Financial management for certain Member States experiencing or threatened with serious difficulties with respect to their financial stability

2016/0193(COD) - 17/10/2016 - Committee report tabled for plenary, 1st reading/single reading

The Committee on Regional Development adopted the report by Iskra MIHAYLOVA (ADLE, BG) on the proposal for a regulation of the European Parliament and of the Council amending Regulation (EU) No 1303/2013 as regards certain provisions relating to financial management for certain Member States experiencing or threatened with serious difficulties with respect to their financial stability.

The committee recommended the Parliament to adopt its position at first reading, **taking over the Commission proposal.**

In order to ensure that Member States with temporary budgetary difficulties continue implementing the ESIF programmes and disburse funds to projects, the proposal to amend Regulation (EU) No 1303/2013 would allow the Commission to:

- **top up payments to a Member State under an adjustment programme after 30 June 2016** (currently Greece). It would cover the period until 30 June of the year following the calendar year in which the Member State stops receiving financial assistance. This approach is in line with the ESI Funds accounting year which covers the period from 1 July to 30 June. It would extend the period of eligibility up to maximum 18 months;
- **extend the co-financing rate of 85 % for all operational programmes supported by the ERDF and ESF in Cyprus** until closure of the operational programme 2014-2020.

In the explanatory statement in the draft legislative resolution, the rapporteur welcomed the Commission proposal as a focussed and budgetary-neutral solution to the temporary liquidity problems faced by two Member States. Therefore, she recommended that the committee and Parliament at plenary stage should take over the Commission proposal without amendment.