

European Regional Development Fund (ERDF), European Social Fund (ESF), Cohesion Fund (CF), and European Maritime and Fisheries Fund (EMFF): specific measures for Greece

2015/0160(COD) - 17/07/2015 - Legislative proposal

PURPOSE: to ensure that Greece has sufficient financial means to start the implementation of 2014-2020 programmes supported by the European Regional Development Fund (ERDF), the European Social Fund (ESF), the Cohesion Fund (CF), the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund (EMFF).

PROPOSED ACT: Regulation of the European Parliament and of the Council.

ROLE OF THE EUROPEAN PARLIAMENT: the European Parliament decides in accordance with the ordinary legislative procedure and on an equal footing with the Council.

BACKGROUND: Greece has been affected by the consequences of the financial crisis in a unique manner. It has led to persistently negative GDP growth rates in Greece over a number of years, which, in turn, has caused serious liquidity shortages and a lack of public funds available for the public investment needed to foster a sustainable recovery. This has created an exceptional situation which needs to be addressed with specific measures.

However, it is vital that the lack of liquidity and of public funds in Greece do not hinder investment under programmes supported by the [European Regional Development Fund](#), the [European Social Fund](#) and the [Cohesion Fund](#) (the Funds) and by the European Maritime and Fisheries Fund ([EMFF](#)).

In its Communication entitled "[A new start for Jobs and Growth in Greece](#)", the Commission proposed measures to ensure that the available EU funding from the Funds and the European Maritime and Fisheries Fund (EMFF), is effectively used for investments on the ground and reaches beneficiaries as rapidly as possible.

CONTENT: as an exceptional measure and given the unique situation this has created in Greece, the Commission proposes to amend [Regulation \(EU\) No 1303/2013](#) on the common provisions on the European Structural and European Investment Funds as follows:

- in order to ensure that Greece has sufficient financial means to start the implementation of 2014-2020 programmes supported by the Funds and the EMFF in 2015 and 2016, the Commission proposes to **increase the level of the initial pre-financing paid to its operational programmes** under the Investment for Growth and Jobs Goal and to programmes supported by the EMFF through the payment of an additional initial prefinancing amount in those years to give an immediate boost to investment;
- in order to improve the effective use of available cohesion policy funding for the financing of operations under programmes adopted for the 2007-2013 period, it proposes to **increase the maximum co-financing rates and to raise the ceiling for payments to programmes at the end of the programming period.**

In concrete terms, it is proposed to amend Regulation (EU) No 1303/2013 to allow for the ceiling for the cumulative total of pre-financing and interim payments to be 100% and to increase the co-financing rate for 2007-2013 operational programmes for the Convergence and the Regional competitiveness and employment objectives in Greece to 100%.

BUDGETARY IMPLICATIONS: the proposed consists of frontloading payment appropriations and is **budgetary neutral** over the 2014-2020 period.

The additional payment appropriations necessary to cover the immediate consequence of an increase of 2007-2013 co-financing rates and removal of the ceiling for payments are EUR 500 million in 2015 and EUR 500 million for the additional initial pre-financing in 2015.

These additional payment appropriations can potentially be covered by payment appropriations foreseen for interim payments for the 2014-2020 programmes depending on the progress of submission of interim payment applications in 2015.

The additional pre-financing of EUR 500 million for 2016 was however not foreseen in the draft budget 2016. Nor was the impact in 2016 of the increase in the maximum co-financing rates and in the ceiling for payments for 2007-2013 programmes.

The Commission is therefore likely to propose to **cover the additional payment needs through an amending letter to the 2016 draft.** The estimated impact on 2017 will be included in the next budgetary procedure.