

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) - 15/07/2015 - Document attached to the procedure

PURPOSE: to mobilise the EU budget to provide a new start for jobs and growth in Greece.

BACKGROUND: at the **Euro Summit of 12 July 2015**, the Commission was asked to help support job and growth creation in Greece in the next three to five years. It tasked the Commission to work closely with the Greek authorities to **mobilise up to EUR 35 billion** (under various EU programmes) to fund investment and economic activity, including in SMEs. The decisions reached at the Euro Summit on 12 July 2015 **testify to the willingness of the Euro area to support Greece** provided it takes the necessary steps to restore trust and credibility and return to sustainability.

EU funding has been the primary source of public investment in Greece during the crisis. The support and relief from which Greece has benefitted in recent years and will receive in coming years from the EU, Member States, other international parties and private investors amounts to more than EUR 400 billion. This represents more than 230% of Greek GDP in 2014.

The situation remains difficult in Greece at this point in time. Tight financial conditions, uncertainty about the overall economic situation, hesitations about priorities and remaining administrative bottlenecks are disrupting the investment plans of many actors, and putting into question the ability of the authorities to make good and full use of the available EU funding.

An important number of projects for cohesion policy are currently at risk of not being completed. Moreover, if the Greek authorities do not make full use of the EU funding which is still available under the 2007-2013 financing period by the end of 2015, an amount of nearly EUR 2 billion for cohesion policy, this unused funding would be lost. Moreover, for Greece to benefit from EU funding, it is also essential that basic legal requirements, in terms of respect of EU rules, sound financial management of the funds and accounting, are fully respected.

CONTENT: the purpose of this Communication is to outline a **renewed approach to the substantial means available from the EU budget** to serve as a new start for jobs and growth in Greece. This Communication will **complement the comprehensive set of reforms** and commitments which Greece is in the process of implementing and which will underpin a stability support programme for Greece under the Treaty establishing a European Stability Mechanism.

Mobilisation of EUR 35 billion from the EU budget: with the support of the Commission, Greece is expected to be able to receive more than EUR 35 billion from the EU budget over the 2014-2020 financing period.

EUR 20 billion from the [European Structural and Investment Funds](#) could be mobilised to create jobs and sustainable growth, and Greek farmers should continue to benefit from direct payments of over **EUR 15 billion**.

Exceptional measures: Greece currently enjoys **preferential treatment** given its very specific circumstances. Greek programmes financed with the EU funds under 2007-2013 programming period receive a higher proportion of EU financing – and hence Greece is required to co-finance less – than many other countries.

Lately, the **lack of availability of public funds** has made it **difficult for local and regional as well as national authorities to take forward much needed investments**.

As an exceptional measure and in light of the unique situation of Greece, the Commission:

- proposes to improve **immediate liquidity** so that investments can still be funded in the 2007-2013 programming period. These will include early release of the last 5% of remaining EU payments normally retained until the closure of the programmes and applying a 100% co-financing rate for the 2007-2013 period. This would translate into immediate additional liquidity of some EUR 500 million and a saving for the Greek budget of around EUR 2 billion. This money will be available to immediately resume financing for investments supporting growth and job;
- proposes to **increase the rate of initial pre-financing for programmes for 2014-2020 in Greece by 7 percentage points**. This extra pre-financing can make an additional EUR 1 billion available to be used only for the launch of the projects co-financed under the cohesion policy.

All these measures will be implemented within the country allocations agreed in the current multi-financial framework for 2014-2020.

Technical support: Greece will also continue to benefit from technical support for reforms and implementation from the Commission's **new Structural Reform Support Service**, which began its work on 1 July and builds on the valuable experience of the Task Force for Greece and other technical assistance provided to Member States.

If requested by Greece, the Commission is ready to continue its support in designing and/or implementing structural and institutional reforms within this new technical assistance framework. One immediate task would be to **support Greece in maximising its absorption of EU funds**, ensuring the fastest possible take-off of investment and ensuring that sound financial management requirements and relevant deadlines are met. Within the EU Funds under the 2014-2020 programming period, nearly half a billion euro is available for technical assistance in the area of cohesion policy.

The Commission is also setting up a **pilot Technical Assistance Trust-Fund of EUR 1.5 million**, which is expected to be managed by the European Bank for Reconstruction and Development (EBRD).

[The Investment Plan for Europe](#) can play a crucial role for jobs and growth in Greece. The new [European Fund for Strategic Investment](#) (EFSI) will benefit commercially viable investment projects in Greece.