

## **COHESION: MEPs reiterate their strong opposition to suspending European funds for Spain and Portugal**

*Brussels, 08/11/2016 (Agence Europe)* – The political groups of the European Parliament have once again, and virtually unanimously, rejected any suspension of the European cohesion funds against Spain and Portugal on the grounds of their failure to do enough to comply with the European budgetary rules between 2013 and 2015.

*"The outcome of this procedure can only be no suspension",* said Lambert van Nistelrooij (EPP, Netherlands), during the second round of structural dialogue at the European Parliament on the suspension of the structural and investment funds earmarked for Spain and Portugal for 2017 (ESI funds), in the presence of the Spanish and Portuguese finance ministers (*see EUROPE 11638*). The other political groups are very much on the same page, in turn speaking out against the risk of setting a dangerous precedent in the event of the suspension of the funds, the risk of penalising local authorities – and ultimately the population – who bear no responsibility for national budgetary slippages, and the loss of credibility this will result in for the European institutions. Representatives of the committees on economic affairs, budgets and agriculture and fisheries supported these positions.

Younous Omarjee (GUE/NGL, France), however, pointed out that the EPP, S&D, ECR and ALDE Groups have to take some responsibility in the matter, as they approved the macro-economic conditionality rule brought in by Regulation 1303/2103. *"What was Spain's position at the Council on that conditionality?"*, he asked the Spanish minister.

Sidestepping the question, de Guindos pleaded the cause of his country, which is experiencing growth of more than twice the eurozone average (2.9% of GDP in 2016, 2.1% in 2017) and has clawed back nearly half the jobs lost during the economic and financial crisis. He said that the government would act to put an end to its excessive deficit in 2018, by such means as a revised draft budget for 2017 forecasting a structural effort of 0.5% of GDP. Sanctioning Spain and Portugal would be counterproductive and inconsistent, de Guindos stressed, adding that regular deficit reduction measures would be more helpful.

There must be no decision to suspend cohesion funds for Portugal, as this would undermine economic recovery and the confidence of the citizens and investors, said the Portuguese minister, Mario Centeno, who stressed that the European funds represent 78% of public investment in his country. He pointed out the efforts Portugal has made to tackle the crisis, with a salary freeze in place since 2009. He, too, defended the government's economic policy and budgetary strategy, which respects the European rules, aiming to bring the country out of an excessive deficit situation by the end of 2016 (*see EUROPE 11631*).

In August, Spain and Portugal officially avoided fines for not taking sufficient measures to comply with their budgetary commitments between 2013 and 2015 (*see EUROPE 11605*). (*Original version in French by Mathieu Bion*)