

Structural Funds and Cohesion Fund: extension of increased co-financing for Member States experiencing or threatened with serious difficulties with respect to their financial stability, to decommitment rules for certain Member States, and to rules on payments of final balance

2013/0156(COD) - 11/12/2013 - Final act

PURPOSE: to facilitate financing under the EU's cohesion policy for 2007-2013 in order to counter the financial crisis.

LEGISLATIVE ACT: Regulation (EU) n° 1297/2013 of the European Parliament and of the Council amending Council Regulation (EC) No 1083/2006 as regards certain provisions relating to financial management for certain Member States experiencing or threatened with serious difficulties with respect to their financial stability, to the de-commitment rules for certain Member States, and to the rules on payments of the final balance.

CONTENT: the Regulation responds to the need to **take urgent additional measures** to alleviate the pressure on national financial resources through the maximal and optimal use of the funding from the Structural Funds and the Cohesion Fund

To ensure that the Member States hardest hit by the crisis continue to implement cohesion policy programmes on the ground, the Regulation aims to allow the Commission to make increased payments to these countries for the period they are under the support mechanisms, without modifying their overall allocation under cohesion policy for the period 2007-2013.

The new Regulation provides for the following two key measures:

Payments made under the European regional development fund (ERDF), the European Social Fund (ESF) and the Cohesion Fund: the Regulation provides that interim payments and payments of the final balance shall be **increased by an amount corresponding to 10 percentage points** above the co-financing rate applicable to each priority axis, but not exceeding 100 %. These increased co-financing rates will be available to the countries under financial assistance at the moment of the entry into force of the regulation, i.e. Cyprus, Greece, Ireland and Portugal, and will apply until 31 December 2015.

Romania and Slovakia: in order to improve the absorption of funds, these two Member States will have an additional year to use the commitments made in 2011 and 2012, meaning that these commitments can now be used **until the end of 2014 and 2015** respectively (rather than until the end of 2013 and 2014). This measure responds to a request from the European Council of 8 February 2013 to seek a solution that would reduce the risk of automatic de-commitment of funds from the 2007-2013 national envelopes of Romania and Slovakia, which are affected by the 110% cap on any increase of their cohesion allocation for 2014-2020 compared to 2007-2013.

ENTRY INTO FORCE: 20/12/2013.