

Suspending EU funds for Spain and Portugal would be counterproductive, warn MEPs

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Suspending EU structural funding for Spain and Portugal would be counterproductive, because it would harm their most vulnerable citizens and regions, a vast majority of MEPs warned the EU Commission at a “structured dialogue” hearing yesterday. The suspension had been proposed under EU Stability and Growth Pact rules, because Spain and Portugal had run up excessive deficits.

Commission Vice-President Katainen and Commissioner Corina Crețu reiterated that the Commission was legally obliged to propose a suspension. They nonetheless stressed that “not a cent would be lost” as only commitments would be suspended and not payments. This would mean that only new projects would be temporarily postponed until the suspension were lifted. They were also confident that both governments will come up with a budgetary proposal on 15 October in line with EU recommendations, in which case the suspension would be lifted.

You can follow the replays of the debate [here](#).

Note to editors

On 12 July, the Council decided that Spain and Portugal had failed to take effective action in response to its recommendations on measures to correct their excessive deficits, as required by the Stability and Growth Pact and thus triggered the excessive deficit procedure for these two countries.

The Council decision legally obliges the Commission to propose a suspension of part of the commitments of EU Structural and Investment Funds for 2017. The European Parliament has invited the Commission to a structured dialogue in order to hold a debate before the Commission will present a proposal on this. This proposal will follow separately at a later date.

The hearing on Monday was part of the “Structured dialogue” procedure under Article 23 of the Common Provisions Regulation. The Conference of Presidents (EP President and political group leaders) will decide (most likely on 6 October) on the next steps.

Further information

- Detailed research note on the Structured dialogue procedure: http://www.europarl.europa.eu/RegData/etudes/IDAN/2016/587360/IPOL_IDA%282016%29587360_EN.pdf
- Committee on Regional Development: <http://www.europarl.europa.eu/committees/en/regi/home.html>
- Committee on Economic and Monetary Affairs: <http://www.europarl.europa.eu/committees/en/econ/home.html>
- European Structural and Investment Funds (ESIF): http://ec.europa.eu/contracts_grants/funds_en.htm
- European Structural and Investment Funds in Spain (list of projects in each area): http://ec.europa.eu/regional_policy/en/atlas/spain
- European Structural and Investment Funds in Portugal (list of projects in each area): http://ec.europa.eu/regional_policy/en/atlas/portugal

Press release

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