

**Question for written answer E-008968/2012
to the Commission**
Rule 117
Piotr Borys (PPE)

Subject: Advance payments for beneficiaries under cross-border cooperation programmes in the context of European Territorial Cooperation

With reference to the debate on the legislative package for cohesion policy for 2014-2020, I would like to know the Commission's position on advance payments to beneficiaries under cross-border cooperation programmes in the context of European Territorial Cooperation (ETC).

Cross-border cooperation programmes and projects are a valuable policy instrument for tackling development disparities in border areas. High-quality cross-border cooperation has an unambiguously positive impact on communities living in border regions.

The potential beneficiaries of ETC programmes include public finance sector entities, civil society organisations, non-profit associations and SMEs. However, the proportion of socioeconomic entities which obtain funding is very small. The reason for this is the principle that expenses incurred in the implementation of projects are refunded subsequently, as well as the lengthy verification and certification process. Beneficiaries have problems maintaining liquidity, taking on tasks which often lead them to the brink of bankruptcy. Also, local authorities – currently the most active group of beneficiaries – may in future be unable to continue implementing ETC projects. Many of them are forced to take out bank loans, bringing them close to the 60% borrowing limit above which, in accordance with Polish law, they are not permitted to take on further borrowing. The introduction of pre-financing payments, which are successfully used in other support mechanisms implemented under the cohesion policy, will help to resolve these problems.