

**Question for written answer E-001575/2018
to the Commission**
Rule 130
Merja Kyllönen (GUE/NGL)

Subject: Cash flow problems encountered in territorial cooperation (INTERREG) programmes

In the 2014-2020 programme period, the financing system for Structural Fund programmes has been substantially altered in comparison with the previous period. Territorial cooperation (INTERREG) programmes have encountered cash flow problems, as they have no bridge financing available. The managing authorities of the programmes are entirely dependent on payments from the Commission based on payment applications to it, together with advance payments under a programme, and annual advance payments obtainable during the implementation of the programmes.

In general, the funds made available by the Commission for Structural Fund programmes do not meet the funding needs of the programmes. In particular, the current method of calculating the annual advance has the effect that virtually no advances are in fact paid. Those who suffer worst from the financing problems are project managers, which are small organisations engaged in regional cooperation at the most concrete level of all.

The only way of coping with the financing problem at any level is for the programme to receive interim payments on a monthly basis or more frequently if necessary. Because the payments are cyclical, there is a risk that programmes will run out of funding, so that projects do not receive payments in accordance with payment applications, as it is not realistic for managing authorities to submit payment applications monthly, let alone more frequently.

1. What will the Commission do to remedy the situation?
2. Would it be possible to change the payment system in such a way that, in the regularisation calculation, use would be made of the actual annual advance payment rather than the estimated advance funding?