



EUROPEAN COMMISSION
 DIRECTORATES-GENERAL
 REGIONAL AND URBAN POLICY
 EMPLOYMENT AND SOCIAL AFFAIRS
 The Directors-General

Brussels,
 REGIO A3

Subject: Submission of payment claims

Your Excellency,

With the present letter, we would like to draw your special attention to the very tight situation of payment appropriations which are relevant to the Cohesion policy programmes reflecting the MFF payment ceilings in 2014 and 2015.

In 2013, the European Parliament and the Council agreed on several amending budgets, which provided additional payment appropriations to the EU budget for covering legal obligations in 2013. Despite the 2013 reinforcements, the unpaid payment claims stood at year-end 2013 at EUR 23.4 billion.

This higher than expected backlog at year-end 2013 can be explained by the fact that the Member States submitted payment claims higher than their forecasts over the last two months of the year. About half of the unpaid 2013 payment claims arrived on time to be paid if sufficient appropriations had been available.

The concentration of payment claims in the last two months of the year was a serious challenge for proper budget management and also had negative consequences for the Member States as significant amounts were inevitably charged on the limited 2014 budget.

On September 1 2014, the implementation of payments for these budget lines reached around 75% of the available appropriations. This is the highest execution rate ever at this date. Moreover, Member States' initial April payment forecasts for 2014 at EUR 61.2 billion are still very high. However, the Commission notices that there is still a large gap between these forecasts for the end of October and the current level of submission of claims.

It is a condition for proper budget management that Member States submit reliable payment forecasts in line with the actual pace of submission of payment claims and send their payment applications regularly throughout the year, avoiding extreme end-of-the-year concentration. Member States are therefore, requested to take the appropriate measures.

Yours faithfully,

Walter Deffaa

Michel Servoz