

European Structural and Investment Funds (ESIF)



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Summary: Over half of EU funding is channelled through five budgets, collectively known as ESIF; the European Regional Development Fund, European Social Fund, Cohesion Fund, European Agricultural Fund for Rural Development, and European Maritime and Fisheries Fund. Common Defence and Security Policy (CSDP) expenditure can be funded by the back door through such budgets, in the same way that following the Eurozone crash, subsidy went into Southern Europe by quietly increasing existing regional aid when some bailout money was blocked.

At stake: Any continued payments into the EU budget by the UK risk diversion. These grants are currently small in scale, but demonstrate there is no real strategic cap on CSDP funding.

What they say: “European Structural and Investment Funds (ESIF) may be used in the defence sector to co-fund productive investment projects and support the modernisation of the defence supply chains” - EDA

Exposure: Extension of the Transition Phase beyond 2020 risks adding further UK taxpayer funds.

Action: No extension of the transition period, and the UK to avoid paying into these elastic budgets. Also, MPs should monitor Reste à Liquider (RAL) liabilities of unspent funds and see where the EU is trying to spend money already on the EU books but currently unspent; the Commission tends to try to redirect these into other schemes.

Deep dive: <https://eda.europa.eu/what-we-do/our-current-priorities/eu-funding-gateway/esif-success-stories>