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INFORMATION NOTE

From:	General Secretariat of the Council
To:	Permanent Representatives Committee/Council
Subject:	Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL amending Regulation (EU) No 1303/2013 as regards the changes to the resources for economic, social and territorial cohesion and to the resources for the investment for growth and jobs goal and for the European territorial cooperation goal – Outcome of the European Parliament's first reading (Brussels, 29-30 Novembre 2017)

I. INTRODUCTION

The rapporteur, Ms Iskra MIHAYLOVA (ALDE, BG) presented a report on behalf of the Committee on Regional Development, aiming at taking over the Commission proposal for a Regulation of the European Parliament and of the Council amending Regulation (EU) No 1303/2013 as regards the changes to the resources for economic, social and territorial cohesion and to the resources for the investment for growth and jobs goal and for the European territorial cooperation goal.

II. VOTE

The Parliament adopted its first-reading position on 30 November 2017 by taking over the Commission proposal. This position is contained in its legislative resolution as set out in the Annex hereto.

On 25 October 2017, the Permanent Representatives Committee had approved the Commission's proposal without amendments. The Council should therefore be in a position to approve the European Parliament's position. The legislative act would then be adopted in the wording which corresponds to the European Parliament's position.

Changes to the resources for economic, social and territorial cohesion and to the resources for the investment for growth and jobs goal and for the European territorial cooperation goal *I**

European Parliament legislative resolution of 30 November 2017 on the proposal for a regulation of the European Parliament and of the Council amending Regulation (EU) No 1303/2013 as regards the changes to the resources for economic, social and territorial cohesion and to the resources for the Investment for growth and jobs goal and for the European territorial cooperation goal (COM(2017)0565 – C8-0342/2017 – 2017/0247(COD))

(Ordinary legislative procedure: first reading)

The European Parliament,

- having regard to the Commission proposal to Parliament and the Council (COM(2017)0565),
 - having regard to Article 294(2) and Article 177 of the Treaty on the Functioning of the European Union, pursuant to which the Commission submitted the proposal to Parliament (C8-0342/2017),
 - having regard to Article 294(3) of the Treaty on the Functioning of the European Union,
 - after consulting the European Economic and Social Committee,
 - after consulting the Committee of the Regions,
 - having regard to the letter of the Committee on Budgets,
 - having regard to Rule 59 of its Rules of Procedure,
 - having regard to the report of the Committee on Regional Development (A8-0358/2017),
- A. Whereas for reasons of urgency it is justified to proceed to the vote before the expiry of the deadline of eight weeks laid down in Article 6 of Protocol No 2 on the application of the principles of subsidiarity and proportionality;
1. Adopts its position at first reading hereinafter set out;
 2. Calls on the Commission to refer the matter to Parliament again if it replaces, substantially amends or intends to substantially amend its proposal;
 3. Instructs its President to forward its position to the Council, the Commission and the national parliaments.

Position of the European Parliament adopted at first reading on 30 November 2017 with a view to the adoption of Regulation (EU) 2017/... of the European Parliament and of the Council amending Regulation (EU) No 1303/2013 as regards the changes to the resources for economic, social and territorial cohesion and to the resources for the Investment for growth and jobs goal and for the European territorial cooperation goal

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 177 thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

After consulting the European Economic and Social Committee,

After consulting the Committee of the Regions,

Acting in accordance with the ordinary legislative procedure¹,

¹ Position of the European Parliament of 30 November 2017.

Whereas:

- (1) Regulation (EU) No 1303/2013 of the European Parliament and of the Council¹ lays down the common and general rules applicable to the European Structural and Investment Funds.
- (2) In accordance with Article 7(1) of Council Regulation (EU, Euratom) No 1311/2013² and Article 92(3) of Regulation (EU) No 1303/2013, the Commission reviewed in 2016 the total allocations of all Member States under the Investment for growth and jobs goal of cohesion policy for the years 2017 to 2020.

¹ Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013 laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No 1083/2006 (OJ L 347, 20.12.2013, p. 320).

² Council Regulation (EU, Euratom) No 1311/2013 of 2 December 2013 laying down the multiannual financial framework for the years 2014-2020 (OJ L 347, 20.12.2013, p. 884).

- (3) In accordance with Article 7(3) of Regulation (EU, Euratom) No 1311/2013 and Article 92(3) of Regulation (EU) No 1303/2013, the Commission presented the results of that review in a communication to the Council and the European Parliament of 30 June 2016 on the technical adjustment of the financial framework for 2017 in line with movements in GNI and adjustment of cohesion policy envelopes. The Commission stated in that communication that, on the basis of the most recent statistics, there is a cumulative divergence of more than $\pm 5\%$ between the total and the revised allocations in Belgium, the Czech Republic, Denmark, Estonia, Ireland, Greece, Spain, Croatia, Italy, Cyprus, the Netherlands, Slovenia, Slovakia, Finland, Sweden and the United Kingdom. In addition, the Commission stated that, on the basis of its gross national income (GNI) per capita figures for 2012-2014, Cyprus would become fully eligible for support from the Cohesion Fund as of 1 January 2017.

- (4) As required by Article 7(4) and (5) of Regulation (EU, Euratom) No 1311/2013 and Article 92(3) of Regulation (EU) No 1303/2013, the allocations of those Member States are to be adjusted accordingly, provided that the total net effect of those adjustments does not exceed EUR 4 billion.
- (5) Insofar as the review had an impact on the annual breakdown of the allocations for the global resources by Member State under the Investment for growth and jobs goal and under the European territorial cooperation goal, as well as on the Youth Employment Initiative ('YEI'), the review was implemented by Commission Implementing Decision (EU) 2016/1941¹.

¹ Commission Implementing Decision (EU) 2016/1941 of 3 November 2016 amending Implementing Decision 2014/190/EU setting out the annual breakdown by Member State of global resources for the European Regional Development Fund, the European Social Fund and the Cohesion Fund under the Investment for growth and jobs goal and the European territorial cooperation goal, the annual breakdown by Member State of resources from the specific allocation for the Youth Employment Initiative together with the list of eligible regions, and the amounts to be transferred from each Member State's Cohesion Fund and Structural Funds allocations to the Connecting Europe Facility and to aid for the most deprived for the period 2014-2020 (OJ L 299, 5.11.2016, p. 61).

- (6) The total net effect of those adjustments is to increase the resources for economic, social and territorial cohesion by EUR 4 billion. That increase should be reflected in Article 91(1) of Regulation (EU) No 1303/2013, which should therefore be adjusted accordingly.
- (7) The resources for the Investment for growth and jobs goal and their allocation among less developed regions, transition regions, more developed regions, Member States supported by the Cohesion Fund, and outermost regions, as set out in Article 92(1) of Regulation (EU) No 1303/2013, should be adjusted accordingly.

- (8) In accordance with Article 14(1) of Regulation (EU, Euratom) No 1311/2013, the margins left available below the ceilings for commitment appropriations of the multiannual financial framework ('MFF') are to constitute the Global MFF Margin for commitments, to be made available over and above the ceilings established in the MFF for the years 2016 to 2020 for policy objectives related to growth and employment, in particular youth employment. The limitation of the margins left available below the MFF ceilings for commitment appropriations to the years 2014 to 2017 was removed by Council Regulation (EU, Euratom) 2017/1123¹, thereby allowing the YEI to be extended to 2020 and the specific allocation for the YEI to be increased by an amount of EUR 1,2 billion in current prices for the period 2017-2020. The specific allocation for the YEI as set out in Articles 91(1) and 92(5) of Regulation (EU) No 1303/2013 should therefore be adjusted accordingly.

¹ Council Regulation (EU, Euratom) 2017/1123 of 20 June 2017 amending Regulation (EU, Euratom) No 1311/2013 laying down the multiannual financial framework for the years 2014-2020 (OJ L 163, 24.6.2017, p. 1).

- (9) In accordance with Article 94(2) of Regulation (EU) No 1303/2013, the Commission accepted a proposal submitted by Denmark to transfer a part of its appropriations for the European territorial cooperation goal to the Investment for growth and jobs goal. That transfer should be reflected in an adjustment of the global resources available for the European territorial cooperation goal under Article 92(9) of that Regulation.
- (10) In accordance with the procedure set out in Article 19(1) of Regulation (EU, Euratom) No 1311/2013, Council Regulation (EU, Euratom) 2015/623¹ transferred to subsequent years an amount of EUR 11 216 187 326 in current prices of the allocation provided for the Structural Funds and the Cohesion Fund. That transfer should be reflected in Annex VI to Regulation (EU) No 1303/2013 setting out the global annual breakdown of commitment appropriations for the years 2014 to 2020. In addition, an amount of EUR 9 446 050 652 in current prices of the allocation provided for the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund which could not be committed in 2014 nor carried over to 2015 was transferred to subsequent years.

¹ Council Regulation (EU, Euratom) 2015/623 of 21 April 2015 amending Regulation (EU, Euratom) No 1311/2013 laying down the multiannual financial framework for the years 2014-2020 (OJ L 103, 22.4.2015, p. 1).

- (11) In view of the need to ensure that the additional allocations made available for the 2017 budget year are financially committed, including through amendments to affected programmes, it was considered to be appropriate to provide for an exception to the eight-week period referred to in Article 4 of Protocol No 1 on the role of national Parliaments in the European Union, annexed to the Treaty on European Union, to the Treaty on the Functioning of the European Union and to the Treaty establishing the European Atomic Energy Community.
- (12) Given the urgency of extending the programmes supporting the YEI, this Regulation should enter into force on the day following that of its publication in the *Official Journal of the European Union*.
- (13) Regulation (EU) No 1303/2013 should therefore be amended,

HAVE ADOPTED THIS REGULATION:

Article 1

Regulation (EU) No 1303/2013 is amended as follows:

(1) in Article 91, paragraph 1 is replaced by the following:

- '1. The resources for economic, social and territorial cohesion available for budgetary commitment for the period 2014-2020 shall be EUR 329 978 401 458 in 2011 prices, in accordance with the annual breakdown set out in Annex VI, of which EUR 325 938 694 233 represents the global resources allocated to the ERDF, the ESF and the Cohesion Fund, and EUR 4 039 707 225 represents a specific allocation for the YEI. For the purposes of programming and subsequent inclusion in the budget of the Union, the amount of resources for economic, social and territorial cohesion shall be indexed at 2 % per year.';

(2) Article 92 is amended as follows:

(a) paragraph 1 is replaced by the following:

'1. Resources for the Investment for growth and jobs goal shall amount to 96,09 % of the global resources (i.e., a total of EUR 317 103 114 309) and shall be allocated as follows:

- (a) 48,64 % (i.e., a total of EUR 160 498 028 177) for less developed regions;
- (b) 10,19 % (i.e., a total of EUR 33 621 675 154) for transition regions;
- (c) 15,43 % (i.e., a total of EUR 50 914 723 304) for more developed regions;
- (d) 20,01 % (i.e., a total of EUR 66 029 882 135) for Member States supported by the Cohesion Fund;

(e) 0,42 % (i.e., a total of EUR 1 378 882 914) as additional funding for the outermost regions identified in Article 349 TFEU and the NUTS level 2 regions fulfilling the criteria laid down in Article 2 of Protocol No 6 to the 1994 Act of Accession.';

(b) paragraph 5 is replaced by the following:

'5. Resources for the YEI shall amount to EUR 4 039 707 225 from the specific allocation for the YEI and at least EUR 4 039 707 225 from ESF targeted investment.';

(c) paragraph 9 is replaced by the following:

'9. Resources for the European territorial cooperation goal shall amount to 2,69 % of the global resources available for budgetary commitment from the Funds for the period 2014-2020 (i.e., a total of EUR 8 865 148 841).';

(3) Annex VI is replaced by the text set out in the Annex to this Regulation.

Article 2

This Regulation shall enter into force on the day following that of its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at...

For the European Parliament

For the Council

The President

The President

ANNEX

"ANNEX VI

ANNUAL BREAKDOWN OF COMMITMENT APPROPRIATIONS FOR THE YEARS 2014 TO 2020

Adjusted annual profile (including YEI top-up)

	2014	2015	2016	2017	2018	20
EUR, 2011 prices	34 108 069 924	55 725 174 682	46 044 910 736	48 027 317 164	48 240 419 297	48 712 1

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