94/11/65/009, Luarca by-pass - Cohesion Fund contribution €24.6 million.

94/11/65/010, Gijon ring road - Cohesion Fund contribution €50.7 million.

94/11/65.011, Novellana-Cadavedo road - Cohesion Fund contribution €28.3 million.

95/11/65/008, Trans-Catalonia route: Lleida-Gerona - Cohesion Fund contribution €53.9 million.

96/11/65/002, Trans-Catalonia route: Artés-Sta.Maria d'Oló - Cohesion Fund contribution €19.3 million.

94/11/65/009-011 and **93/11/65/023**, Cantabrian motorway. Novellana-Cadavedo-Luarca-Ribadesella.

IRELAND

93/07/65/026, Waterford port. Belview quay - Cohesion Fund contribution €4.0 million.

93/07/65/015, Cork Ringaskiddy ferry port terminal - Cohesion Fund contribution €7.5 million.

93/07/65/008, N1 Balbriggan road by-pass - Cohesion Fund contribution €3.1 million.

93/07/65/014, Galway Eastern A. road - Cohesion Fund contribution €8.4 million.

95/07/65/003, N-25 Dunkettle-Carrigtowill by-pass - Cohesion Fund contribution €27.2 million.

PORTUGAL

93/10/65/001, Improvements to Norte railway line - Cohesion Fund contribution €32.1 million.

93/10/65/005, Palmela-Marateca road - Cohesion Fund contribution €15.5 million.

93/10/65/032, Marateca-Montemor road - Cohesion Fund contribution €46.6 million.

93/10/65/033, Atalaia-Abrantes motorway - Cohesion Fund contribution €33.8 million.

95/10/65/001, Rocha-Conde de Óbidos Quay (port) - Cohesion Fund contribution €7.7 million.