Citizens’ summary

EU report – national matching funds for regional development

WHAT’S THE ISSUE?

- **EU regional funding** seeks to boost growth, competitiveness and employment in all EU regions.
- It is based on rules ensuring EU funding does not replace public investment that would otherwise be made by national governments (the “additionality” principle).
- Under the rules, governments must maintain a minimum level of national expenditure in fields covered by EU regional funding (basic infrastructure, human resources and the productive sector).
- Currently, compliance with these rules is being checked only in the regions receiving the most EU financial support.
- In 2007-13, national spending in these regions will be over €650bn. This is additional to €282bn of EU funding.
- So every euro of EU regional funding will on average be matched by €3 of national spending.
- This amounts to total planned public investment in these regions equal to almost 6% of their aggregate projected GDP (and in some eastern member countries, a lot more).

WHAT’S THE PROBLEM?

Despite recent improvements (e.g. recovering EU funding where national authorities fail to provide matching funds), a lack of comparable data makes it difficult to check compliance with the rules before the EU commits funding:

- there is no standard assessment method – making it very difficult to compare results between countries.
- documents submitted by national authorities for these advance checks vary significantly from one country to another. This prevents homogeneous assessment.
- the information assessed comes from different sources. This leads to too many estimates and hypotheses, making the results less reliable.

HOW WOULD THE REPORT HELP?

It would:

- call for more comparable public accounting methods between EU countries - so the data assessed is reliable, comparable and complete.
  
  Checking that adequate national matching funds are committed is very complex. Standardising data types and assessment methods would help simplify the procedure.

- highlight the importance for regional development of national funding to match EU funding.

- make fully public the details of this joint investment effort.

- launch a discussion with national authorities on improving assessment methods.
• publish the results for each country – **encouraging them to provide adequate funding**, join in a dialogue and share information on the issue.

**WHY DOES ACTION HAVE TO BE TAKEN BY THE EU?**

Regional development requires **both EU and national funding**.

Keeping a certain level of public spending in a number of strategic fields is vital. The EU must ensure its funding is **not leading to less national spending** in these fields.

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<th>Data for search engines</th>
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<tbody>
<tr>
<td><strong>Title tag (± 70 characters with spaces)</strong></td>
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<tr>
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