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From:	Presidency
To:	Permanent Representatives Committee
Subject:	Cohesion Policy Package 2021-2027 - Common Provisions Regulation = Presidency Report

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Delegations will find attached the four-column table that, from the Presidency's viewpoint, is the result of the work under the Croatian Presidency and the progress so far on the inter-institutional negotiations with the European Parliament on the Common Provisions Regulation, in particular Block 3 (monitoring, evaluation, communication and visibility), Block 4 (Financial support from the Funds) and Block 6 (Financial management).

**Common Provisions Regulation (CPR): Block 3 - Monitoring, evaluation, communication and visibility (Article 33-45)**

Commission proposal COM(2018)375	European Parliament's first reading (29/3/19)	Council position (COREPER partial mandate 3/4/19)	Compromise proposal, comments	Row
		<b>TABLE OF CONTENTS</b>  [... TO BE INSERTED]		III - 1
TITLE IV <sup>1</sup> MONITORING, EVALUATION, COMMUNICATION AND VISIBILITY	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  TITLE IV MONITORING, EVALUATION, COMMUNICATION AND VISIBILITY  <i>New Article 63(4a): <b>Member States shall ensure the publication of information in accordance with the requirements established in this Regulation and in the Fund- specific Regulations, except where Union or national law</b></i>	III - 2

<sup>1</sup> Council position: Confidentiality clause: a new paragraph 4a is added in Article 63 as follows: **Member States shall ensure publication of information in accordance with the requirements established in this Regulation and in the Fund-specific Regulations, except where Union or national law excludes such publication for reasons of security, public order, criminal investigations or protection of personal data in accordance with Regulation (EU) 2016/679[1] of the European Parliament and of the Council.**

Commission proposal COM(2018)375	European Parliament's first reading (29/3/19)	Council position (COREPER partial mandate 3/4/19)	Compromise proposal, comments	Row
			<b>excludes such publication for reasons of security, public order, criminal investigations or protection of personal data in accordance with Regulation (EU) 2016/679[1] of the European Parliament and of the Council.</b>	
CHAPTER I Monitoring	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	III - 3
<i>Article 33</i> <i>Monitoring committee</i>	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	III - 4
1. The Member State shall set up a committee to monitor the implementation of the programme ('monitoring committee') within three months of the date of notification to the Member State concerned of the decision approving the programme.	<u>Amendment 214</u>  1. The Member State shall set up a committee to monitor the implementation of the programme ('monitoring committee'), <b>after consultation with the managing authority</b> , within three months of the date of notification to the Member State concerned of the decision approving the programme.	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  1. The Member State shall set up a committee to monitor the implementation of the programme ('monitoring committee'), <b>after consultation with the managing authority</b> , within three months of the date of notification to the Member State concerned of the decision approving the programme.	III - 5
The Member State may set up a single monitoring committee to cover more	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding</i>	III - 6

Commission proposal COM(2018)375	European Parliament's first reading (29/3/19)	Council position (COREPER partial mandate 3/4/19)	Compromise proposal, comments	Row
than one programme.			<i>to be confirmed at political level</i> <i>[no change]</i>	
2. Each monitoring committee shall adopt its rules of procedure.	<u>Amendment 215</u>  2. Each monitoring committee shall adopt its rules of procedure, <b>taking into account the need for full transparency.</b>	2. Each monitoring committee shall adopt its rules of procedure. <b>The rules of procedure of the monitoring committee shall include provisions regarding the prevention of any situation of conflict of interest.</b>	<i>Provisional common understanding to be confirmed at political level</i>  2. Each monitoring committee shall adopt its rules of procedure, <b>which shall include provisions regarding the prevention of any conflict of interest and the application of the principle of transparency.</b>	III - 7
3. The monitoring committee shall meet at least once a year and shall review all issues that affect the programme's progress towards achieving its objectives.	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	III - 8
4. The Member State shall publish the rules of procedures of the monitoring committee and all the data and information shared with the monitoring committee on the website referred to in Article 44(1).	<i>[no change]</i>	4. The <del>Member State shall publish the</del> rules of procedures of the monitoring committee and <del>all the data and</del> information shared with the monitoring committee <b>shall be published</b> on the website referred to in Article 44(1).	<i>Provisional common understanding to be confirmed at political level</i>  4. The <del>Member State shall publish the</del> rules of procedure of the monitoring committee and <del>all the</del> data and-information shared with the monitoring committee <b>shall be published</b> on the website referred to in Article 44(1), <b>without prejudice to Article 63(4a).</b>	III - 9

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5. Paragraphs 1 to 4 shall not apply to programmes under Article [4(c)(vi)] of the ESF+ Regulation and related technical assistance.	<u>Amendment 216</u>  5. Paragraphs 1 to 4 shall not apply to programmes under Article <del>[4(c)(vi)]</del> [4(1)(xi)] of the ESF+ Regulation and related technical assistance.	5. Paragraphs 1 to 4 shall not apply to programmes <del>under</del> <b>limited to the specific objective set out in</b> Article <del>[4(e)(vi)]</del> 1(x) of the ESF+ Regulation and related technical assistance.	<i>Provisional common understanding to be confirmed at political level</i>  5. Paragraphs 1 to 4 shall not apply to programmes <del>under</del> <b>limited to the specific objective set out in</b> Article <del>[4(e)(vi)]</del> 1(x) of the ESF+ Regulation and related technical assistance.	III - 10
<i>Article 34 Composition of the monitoring committee</i>	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	III - 11
1. The Member State shall determine the composition of the monitoring committee and shall ensure a balanced representation of the relevant Member State authorities and intermediate bodies and of representatives of the partners referred to in Article 6.	<u>Amendment 217</u> <sup>2</sup>  1. The Member State shall determine the composition of the monitoring committee and shall ensure a balanced representation of the relevant Member State authorities and intermediate bodies and of representatives of the partners referred to in Article 6 <b>through a transparent process.</b>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  1. The Member State shall determine the composition of the monitoring committee and shall ensure a balanced representation of the relevant Member State authorities and intermediate bodies and of representatives of the partners referred to in Article 6 <b>through a transparent process.</b>	III - 12

<sup>2</sup> EP position: Recital 27 is amended as follows: “(27) In order to examine the performance of the programmes, the Member State should set up monitoring committees, **consisting also of representatives of civil society and social partners**. For the ERDF, the ESF+ and the Cohesion Fund, annual implementation reports should be replaced by an annual structured policy dialogue based on the latest information and data on programme implementation made available by the Member State.”

Commission proposal COM(2018)375	European Parliament's first reading (29/3/19)	Council position (COREPER partial mandate 3/4/19)	Compromise proposal, comments	Row
			<p><i>Recital 27 is amended as follows:</i></p> <p>(27) In order to examine the performance of the programmes, the Member State should set up monitoring committees, <b>including representatives of relevant partners</b>. For the ERDF, the ESF+ and the Cohesion Fund, annual implementation reports should be replaced by an annual structured policy dialogue based on the latest information and data on programme implementation made available by the Member State.</p>	
Each member of the monitoring committee shall have a vote.	<i>[no change]</i>	Each member of the monitoring committee <del>shall have a vote</del> <b>may have a vote. Other participants may attend the meeting in accordance with the rules of procedure.</b>		III - 13
The Member State shall publish the list of the members of the monitoring committee on the website referred to in Article 44(1).	<i>[no change]</i>	The <b>monitoring committee shall be chaired by a representative of the</b> Member State <del>shall publish</del> <b>or of the managing authority. The</b> list of the members of the monitoring committee <b>shall be published</b> on the website referred to in Article 44(1).	<p><i>Provisional common understanding to be confirmed at political level</i></p> <p>The <b>monitoring committee shall be chaired by a representative of the</b> Member State <del>shall publish</del> <b>or of the managing authority.</b></p> <p><b>The</b> list of the members of the monitoring committee <b>shall be</b></p>	III - 14

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			<b>published</b> on the website referred to in Article 44(1).	
2. Representatives of the Commission shall participate in the work of the monitoring committee in an advisory capacity.	<u>Amendment 218</u>  2. Representatives of the Commission shall participate in the work of the monitoring committee in a <b>monitoring and</b> an advisory capacity. <b>Representatives of the EIB may be invited to participate in the work of the monitoring committee, in an advisory capacity, where appropriate.</b>	<i>[no change]</i>		III - 15
	<u>Amendment 219</u>  <b>2a. For the AMIF, the ISF and the BMVI, relevant decentralised agencies shall participate in the work of the monitoring committee in an advisory capacity.</b>		<i>Provisional common understanding to be confirmed at political level</i>  <b>2a. For the AMIF, the ISF and the BMVI, relevant decentralised agencies may participate in the work of the monitoring committee.</b>	III - 16
<i>Article 35</i> <i>Functions of the monitoring committee</i>	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	III - 17

Commission proposal COM(2018)375	European Parliament's first reading (29/3/19)	Council position (COREPER partial mandate 3/4/19)	Compromise proposal, comments	Row
1. The monitoring committee shall examine: <sup>3</sup>	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>  <i>Recital 34 is amended as follows:</i> (34) As regards grants provided to beneficiaries, Member States should increasingly make use of simplified cost options. The threshold linked to the obligatory use of simplified cost options should be linked to the total costs of the operation in order to ensure the same treatment of all operations below the threshold, regardless of whether the support is public or private. <b>Where a managing authority intends to propose the use of a simplified cost option in a call for proposals, it should have the possibility to consult the monitoring committee.</b>	III - 18
(a) the progress in programme implementation and in achieving the	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>	III - 19

<sup>3</sup> EP position: Recital 34 is modified as follows: “(34) As regards grants provided to beneficiaries, Member States should increasingly make use of simplified cost options. The threshold linked to the obligatory use of simplified cost options should be linked to the total costs of the operation in order to ensure the same treatment of all operations below the threshold, regardless of whether the support is public or private. **Where a Member State intends to propose the use of a simplified cost option, it could consult the monitoring committee.**”



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milestones and targets;			<i>[no change]</i>	
	<u>Amendment 220</u>  <i>(aa) proposals for possible simplification measures for beneficiaries;</i>		<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	III - 20
(b) any issues that affect the performance of the programme and the measures taken to address those issues;	<u>Amendment 221</u>  (b) any issues that affect the performance of the programme and the measures taken to address those issues, <i>including also any irregularities, where appropriate;</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	III - 21
(c) the contribution of the programme to tackling the challenges identified in the relevant country-specific recommendations;	<i>[no change]</i>	(c) the contribution of the programme to tackling the challenges identified in the relevant country-specific recommendations, <b>where applicable;</b>	<i>Provisional common understanding to be confirmed at political level</i>  (c) the contribution of the programme to tackling the challenges identified in the relevant country-specific recommendations <b>that are linked to the implementation of the programme;</b>	III - 22
(d) the elements of the <i>ex ante</i> assessment listed in Article 52(3) and the strategy document referred to in Article 53(2);	<i>[no change]</i>	(d) the elements of the <i>ex ante</i> assessment listed in Article 52(3) and the strategy document referred to in Article 53( <del>2</del> <b>1</b> );	<i>Provisional common understanding to be confirmed at political level</i>  (d) the elements of the <i>ex ante</i>	III - 23

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			assessment listed in Article 52(3) and the strategy document referred to in Article 53(21);	
(e) the progress made in carrying out evaluations, syntheses of evaluations and any follow-up given to findings;	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	III - 24
(f) the implementation of communication and visibility actions;	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	III - 25
(g) the progress in implementing operations of strategic importance, where relevant;	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	III - 26
(h) the fulfilment of enabling conditions and their application throughout the programming period;	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	III - 27
(i) the progress in administrative capacity building for public institutions and beneficiaries, where relevant.	<u>Amendment 222</u>  (i) the progress in administrative capacity building for public institutions, <b>partners</b> and beneficiaries, where relevant.	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  (i) the progress in administrative capacity building for public institutions, <b>partners</b> and beneficiaries, where relevant.	III - 28

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		(j) information regarding the implementation of the programme's contribution to [Invest EU] in accordance with Article 10 or of the resources transferred in accordance with Article 21, where applicable.		III - 29
		As regards the programmes supported by the EMFF, the monitoring committee shall be consulted and shall, if it considers it appropriate, give an opinion on any amendment of the programme proposed by the managing authority.		III - 30
2. The monitoring committee shall approve:	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	III - 31
(a) the methodology and criteria used for the selection of operations, including any changes thereto, after consultation with the Commission pursuant to Article 67(2), without prejudice to points (b), (c) and (d) of Article 27(3);	<i>[no change]</i>	(a) the methodology and criteria used for the selection of operations, including any changes thereto, <del>after consultation with the Commission pursuant to Article 67(2)</del> , without prejudice to points (b), (c) and (d) of Article 27(3);		III - 32
(b) the annual performance reports for programmes supported by the EMFF, the AMF, the ISF and the BMVI, and the final performance report for	<u>Amendment 224</u>  (b) the annual performance reports for programmes supported by the	(b) <del>the annual performance reports for programmes supported by the EMFF, the AMF, the ISF and the BMVI, and</del> the final performance report for		III - 33

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programmes supported by the ERDF, the ESF+ and the Cohesion Fund;	EMFF, the <del>AMF</del> <b>AMIF</b> , the ISF and the BMVI, and the final performance report for programmes supported by the ERDF, the ESF+ and the Cohesion Fund;	programmes supported by the <del>ERDF, the ESF+ and the Cohesion Fund</del> <b>Funds</b> ;		
(c) the evaluation plan and any amendment thereto;	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	III - 34
(d) any proposal by the managing authority for the amendment of a programme including for transfers in accordance with Article 19(5) and Article 21.	<i>[no change]</i>	(d) any proposal by the managing authority for the amendment of a programme including for transfers in accordance with Article 19(5) and Article 21, <b>with the exception of programmes supported by the EMFF</b>		III - 35
	<u>Amendment 225</u>  <i>(da) changes to the list of planned operations of strategic importance referred to in point (d) of Article 17(3);</i>			III - 36
	<u>Amendment 226</u>  <i>2a. The monitoring committee may propose to the managing authority further functions of intervention.</i>		<i>Provisional common understanding to be confirmed at political level</i>  <b>2a. The monitoring committee may make recommendations to the managing authority, including on measures to reduce the administrative burden for</b>	III - 37

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			<b>beneficiaries.</b>	
<i>Article 36</i> <i>Annual performance review</i>	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding</i> <i>to be confirmed at political level</i>  <i>[no change]</i>	III - 38
1. An annual review meeting shall be organised between the Commission and each Member State to examine the performance of each programme.	<u>Amendment 227</u>  1. An annual review meeting shall be organised between the Commission and each Member State to examine the performance of each programme. <b><i>Managing authorities shall be duly involved in this process.</i></b>	1. <del>An annual review meeting</del> <b>Review meetings</b> shall be organised between the Commission and each Member State to examine the performance of each programme.		III - 39
The annual review meeting shall be chaired by the Commission or, if the Member State so requests, co-chaired by the Member State and the Commission.	<i>[no change]</i>	<b>The review meeting may cover more than one programme.</b>  The <del>annual</del> review meeting shall be chaired by the Commission or, if the Member State so requests, co-chaired by the Member State and the Commission.		III - 40
2. For programmes supported by the AMIF, the ISF and the BMVI, the review meeting shall be organised at least twice during the programming period.	<i>[no change]</i>	2. For programmes supported by the <del>AMIF, the ISF and the BMVI</del> <b>Funds</b> , the review meeting shall be organised <del>at least twice during the programming period</del> <b>annually. The Member State and the Commission may agree not to organise an annual review meeting. In this case, the review may be carried</b>		III - 41

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		out in writing.		
3. For programmes supported by the ERDF, the ESF+ and the Cohesion Fund, the Member State shall no later than one month before the annual review meeting provide the Commission with the information on the elements listed in Article 35(1).	[no change]	3. For programmes supported by the ERDF, the ESF+ and the Cohesion Fund Funds, the Member State shall no later than one month before the annual review meeting provide the Commission with the concise and updated information on related to the elements listed progress in Article 35(1) programme implementation.		III - 42
For programmes under Article [4(1)(c)(vii)] of the ESF+ Regulation, the information to be provided shall be limited to points (a), (b), (e), (f) and (h) of Article 35(1).	[no change]	For programmes under Article [4(1)(e)(vii)] of the ESF+ Regulation, the information to be provided shall be limited to points (a), (b), (e), (f) and (h) of Article 35(1).	Provisional common understanding to be confirmed at political level  For programmes <b>limited to the specific objective set out in under</b> Article [4(1)( <del>xie</del> )(vii)] of the ESF+ Regulation, the information to be provided, <b>based on the most recent data available</b> , shall be limited to points (a), (b), (e), (f) and (h) of Article 35(1).	III - 43
4. The outcome of the annual review meeting shall be recorded in agreed minutes.	[no change]	[no change]	Provisional common understanding to be confirmed at political level  [no change]	III - 44
5. The Member State shall follow up issues raised by the Commission and inform the Commission within three	[no change]	5. The Member State shall follow up issues raised by the Commission <b>during the meeting, which significantly affect the implementation of the programme</b>	Provisional common understanding to be confirmed at political level  5. The Member State shall follow	III - 45

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months of the measures taken.		and inform the Commission within three months of the measures taken.	up issues raised by the Commission during the review meeting which affect the implementation of the programme and inform the Commission within three months of the measures taken.	
6. For programmes supported by the EMFF, the AMF, the ISF and the BMVI, the Member State shall submit an annual performance report in accordance with the Fund-specific Regulations.	<u>Amendment 228</u>  6. For programmes supported by the EMFF, the <del>AMF</del> <b>AMIF</b> , the ISF and the BMVI, the Member State shall submit an annual performance report in accordance with the Fund-specific Regulations.	<del>6. For programmes supported by the EMFF, the AMF, the ISF and the BMVI, the Member State shall submit an annual performance report in accordance with the Fund-specific Regulations.</del>		III - 46
<i>Article 37</i> <i>Transmission of data</i>	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	III - 47
1. The managing authority shall electronically transmit to the Commission cumulative data for each programme by 31 January, 31 March, 31 May, 31 July, 30 September and 30 November of each year in accordance with the template set out in Annex VII.	<i>[no change]</i> <sup>4</sup>	1. The <b>Member State or the</b> managing authority shall electronically transmit to the Commission cumulative data for each programme by 31 January, <del>31 March, 31 May</del> <b>30 April</b> , 31 July, <del>30 September and 30 November</del> <b>31 October</b> of each year in accordance with the template set out in Annex VII, <b>with the exception of the information</b>	<i>Provisional common understanding to be confirmed at political level</i>  1. The <b>Member State or the</b> managing authority shall electronically transmit to the Commission cumulative data for each programme by 31 January, <del>31 March, 31 May</del> <b>30 April</b> , 31 July,	III - 48

<sup>4</sup> EP position: Recital (29) is amended as follows: “(29) To ensure availability of comprehensive up-to-date information on programme implementation, ~~more frequent~~ **effective and timely** electronic reporting on quantitative data should be required.”

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		<b>required in point (b) of paragraph 2 and in paragraph 3 that should be reported by 31 January and 31 July of each year.</b>	30 September and 30 November of each year, <b>with the exception of the data required in point (b) of paragraph 2 and in paragraph 3 that shall be electronically transmitted by 31 January and 31 July of each year</b> , in accordance with the template set out in Annex VII.  <i>Recital 29 is amended as follows:</i>  “(29) To ensure availability of comprehensive up-to-date information on programme implementation, <del>more frequent</del> <b>effective and timely</b> electronic reporting on quantitative data should be required.”	
The first transmission shall be due by 31 January 2022 and the last one by 31 January 2030.	<u>Amendment 229</u>  The first transmission shall be due by <del>31 January</del> <b>28 February</b> 2022 and the last one by <del>31 January</del> <b>28 February</b> 2030.	The first transmission shall be due by 31 January 2022 and the last one by 31 January [2030].	<i>Provisional common understanding to be confirmed at political level</i>  The first transmission shall be due by 31 January 2022 and the last one by 31 January [2030].	III - 49
For programmes under Article 4(1)(c)(vii) of the ESF+ Regulation, data shall be transmitted annually by 30 November.	<u>Amendment 230</u>  For programmes under Article <del>4(1)(c)(vii)</del> <b>4(1)(xi)</b> of the ESF+ Regulation, data shall be transmitted annually by 30	For <del>programmes under priorities supporting the specific objective set out in</del> Article 4(1)( <del>e</del> )( <del>viii</del> ) of the ESF+ Regulation, data shall be -transmitted annually by 30 November.	<i>Provisional common understanding to be confirmed at political level</i>  For <del>programmes under priorities supporting the specific objective set out in</del> Article 4(1)( <del>e</del> )( <del>viii</del> ) of	III - 50



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	November.		the ESF+ Regulation, data shall be transmitted annually by <b>31 January</b> .	
		<b>The ESF+ Regulation may determine specific rules for the frequency of collecting and transmitting long-term result indicators.</b>	<i>Provisional common understanding to be confirmed at political level</i>  <b>[The ESF+ Regulation may determine specific rules for the frequency of collecting and transmitting longer-term result indicators.]</b>  <i>To be aligned with the ESF+ Regulation.</i>	III - 51
2. The data shall be broken down for each priority by specific objective and by category of regions, and shall refer to:	<i>[no change]</i>	2. The data shall be broken down for each priority by specific objective and, <b>where relevant</b> , by category of regions; and shall refer to:	<i>Provisional common understanding to be confirmed at political level</i>  2. The data shall be broken down for each priority by specific objective and, <b>where relevant</b> , by category of regions; and shall refer to:	III - 52
(a) the number of selected operations, their total eligible cost, the contribution from the Funds and the total eligible expenditure declared by the beneficiaries to the managing authority, all broken down by types of intervention;	<u>Amendment 231</u>  (a) <b>in the data transmissions due by 31 January, 31 March, 31 May, 31 July, 30 September and 30 November of each year</b> , the number of selected operations, their total eligible cost, the contribution	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	III - 53

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	from the Funds and the total eligible expenditure declared by the beneficiaries to the managing authority, all broken down by types of intervention;			
(b) the values of output and result indicators for selected operations and values achieved by operations.	<u>Amendment 232</u>  (b) <i>in the data transmissions due by 31 May and 30 November of each year only</i> , the values of output and result indicators for selected operations and values achieved by operations. <sup>5</sup>	[no change]	<i>Provisional common understanding to be confirmed at political level</i>  [no change]  <i>Recital 28 remains open.</i>	III - 54
3. For financial instruments data shall also be provided on the following:	[no change]	[no change]	<i>Provisional common understanding to be confirmed at political level</i>  [no change]	III - 55
(a) eligible expenditure by type of financial product;	[no change]	[no change]	<i>Provisional common understanding to be confirmed at political level</i>  [no change]	III - 56
(b) amount of management costs and fees declared as eligible expenditure;	[no change]	[no change]	<i>Provisional common understanding to be confirmed at political level</i>	III - 57

<sup>5</sup> EP position: Recital (28) is modified as follows: “(28) Pursuant to paragraphs 22 and 23 of the Inter-institutional agreement for Better Law-Making of 13 April 2016<sup>16</sup>, there is a need to evaluate the Funds on the basis of information collected through specific monitoring requirements, while avoiding overregulation and administrative burden, in particular on Member States. These requirements, where appropriate, can include measurable indicators, as a basis for evaluating the effects of the Funds on the ground. *Indicators should be developed in a gender sensitive manner when possible.*”

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			<i>[no change]</i>	
(c) the amount, by type of financial product, of private and public resources mobilised in addition to the Funds;	<i>[no change]</i>	<i>[no change]</i>	Provisional common understanding to be confirmed at political level  <i>[no change]</i>	III - 58
(d) interest and other gains generated by support from the Funds to financial instruments referred to in Article 54 and resources returned attributable to support from the Funds as referred to in Article 56.	<i>[no change]</i>	<i>[no change]</i>	Provisional common understanding to be confirmed at political level  <i>[no change]</i>	III - 59
		<b>(e) total value of loans, equity or quasi-equity investments in final recipients which were guaranteed with programme resources and which were actually disbursed to final recipients.</b>	Provisional common understanding to be confirmed at political level  <b>(e) total value of loans, equity or quasi-equity investments in final recipients which were guaranteed with programme resources and which were actually disbursed to final recipients.</b>	III - 60
4. The data submitted in accordance with this Article shall be reliable and up-to-date as of the end of the month preceding the month of submission.	<i>[no change]</i>	4. The data submitted in accordance with this Article shall be reliable and <del>up-to-date</del> <b>reflect the data available in the electronic system referred to in Article 66 (1)(e)</b> as of the end of the month preceding the month of submission.	Provisional common understanding to be confirmed at political level  4. The data submitted in accordance with this Article shall be reliable and <del>up-to-date</del> <b>reflect the data stored electronically as referred to in Article 66 (1)(e)</b> as of the end	III - 61

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			of the month preceding the month of submission.	
5. The managing authority shall publish all the data transmitted to the Commission on the website referred to in Article 44(1).	<i>[no change]</i>	5. The <b>Member State or the</b> managing authority shall publish <b>or provide a link to</b> all the data transmitted to the Commission on the website referred to in <b>point (b) of Article 41 or on the website referred to in</b> Article 44(1).	<i>Provisional common understanding to be confirmed at political level</i>  5. The <b>Member State or the</b> managing authority shall publish <b>or provide a link to</b> all the data transmitted to the Commission on the website <b>portal</b> referred to in <b>point (b) of Article 41 or on the website referred to in</b> Article 44(1).	III - 62
6. For programmes supported by the EMFF, the Commission shall adopt an implementing act in accordance with the advisory procedure referred to in Article 109(2) in order to establish the template to be used for the implementation of this Article.	<i>[no change]</i>	<del>6. For programmes supported by the EMFF, the Commission shall adopt an implementing act in accordance with the advisory procedure referred to in Article 109(2) in order to establish the template to be used for the implementation of this Article.</del>	<i>Provisional common understanding to be confirmed at political level</i>  <del>6. For programmes supported by the EMFF, the Commission shall adopt an implementing act in accordance with the advisory procedure referred to in Article 109(2) in order to establish the template to be used for the implementation of this Article.</del>	III - 63
<i>Article 38</i> <i>Final performance report</i>	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	III - 64

Commission proposal COM(2018)375	European Parliament's first reading (29/3/19)	Council position (COREPER partial mandate 3/4/19)	Compromise proposal, comments	Row
1. For programmes supported by the ERDF, the ESF+ and the Cohesion Fund, each managing authority shall submit to the Commission a final performance report of the programme by 15 February 2031.	<i>[no change]</i>	1. For programmes supported by the <del>ERDF, the ESF+ and the Cohesion Fund</del> <b>Funds</b> , each managing authority shall submit to the Commission a final performance report of the programme by 15 February [2031].		III - 65
2. The final performance report shall assess the achievement of programme objectives based on the elements listed in Article 35(1) with the exception of the information provided under Article 35(1)(d).	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	III - 66
3. The Commission shall examine the final performance report and inform the managing authority of any observations within five months of the date of receipt of the final performance report. Where such observations are made, the managing authority shall provide all necessary information with regard to those observations and, where appropriate, inform the Commission, within three months, of measures taken. The Commission shall inform the Member State of the acceptance of the report.	<i>[no change]</i>	3. The Commission shall examine the final performance report and inform the managing authority of any observations within five months of the date of receipt of the final performance report. Where such observations are made, the managing authority shall provide all necessary information with regard to those observations and, where appropriate, inform the Commission, within three months, of measures taken. The Commission shall inform the <b>managing authority and the</b> Member State of the acceptance of the report-, <b>within two months after receiving all necessary information from the managing authority. Where the Commission does not inform the</b>	<i>Provisional common understanding to be confirmed at political level</i>  3. The Commission shall examine the final performance report and inform the managing authority of any observations within five months of the date of receipt of the final performance report. Where such observations are made, the managing authority shall provide all necessary information with regard to those observations and, where appropriate, inform the Commission, within three months, of measures taken. The Commission shall inform the <del>Member State the</del> <b>managing</b>	III - 67

Commission proposal COM(2018)375	European Parliament's first reading (29/3/19)	Council position (COREPER partial mandate 3/4/19)	Compromise proposal, comments	Row
		<b>managing authority within those deadlines, the report shall be deemed to be accepted.</b>	<b>authority of the acceptance of the report, within two months of receiving all necessary information. Where the Commission does not inform the managing authority within those deadlines, the report shall be deemed to be accepted.</b>	
4. The managing authority shall publish final performance reports on the website referred to in Article 44(1).	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	III - 68
5. The Commission shall, in order to ensure uniform conditions for the implementation of this Article, adopt an implementing act establishing the template for the final performance report. That implementing act shall be adopted in accordance with the advisory procedure referred to in Article 108.	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	III - 69
CHAPTER II Evaluation	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	III - 70
<i>Article 39</i> <i>Evaluations by the Member State</i>	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>	III - 71

Commission proposal COM(2018)375	European Parliament's first reading (29/3/19)	Council position (COREPER partial mandate 3/4/19)	Compromise proposal, comments	Row
			<i>[no change]</i>	
1. The managing authority shall carry out evaluations of the programme. Each evaluation shall assess the programme's effectiveness, efficiency, relevance, coherence and EU added value with the aim to improve the quality of the design and implementation of programmes.	<u>Amendment 233</u>  1. The managing authority shall carry out evaluations of the programme. Each evaluation shall assess the programme's <b><i>inclusiveness, non-discriminatory nature</i></b> , effectiveness, efficiency, relevance, coherence, <b><i>visibility</i></b> and EU added value with the aim to improve the quality of the design and implementation of programmes.	1. The managing authority <b>or the Member State</b> shall carry out evaluations of the <del>programme</del> . <del>Each evaluation shall assess the programme's</del> <b>programmes related to one or more of the following criteria:</b> effectiveness, efficiency, relevance, coherence and EU added value with the aim to improve the quality of the design and implementation of programmes. <b>Evaluations may also cover other relevant criteria and may cover more than one programme.</b>	<i>Provisional common understanding to be confirmed at political level</i>  1. The <b>Member State or the</b> managing authority shall carry out evaluations of the <del>programme</del> . <del>Each evaluation shall assess the programme's</del> <b>programmes related to one or more of the following criteria:</b> effectiveness, efficiency, relevance, coherence and EU added value with the aim to improve the quality of the design and implementation of programmes. <b>Evaluations may also cover other relevant criteria, such as inclusiveness, non-discrimination and visibility, and may cover more than one programme.</b>	III - 72
2. In addition, the managing authority shall carry out an evaluation for each programme to assess its impact by 30 June 2029.	<i>[no change]</i>	2. In addition, <del>the managing authority shall carry out</del> an evaluation for each programme to assess its impact <b>shall be carried out</b> by 30 June 2029.	<i>Provisional common understanding to be confirmed at political level</i>  2. In addition, <del>the managing authority shall carry out</del> an evaluation for each programme to assess its impact <b>shall be carried out</b> by 30 June 2029.	III - 73
3. The managing authority shall	<i>[no change]</i>	3. <del>The managing authority</del> <b>Evaluations</b>	<i>Provisional common understanding</i>	III - 74

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entrust evaluations to functionally independent experts.		shall <del>entrust evaluations</del> <b>be entrusted to internal or external experts</b> functionally independent experts.	<i>to be confirmed at political level</i>  3. <del>The managing authority Evaluations shall entrust evaluations</del> <b>be entrusted to internal or external experts who are</b> functionally independent experts.	
4. The managing authority or the Member State shall ensure the necessary procedures to produce and collect the data necessary for evaluations.	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	III - 75
5. The managing authority or the Member State shall draw up an evaluation plan. That evaluation plan may cover more than one programme. For the AMIF, the ISF and the BMVI, that plan shall include a mid-term evaluation to be completed by 31 March 2024.	<i>[no change]</i>	5. The managing authority or the Member State shall draw up an evaluation plan. <del>That evaluation plan</del> <b>which</b> may cover more than one programme. For the AMIF, the ISF and the BMVI, that plan shall include a mid-term evaluation to be completed by 31 March 2024.	<i>Provisional common understanding to be confirmed at political level</i>  5. The managing authority or the Member State shall draw up an evaluation plan. <del>That evaluation plan</del> <b>which</b> may cover more than one programme. For the AMIF, the ISF and the BMVI, that plan shall include a mid-term evaluation to be completed by 31 March 2024.	III - 76
6. The managing authority shall submit the evaluation plan to the monitoring committee no later than one year after the approval of the	<i>[no change]</i>	6. The managing authority <b>or the Member State</b> shall submit the evaluation plan to the monitoring committee no later than one year after	<i>Provisional common understanding to be confirmed at political level</i>  6. The <b>Member State or the</b> managing authority shall submit the	III - 77



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programme.		the approval of the programme.	evaluation plan to the monitoring committee no later than one year after the approval of the programme.	
7. The managing authority shall publish all evaluations on the website referred to in Article 44(1).	<i>[no change]</i>	7. <del>The managing authority shall publish all</del> <b>All evaluations shall be published</b> on the website referred to in Article 44(1).	<i>Provisional common understanding to be confirmed at political level</i>  <del>7. The managing authority shall publish all</del> <b>All evaluations shall be published</b> on the website referred to in Article 44(1).	III - 78
<i>Article 40</i> <i>Evaluation by the Commission</i>	<i>[no change]</i> <sup>6</sup>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>  <i>Recital (30) is amended as follows:</i> “(30) In order to support the preparation of related programmes and activities of the next programming period, the Commission should carry out a mid-term assessment of the Funds. At the end of the programming period, the Commission should carry out retrospective evaluations of the Funds, which should focus	III - 79

<sup>6</sup> EP position: Recital (30) is modified as follows: “(30) In order to support the preparation of related programmes and activities of the next programming period, the Commission should carry out a mid-term assessment of the Funds. At the end of the programming period, the Commission should carry out retrospective evaluations of the Funds, which should focus on the impact of the Funds. ***The results of these evaluations should be made public.***”

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			on the impact of the Funds. <b>The results of these evaluations should be made public.”</b>	
1. The Commission shall carry out a mid-term evaluation to examine the effectiveness, efficiency, relevance, coherence and EU added value of each Fund by the end of 2024. The Commission may make use of all relevant information already available in accordance with Article [128] of the Financial Regulation.	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	III - 80
2. The Commission shall carry out a retrospective evaluation to examine the effectiveness, efficiency, relevance, coherence and EU added value of each Fund by 31 December 2031.	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	III - 81
	<u>Amendment 234</u>  <i>2a. The evaluation referred to in paragraph 2 shall include an evaluation of the socio-economic impact and the funding needs under the policy objectives referred to in Article 4(1), within and among the programmes with a focus on a more competitive and smarter Europe by promoting innovative and smart economic</i>		<i>Provisional common understanding to be confirmed at political level</i>  2a. The Commission shall carry out a retrospective evaluation to examine the effectiveness, efficiency, relevance, coherence and EU added value of each Fund by 31 December 2031. <b>In the case of the ERDF, the ESF+, the Cohesion Fund and the EMFF, this evaluation shall focus in</b>	III - 82

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	<i>transformation and a more connected Europe by enhancing mobility, including smart and sustainable mobility and regional ICT connectivity. The Commission shall publish the results of the evaluation on its website and communicate those results to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions.</i>		<p>particular on the social, economic and territorial impact of those funds in relation to the policy objectives referred to in Article 4(1).</p> <p><b>The Commission shall publish the results of the retrospective evaluation on its website.</b></p> <p><i>Provisional common understanding to be confirmed at political level on the second part of the EP AM:</i></p> <p><b>The Commission shall publish the results of the evaluation on its website and communicate those results to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions.</b></p>	
CHAPTER III Visibility, transparency and communication	<i>[no change]</i>	<i>[no change]</i>	<p><i>Provisional common understanding to be confirmed at political level</i></p> <p><i>[no change]</i></p>	III - 83
Section I Visibility of support from the Funds	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>	III - 84

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			<i>[no change]</i>	
<i>Article 41 Visibility</i>	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	III - 85
Each Member State shall ensure:	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	III - 86
(a) the visibility of support in all activities relating to operations supported by the Funds with particular attention to operations of strategic importance;	<i>[no change]</i>	(a) the visibility of support <del>in all</del> activities relating to operations supported by the Funds with particular attention to operations of strategic importance;	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	III - 87
(b) communication to Union citizens of the role and achievements of the Funds through a single website portal providing access to all programmes involving that Member State.	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	III - 88
<i>Article 42 Emblem of the Union</i>	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	III - 89

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Member States, managing authorities and beneficiaries shall use the emblem of the European Union in accordance with Annex VIII when carrying out visibility, transparency and communication activities.	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	III - 90
<i>Article 43</i> <i>Communication officers and networks</i>	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	III - 91
1. Each Member State shall identify a communication coordinator for visibility, transparency and communication activities in relation to the support from the Funds, including programmes under the European territorial cooperation goal (Interreg) where that Member State hosts the managing authority. The communication coordinator shall coordinate communication and visibility measures across programmes.	<i>[no change]</i>	1. Each Member State shall identify a communication coordinator for visibility, transparency and communication activities in relation to the support from the Funds, including programmes under the European territorial cooperation goal (Interreg) where that Member State hosts the managing authority. The communication coordinator <b>may be appointed at the level of the body defined under Article 65(6) and</b> shall coordinate communication and visibility measures across <b>programmes. This coordination may be done through a communication strategy covering some or all</b> programmes.	<i>Provisional common understanding to be confirmed at political level</i>  1.Each Member State shall identify a communication coordinator for visibility, transparency and communication activities in relation to the support from the Funds, including programmes under the European territorial cooperation goal (Interreg) where that Member State hosts the managing authority. The communication coordinator <b>may be appointed at the level of the body defined under Article 65(6) and</b> shall coordinate communication and visibility measures across programmes.	III - 92

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The communication coordinator shall involve in the visibility, transparency and communication activities the following bodies:	<i>[no change]</i>	The communication coordinator shall involve in the visibility, transparency and communication activities the following bodies, <b>where appropriate</b> :	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	III - 93
(a) European Commission Representations and European Parliament Liaison Offices in the Member States; as well as Europe Direct Information Centres and other networks; educational and research institutions;	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  (a) European Commission Representations and European Parliament Liaison Offices in the Member States, as well as Europe Direct Information Centres and other <b>relevant</b> networks, educational and research institutions;	III - 94
(b) other relevant partners and bodies.	<u>Amendment 235</u>  (b) other relevant partners and bodies, <b>including regional, local and other public authorities, and economic and social partners.</b>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  (b) other relevant partners and bodies <b>as referred to in Article 6.</b>	III - 95
2. Each managing authority shall identify a communication officer for each programme ('programme communication officer').	<i>[no change]</i>	2. Each managing authority shall identify a communication officer for each programme ('programme communication officer'), <b>which may be responsible for more than one programme.</b>	<i>Provisional common understanding to be confirmed at political level</i>  2. Each managing authority shall identify a communication officer for each programme ('programme communication officer'). <b>A communication officer may be</b>	III - 96

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			<b>responsible for more than one programme.</b>	
3. The Commission shall run a network comprising communication coordinators, programme communication officers and Commission representatives to exchange information on visibility, transparency and communication activities.	<i>[no change]</i>	3. The Commission shall <del>run a</del> <b>maintain the</b> network comprising communication coordinators, programme communication officers and Commission representatives to exchange information on visibility, transparency and communication activities.	<i>Provisional common understanding to be confirmed at political level</i>  3. The Commission shall <del>run a</del> <b>maintain the</b> network comprising communication coordinators, programme communication officers and Commission representatives to exchange information on visibility, transparency and communication activities.	III - 97
Section II Transparency of implementation of the Funds and communication on programmes	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	III - 98
<i>Article 44</i> <i>Responsibilities of the managing authority</i>	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	III - 99
1. The managing authority shall ensure that, within six months of the programme's approval, there is a website where information on programmes under its responsibility is available, covering the programme's objectives, activities, available funding opportunities and	<u>Amendment 236</u>  1. The managing authority shall ensure that, within six months of the programme's approval, there is a website where information on programmes under its responsibility is available, covering the	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	III - 100

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achievements.	programme's objectives, activities, <i>indicative timetable for calls for proposals</i> , available funding opportunities and achievements.			
2. The managing authority shall publish on the website referred to in paragraph 1, at the latest one month before the opening of a call for proposal, a short summary of planned and published calls for proposals with the following data:	<i>[no change]</i>	2. The managing authority shall <del>publish</del> <b>ensure the publishing</b> on the website referred to in paragraph 1, <del>at the latest one month before</del> <b>or on the opening single website portal referred to in point (b) of Article 41, a call for proposal, a short summary</b> <del>timetable</del> of the planned and published calls for proposals <b>that should be updated at least twice a year</b> with the following <b>indicative</b> data:		III - 101
(a) geographical area covered by the call for proposal;	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	III - 102
(b) policy objective or specific objective concerned;	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	III - 103
(c) type of eligible applicants;	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	III - 104



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(d) total amount of support for the call;	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	III - 105
(e) start and end date of the call.	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	III - 106
3. The managing authority shall make the list of operations selected for support by the Funds publicly available on the website in at least one of the official languages of the Union and shall update that list at least every three months. Each operation shall have a unique code. The list shall contain the following data:	<i>[no change]</i>	3. The managing authority shall make the list of operations selected for support by the Funds publicly available on the website in at least one of the official languages of the Union and shall update that list at least every <del>three</del> <b>six</b> months. Each operation shall have a unique code. The list shall contain the following data:		III - 107
(a) in the case of legal entities, the beneficiary's name;	<u>Amendment 237</u>  (a) in the case of legal entities, the beneficiary's <b>and the contractor's</b> name;	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  (a) in the case of legal entities, the beneficiary's <b>and, in the case of public procurement, the contractor's</b> name;	III - 108
(b) where the beneficiary is a natural person the first name and the surname;	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	III - 109

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(c) for EMFF operations linked to a fishing vessel, the Union fishing fleet register identification number as referred to in Commission Implementing Regulation (EU) 2017/218 <sup>7</sup> ;	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	III - 110
(d) name of the operation;	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	III - 111
(e) the purpose of the operation and its achievements;	<i>[no change]</i>	the purpose of the operation and its <b>expected</b> achievements;	<i>Provisional common understanding to be confirmed at political level</i>  (e) the purpose of the operation and its <b>expected or actual</b> achievements;	III - 112
(f) start date of the operation;	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	III - 113
(g) expected or actual date of completion of the operation;	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	III - 114
(h) total cost of the operation;	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding</i>	III - 115

<sup>7</sup> Commission Implementing Regulation (EU) 2017/218 of 6 February 2017 on the Union fishing fleet register (OJ L 34, 9.2.2017, p. 9).

<b>Commission proposal COM(2018)375</b>	<b>European Parliament's first reading (29/3/19)</b>	<b>Council position (COREPER partial mandate 3/4/19)</b>	<b>Compromise proposal, comments</b>	<b>Row</b>
			<i>to be confirmed at political level</i> <i>[no change]</i>	
(i) Fund concerned;	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i> <i>[no change]</i>	III - 116
(j) specific objective concerned;	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i> <i>[no change]</i>	III - 117
(k) Union co-financing rate;	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i> <i>[no change]</i>	III - 118
(l) location indicator or geolocation for the operation and country concerned;	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i> <i>[no change]</i>	III - 119
(m) for mobile operations or operations covering several locations the location of the beneficiary where the beneficiary is a legal entity; or the region on NUTS 2 level where the beneficiary is a natural person;	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i> <i>[no change]</i>	III - 120
(n) type of intervention for the operation in accordance with Article	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding</i>	III - 121

Commission proposal COM(2018)375	European Parliament's first reading (29/3/19)	Council position (COREPER partial mandate 3/4/19)	Compromise proposal, comments	Row
67(3)(g);			<i>to be confirmed at political level</i> <i>[no change]</i>	
For data referred to in points (b), (c) and (k) of the first sub-paragraph, the data shall be removed after two years from the date of the initial publication on the website.	<i>[no change]</i>	For data referred to in points (b), <del>(e)</del> and <del>(k)</del> of the first sub-paragraph, the data shall be removed after two years from the date of the initial publication on the website.	<i>Provisional common understanding to be confirmed at political level</i>  For data referred to in points (b), <del>(e)</del> and <del>(k)</del> of the first sub-paragraph, the data shall be removed after two years from the date of the initial publication on the website.	III - 122
For programmes supported by the EMFF, the data referred to in points (b) and (c) of the first sub-paragraph shall only be published if such publication is in line with national law on the protection of personal data.	<i>[no change]</i>	<del>For programmes supported by the EMFF,</del> The data referred to in points (b) and (c) of the first sub-paragraph shall only be published if such publication is in line with national law on the protection of personal data.		III - 123
4. The data referred to in paragraphs 2 and 3 shall be published on the website in open, machine-readable formats, as set out in Article 5(1) of the Directive 2003/98/EC <sup>8</sup> of the European Parliament and of the Council, which allows data to be	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  4. The data referred to in paragraphs 2 and 3 shall be published on the website in open, machine-readable formats, as set	III - 124

<sup>8</sup> Directive 2003/98/EC of the European Parliament and of the Council of 17 November 2003 on the re-use of public sector information (OJ L 345, 31.12.2003, p. 90).

Commission proposal COM(2018)375	European Parliament's first reading (29/3/19)	Council position (COREPER partial mandate 3/4/19)	Compromise proposal, comments	Row
sorted, searched, extracted, compared and reused.			out in Article 5(1) of the Directive <b>2009/1024 (EC) 2003/98/EC</b> <sup>9</sup> of the European Parliament and of the Council, which allows data to be sorted, searched, extracted, compared and reused.	
5. The managing authority shall inform the beneficiaries that the data will be made public before the publication takes place in accordance with this Article.	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	III - 125
6. The managing authority shall ensure that all communication and visibility material including at the level of beneficiaries is made available upon request to Union Institutions, bodies or agencies and that a royalty-free, non-exclusive and irrevocable licence to use such material and any pre-existing rights attached to it is granted to the Union in accordance with Annex VIII.	<i>[no change]</i>	6. The managing authority shall ensure that <del>all</del> communication and visibility material <del>including at the level of beneficiaries</del> is made available upon request to Union Institutions, bodies or agencies and that a royalty-free, non-exclusive and irrevocable licence to use such material and any pre-existing rights attached to it is granted to the Union in accordance with Annex VIII. <b>This shall not require significant additional costs for neither the beneficiaries nor the managing authority.</b>	<i>Provisional common understanding to be confirmed at political level</i>  6. The managing authority shall ensure that <del>all</del> communication and visibility material including at the level of beneficiaries is made available upon request to Union Institutions, bodies or agencies and that a royalty-free, non-exclusive and irrevocable licence to use such material and any pre-existing rights attached to it is granted to the Union in accordance with Annex VIII. <b>This shall not require significant additional costs or a</b>	III - 126

<sup>9</sup> Directive 2003/98/EC of the European Parliament and of the Council of 17 November 2003 on the re-use of public sector information (OJ L 345, 31.12.2003, p. 90).

Commission proposal COM(2018)375	European Parliament's first reading (29/3/19)	Council position (COREPER partial mandate 3/4/19)	Compromise proposal, comments	Row
			<b>significant administrative burden for the beneficiaries or for the managing authority.</b>	
<i>Article 45 Responsibilities of beneficiaries</i>	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	III - 127
1. Beneficiaries and bodies implementing financial instruments shall acknowledge support from the Funds, including resources reused in accordance with Article 56, to the operation by:	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	III - 128
(a) providing on the beneficiary's professional website or social media sites, where such sites exist, a short description of the operation, proportionate to the level of support, including its aims and results, and highlighting the financial support from the Union;	<u>Amendment 240</u>  (a) providing on the beneficiary's professional website <del>or</del> <b>and</b> social media sites, where such sites exist, a short description of the operation, proportionate to the level of support, including its aims and results, and highlighting the financial support from the Union;	(a) providing on the beneficiary's <del>professional</del> <b>official</b> website or social media sites, where such sites exist, a short description of the operation, proportionate to the level of support, including its aims and results, and highlighting the financial support from the <del>Union</del> <b>Funds</b> ;		III - 129
(b) providing a statement highlighting the support from the Funds in a visible manner on documents and communication material relating to the implementation of the operation, used for the public or	<i>[no change]</i>	(b) providing a statement highlighting the support from the Funds in a visible manner -on documents and communication material relating to the implementation of the operation, <del>used</del> <b>intended</b> for the <b>general</b> public or for	<i>Provisional common understanding to be confirmed at political level</i>  (b) providing a statement highlighting the support from the Funds in a visible manner -on	III - 130

Commission proposal COM(2018)375	European Parliament's first reading (29/3/19)	Council position (COREPER partial mandate 3/4/19)	Compromise proposal, comments	Row
for participants;		participants;	documents and communication material relating to the implementation of the operation, <del>used</del> <b>intended</b> for the public or for participants;	
(c)publicly displaying plaques or billboards as soon as the physical implementation of operations involving physical investment or the purchase of equipment starts, with regard to the following:	<u>Amendment 241</u>  (c) <del>publicly</del> displaying <b>permanent</b> plaques or billboards <b>clearly visible to the public</b> as soon as the physical implementation of operations involving physical investment or the purchase of equipment starts, with regard to the following:	<i>[no change]</i>		III - 131
(i) operations supported by the ERDF and the Cohesion Fund the total cost of which exceeds EUR 500 000;	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	III - 132
(ii) operations supported by the ESF+, the EMFF, the ISF, the AMIF and the BMVI the total cost of which exceeds EUR 100 000.	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	III - 133
(d) for operations not falling under point (c), publicly displaying at least one printed or electronic display of a minimum size A3 with information about the operation highlighting the	<u>Amendment 243</u>  (d) for operations not falling under point (c), publicly displaying <b>at a location clearly visible to the public</b> at least one printed or	(d) for operations not falling under point (c), publicly displaying at least one <del>printed</del> <b>poster of a minimum size A3</b> or <b>equivalent</b> electronic display <del>of a minimum size A3</del> with information about the operation highlighting the		III - 134

Commission proposal COM(2018)375	European Parliament's first reading (29/3/19)	Council position (COREPER partial mandate 3/4/19)	Compromise proposal, comments	Row
support from the Funds;	electronic display of a minimum size A3 with information about the operation highlighting the support from the Funds;	support from the Funds, <b>except when the beneficiary is a natural person;</b>		
(e) for operations of strategic importance and operations whose total cost exceed EUR 10 000 000 organising a communication event and involving the Commission and the responsible managing authority in a timely manner.	<i>[no change]</i>	(e) for operations of strategic importance and operations whose total cost exceed EUR 10 000 000 organising a communication <del>event</del> <b>activity</b> and involving the Commission and the responsible managing authority in a timely manner.	<i>Provisional common understanding to be confirmed at political level</i>  (e) for operations of strategic importance and operations whose total cost exceed EUR 10 000 000 organising a communication event <b>or activity, as appropriate,</b> and involving the Commission and the responsible managing authority in a timely manner.	III - 135
	<u>Amendment 244</u>  <i>(ea) publicly and permanently displaying, as of the moment of the physical implementation, the Union emblem in a way that is clearly visible to the public and in accordance with the technical characteristics laid down in Annex VIII ;</i>			III - 136
For operations supported under the specific objective set out in Article 4(1)(c)(vii) of the ESF+ Regulation, this requirement shall not apply.	<u>Amendment 245</u>  For operations supported under the specific objective set out in Article <del>4(1) (e)(vii) (xi)</del> of the ESF+	For operations supported under the specific objective set out in Article 4(1) <del>(e)(vii) )</del> <b>(xi)</b> of the ESF+ Regulation, <del>this</del> <b>the requirement set out</b>	<i>Provisional common understanding to be confirmed at political level</i>  For operations supported under the specific objective set out in Article	III - 137



Commission proposal COM(2018)375	European Parliament's first reading (29/3/19)	Council position (COREPER partial mandate 3/4/19)	Compromise proposal, comments	Row
	Regulation, this requirement shall not apply.	<b>in point (d)</b> shall not apply.	4(1)( <del>e</del> )( <del>vii</del> ))(xi) of the ESF+ Regulation, <del>this</del> the requirement set out in point (d) shall not apply.	
			<i>Provisional common understanding to be confirmed at political level</i>  <b>By derogation from points (c) and (d) of the first subparagraph, for operations supported by the AMF, the ISF and the BMVI, the document setting out the conditions for support may establish specific requirements for the public display of information on the support from the Funds where this is justified by reasons of security and public order in accordance with Article 63(4a).</b>	III-137a
2. For small project funds, the beneficiary shall ensure that final recipients comply with the requirements set out in paragraph 1.	<i>[no change]</i>	2. For small project funds, the beneficiary shall ensure that final recipients comply with the requirements set out in paragraph 1, <b>except for projects where the total cost is under EUR 10.000.</b>	<i>Provisional common understanding to be confirmed at political level</i>  2. For small project funds, the beneficiary shall <b>comply with the obligations under Article 35(5) of Regulation (Interreg Regulation).</b>	III - 138
For financial instruments, the beneficiary shall ensure that final recipients comply with the requirements set out in point (c) of	<i>[no change]</i>	For financial instruments, the beneficiary shall <b>acknowledge the origin and</b> ensure that final recipients <del>comply with the requirements set out in</del>		III - 139

Commission proposal COM(2018)375	European Parliament's first reading (29/3/19)	Council position (COREPER partial mandate 3/4/19)	Compromise proposal, comments	Row
paragraph 1.		<del>point (e) the visibility of paragraph 1.</del> <b>the Union funding (in particular when promoting the actions and their results), by providing coherent, effective and targeted information to multiple audiences, including the media and the public.</b>		
3. Where the beneficiary does not comply with its obligations under Article 42 or paragraphs 1 and 2 of this Article, the Member State shall apply a financial correction by cancelling up to 5 % of the support from the Funds to the operation concerned.	<i>[no change]</i>	3. Where the beneficiary does not comply with its obligations under Article 42 or paragraphs 1 and 2 of this Article, <b>and where remedial actions have not been put into place</b> , the <del>Member State managing authority</del> shall apply a financial <del>correction</del> <b>measures, taking into account the principle of proportionality</b> , by cancelling up to <del>5</del> <b>2</b> % of the support from the Funds to the operation concerned.		III - 140

**Common Provisions Regulation (CPR): Block 4 - Financial support from the funds (Articles 46-62)**

<b>Commission proposal COM(2018)375</b>	<b>European Parliament's first reading (29/03/19)</b>	<b>Council position (COREPER partial mandate 3/4/19)</b>	<b>Compromise proposal, comments</b>	<b>Row</b>
		<b>TABLE OF CONTENTS</b>  [... TO BE INSERTED]	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	IV-1
TITLE V FINANCIAL SUPPORT FROM THE FUNDS	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	IV-2
CHAPTER I Forms of Union contribution	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	IV-3
<i>Article 46 Forms of Union contribution to programmes</i>	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	IV-4
The Union contribution may take any of the following forms:	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	IV-5

<b>Commission proposal COM(2018)375</b>	<b>European Parliament's first reading (29/03/19)</b>	<b>Council position (COREPER partial mandate 3/4/19)</b>	<b>Compromise proposal, comments</b>	<b>Row</b>
(a) financing not linked to costs of the relevant operations in accordance with Article 89 and based on either of the following:	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	IV-6
(i) the fulfilment of conditions;	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	IV-7
(ii) the achievement of results;	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	IV-8
(b) reimbursement of eligible costs actually incurred by beneficiaries or the private partner of PPP operations and paid in implementing operations ;	<i>[no change]</i>	(b) reimbursement of <del>eligible costs actually incurred by</del> <b>support provided to beneficiaries or the private partner of PPP operations in accordance with Chapter II and paid in implementing operations-III of this Title;</b>	<i>Provisional common understanding to be confirmed at political level</i>  (b) reimbursement of <del>eligible costs actually incurred by</del> <b>support provided to beneficiaries or the private partner of PPP operations in accordance with Chapter II and paid in implementing operations-III of this Title;</b>	IV-9
(c) unit costs in accordance with Article 88, which cover all or certain specific categories of eligible costs, clearly identified in advance by reference to an amount per unit;	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	IV-10

<b>Commission proposal COM(2018)375</b>	<b>European Parliament's first reading (29/03/19)</b>	<b>Council position (COREPER partial mandate 3/4/19)</b>	<b>Compromise proposal, comments</b>	<b>Row</b>
(d) lump sums in accordance with Article 88, which cover in global terms all or certain specific categories of eligible costs, clearly identified in advance;	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	IV-11
(e) flat-rate financing in accordance with Article 88, which covers specific categories of eligible costs, clearly identified in advance, by applying a percentage;	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  (e) flat-rate financing in accordance with Article 88 <b>or Article 30(5)</b> , which covers specific categories of eligible costs, clearly identified in advance, by applying a percentage;	IV-12
(f) a combination of the forms referred to in points (a) to (e).	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	IV-13
CHAPTER II Forms of support by Member States	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	IV-14
<i>Article 47</i> <i>Forms of support</i>	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	IV-15
Member States shall use the contribution from the Funds to provide	<u>Amendment 246</u>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>	IV-16

Commission proposal COM(2018)375	European Parliament's first reading (29/03/19)	Council position (COREPER partial mandate 3/4/19)	Compromise proposal, comments	Row
support to beneficiaries in the form of grants, financial instruments or prizes or a combination thereof.	Member States shall use the contribution from the Funds to provide support to beneficiaries in the form of grants, <b>limited use of</b> financial instruments or prizes or a combination thereof		<i>[no change]</i>	
SECTION I FORMS OF GRANTS	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	IV-17
<i>Article 48</i> <i>Forms of grants</i>	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	IV-18
1. Grants provided by Member States to beneficiaries may take any of the following forms:	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	IV-19
(a) reimbursement of eligible costs actually incurred by a beneficiary or the private partner of PPP operations and paid in implementing operations, including contributions in kind and	<i>[no change]</i>	(a) reimbursement of eligible costs actually incurred by a beneficiary or the private partner of PPP operations <sup>10,11</sup> and paid in implementing operations, including	<i>Provisional common understanding to be confirmed at political level</i>  (a) reimbursement of eligible costs actually incurred by a beneficiary or	IV-20

<sup>10</sup> Council position: A new recital (37a) is included: **(37a) In order to provide the necessary flexibility for implementation of PPPs, the PPP agreement should specify when expenditure is considered eligible, in particular under which conditions it is incurred by the beneficiary or by the private partner of the PPP, irrespective of who is carrying out the payments in implementing the PPP operation.**

<sup>11</sup> EP comment: Council's new recital 37 linked to EP Am 176 on new Article 21c, currently under block 1 (PPPs in the context of major projects).

Commission proposal COM(2018)375	European Parliament's first reading (29/03/19)	Council position (COREPER partial mandate 3/4/19)	Compromise proposal, comments	Row
depreciation;		contributions in kind and depreciation;	the private partner of PPP operations and paid in implementing operations, including contributions in kind and depreciation;  <i>Recital (37a) is added:</i>  <b>(37a) In order to provide the necessary flexibility for implementation of PPPs, the PPP agreement should specify when expenditure is considered eligible, in particular under which conditions it is incurred by the beneficiary or by the private partner of the PPP, irrespective of who is carrying out the payments in implementing the PPP operation.</b>	
(b) unit costs;	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	IV-21
(c) lump sums;	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	IV-22
(d) flat-rate financing;	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>	IV-23

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			<i>[no change]</i>	
(e) a combination of the forms referred to in points (a) to (d), provided that each form covers different categories of costs or where they are used for different projects forming a part of an operation or for successive phases of an operation.	<i>[no change]</i>	<i>[no change]</i>	Provisional common understanding to be confirmed at political level  <i>[no change]</i>	IV-24
		<b>(f) financing not linked to costs, provided such grants are covered by a reimbursement of the Union contribution pursuant to Articles 88 or 89.</b>	Provisional common understanding to be confirmed at political level  <b>(f) financing not linked to costs, provided such grants are covered by a reimbursement of the Union contribution pursuant to Article 89.</b>	IV-25
Where the total cost of an operation does not exceed EUR 200 000, the contribution provided to the beneficiary from the ERDF, the ESF+, the AMIF, the ISF and the BMVI shall take the form of unit costs, lump sums or flat rates, except for operations for which the support constitutes State aid. Where flat-rate financing is used, only the categories of costs to which the flat-rate applies may be reimbursed in accordance with point (a) of the first sub-paragraph.	<i>[no change]</i>	Where the total cost of an operation does not exceed EUR 200 000, the contribution provided to the beneficiary from the ERDF, the ESF+, the AMIF, the ISF and the BMVI shall take the form of unit costs, lump sums or flat rates, except for operations for which the support constitutes State aid: <b>or for which the calculation of simplified cost options by the Managing Authority cannot be performed in any of the ways listed in paragraph 2.</b> Where flat-rate		IV-26



<b>Commission proposal COM(2018)375</b>	<b>European Parliament's first reading (29/03/19)</b>	<b>Council position (COREPER partial mandate 3/4/19)</b>	<b>Compromise proposal, comments</b>	<b>Row</b>
		financing is used, only the categories of costs to which the flat-rate applies may be reimbursed in accordance with point (a) of the first sub-paragraph.		
In addition, allowances and salaries paid to participants may be reimbursed in accordance with point (a) of the first sub-paragraph.	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	IV-27
2. The amounts for the forms of grants referred to under point (b), (c) and (d) of paragraph 1, shall be established in one of the following ways:	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	IV-28
(a) a fair, equitable and verifiable calculation method based on:	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	IV-29
(i) statistical data, other objective information or an expert judgement;	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	IV-30
(ii) the verified historical data of individual beneficiaries;	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	IV-31
(iii) the application of the usual cost accounting practices of individual	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding</i>	IV-32

Commission proposal COM(2018)375	European Parliament's first reading (29/03/19)	Council position (COREPER partial mandate 3/4/19)	Compromise proposal, comments	Row
beneficiaries;			<i>to be confirmed at political level</i> <i>[no change]</i>	
(b) draft budget established on a case-by-case basis and agreed ex ante by the body selecting the operation, where the total cost of the operation does not exceed EUR 200 000;	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i> <i>[no change]</i>	IV-33
(c) in accordance with the rules for application of corresponding unit costs, lump sums and flat rates applicable in Union policies for a similar type of operation;	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i> <i>[no change]</i>	IV-34
(d) in accordance with the rules for application of corresponding unit costs, lump sums and flat rates applied under schemes for grants funded entirely by the Member State for a similar type of operation;	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i> <i>[no change]</i>	IV-35
(e) flat rates and specific methods established by this Regulation or the Fund-specific Regulations.	<i>[no change]</i>	(e) flat rates and specific methods established by <b>or on the basis of</b> this Regulation or the Fund-specific Regulations.	<i>Provisional common understanding to be confirmed at political level</i>  (e) flat rates and specific methods established by <b>or on the basis of</b> this Regulation or the Fund-specific Regulations.	IV-36
<i>Article 49</i> <i>Flat-rate financing for indirect costs</i>	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding</i>	IV-37

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<i>concerning grants</i>			<i>to be confirmed at political level</i>  <i>[no change]</i>	
Where a flat rate is used to cover indirect costs of an operation, it shall be based on one of the following:	<i>[no change]</i>	Where a flat rate is used to cover indirect costs of an operation, it <del>shall</del> <b>may</b> be based on one of the following:	<i>Provisional common understanding to be confirmed at political level</i>  Where a flat rate is used to cover indirect costs of an operation, it <del>shall</del> <b>may</b> be based on one of the following:	IV-38
(a) a flat rate of up to 7 % of eligible direct costs, in which case the Member State shall not be required to perform a calculation to determine the applicable rate;	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	IV-39
(b) a flat rate of up to 15 % of eligible direct staff costs in which case the Member State shall not be required to perform a calculation to determine the applicable rate;	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	IV-40
(c) a flat rate of up to 25 % of eligible direct costs, provided that the rate is calculated in accordance with Article 48(2)(a).	<u>Amendment 247</u>  (c) a flat rate of up to 25 % of eligible direct costs, provided that the rate is calculated in accordance with Article 48(2)(a) <b>or 48(2)(c)</b> .	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	IV-41
In addition, where a Member State has calculated a flat rate in accordance	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding</i>	IV-42

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with Article 67(5)(a) of Regulation (EU) No 1303/2013, that flat rate may be used for a similar operation for the purposes of point (c).			<i>to be confirmed at political level</i>  <i>[no change]</i>	
<i>Article 50</i> <i>Direct staff costs concerning grants</i>	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	IV-43
1. Direct staff costs of an operation may be calculated at a flat rate of up to 20 % of the direct costs other than the direct staff costs of that operation, without there being a requirement for the Member State to perform a calculation to determine the applicable rate, provided that the direct costs of the operation do not include public works contracts or supply or service contracts which exceed in value the thresholds set out in Article 4 of Directive 2014/24/EU of the European Parliament and of the Council <sup>12</sup> or in Article 15 of Directive 2014/25/EU of the European Parliament and of the Council <sup>13</sup> .	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	IV-44

<sup>12</sup> Directive 2014/24/EU of the European Parliament and of the Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC (OJ L 94, 28.3.2014, p. 65).

<sup>13</sup> Directive 2014/25/EU of the European Parliament and of the Council of 26 February 2014 on procurement by entities operating in the water, energy, transport and postal services sectors and repealing Directive 2004/17/EC (OJ L 94, 28.3.2014, p. 243).

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For the AMIF, the ISF and the BMVI, any costs subject to public procurement and the direct staff costs of that operation shall be excluded from the basis for calculation of the flat rate.	<i>[no change]</i>	<del>For the AMIF, the ISF and the BMVI, any costs subject to public procurement and the direct staff costs of that operation shall be excluded from the basis for calculation of the flat rate.</del>		IV-45
2. For the purposes of determining direct staff costs, an hourly rate may be calculated in one of the following ways:	<i>[no change]</i>	<i>[no change]</i>	Provisional common understanding to be confirmed at political level  <i>[no change]</i>	IV-46
(a) by dividing the latest documented annual gross employment costs by 1720 hours for persons working full time, or by a corresponding pro-rata of 1720 hours, for persons working part-time;	<u>Amendment 248</u>  (a) by dividing the latest documented annual gross employment costs, <b>with expected additional costs in order to take account of factors such as increases in tariffs or staff promotions</b> , by 1720 hours for persons working full time, or by a corresponding pro-rata of 1720 hours, for persons working part-time	<i>[no change]</i>	Provisional common understanding to be confirmed at political level  <i>[no change]</i>	IV-47
(b) by dividing the latest documented monthly gross employment costs by the monthly working time of the person concerned in accordance with applicable national legislation referred to in the contract for employment.	<u>Amendment 249</u>  (b) by dividing the latest documented monthly gross employment costs, <b>with expected additional costs in order to take account of factors such as increases in tariffs or staff promotions</b> , by the monthly working	(b) by dividing the latest documented monthly gross employment costs by the <b>average</b> monthly working time of the person concerned in accordance with applicable national <del>legislation</del> <b>rules</b> referred to in the <del>contract for</del> <b>employment. or work contract or an appointment decision (both referred</b>	Provisional common understanding to be confirmed at political level  (b) by dividing the latest documented monthly gross employment costs by the <b>average</b> monthly working time of the person concerned in accordance with applicable national	IV-48

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	time of the person concerned in accordance with applicable national legislation referred to in the contract for employment.	to as employment document).	<p><del>legislation</del> <b>rules</b> referred to in the <del>contract for employment</del> <b>or work contract or an appointment decision (both referred to as employment document).</b></p> <p><i>Recital (34) is amended as follows:</i></p> <p>(34) As regards grants provided to beneficiaries, Member States should increasingly make use of simplified cost options. The threshold linked to the obligatory use of simplified cost options should be linked to the total costs of the operation in order to ensure the same treatment of all operations below the threshold, regardless of whether the support is public or private. <b>Amounts and rates established by Member States need to be a reliable proxy to real costs. Periodic adjustments are a good practice in the context of multi-annual programme implementation to take into account factors affecting rates and amounts. In order to facilitate the uptake of simplified cost options, this Regulation should also provide methods and rates that can be used without the requirement for Member States to perform a calculation or define a</b></p>	

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			<b>methodology.</b>	
3. When applying the hourly rate calculated in accordance with paragraph 2, the total number of hours declared per person for a given year or month shall not exceed the number of hours used for the calculation of that hourly rate.	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	IV-49
4. Where annual gross employment costs are not available, they may be derived from the available documented gross employment costs or from the contract for employment, duly adjusted for a 12 month period.	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	IV-50
5. Staff costs related to individuals who work on part-time assignment on the operation may be calculated as a fixed percentage of the gross employment costs, in line with a fixed percentage of time worked on the operation per month, with no obligation to establish a separate working time registration system. The employer shall issue a document for employees setting out that fixed percentage.	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	IV-51
<i>Article 51</i> <i>Flat rate financing for eligible costs</i>	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>	IV-52

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<i>other than direct staff costs concerning grants</i>			<i>[no change]</i>	
1. A flat rate of up to 40 % of eligible direct staff costs may be used in order to cover the remaining eligible costs of an operation. The Member State shall not be required to perform a calculation to determine the applicable rate.	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	IV-53
2. For operations supported by the AMIF, the ISF, the BMVI, the ESF+ and the ERDF, salaries and allowances paid to participants shall be considered additional eligible costs not included in the flat rate.	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	IV-54
3. The flat rate referred to in paragraph 1 of this Article shall not be applied to staff costs calculated on the basis of a flat rate as referred to in Article 50(1).	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	IV-55
		<b>Article 51a</b>  <b>Grants under conditions<sup>14</sup></b>		IV-56
		<b>1. Member States may provide grants under conditions to</b>		IV-57

<sup>14</sup> Council position: A new definition is added in Article 2: (38new) 'grants under conditions' means a type of grant subject to conditions linked to the repayment of support.



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		<b>beneficiaries which are fully or partially repayable as specified in the document setting out the conditions for support.</b>		
		<b>2. Repayments by the beneficiary shall be made under the conditions agreed by the managing authority and the beneficiary.</b>		IV-58
		<b>3. Member States shall reuse resources paid back by the beneficiary for the same purpose or in accordance with the objectives of the respective programme before 31 December 2030 either in the form of grants under conditions, in the form of a financial instrument or in another form of support. The amounts paid back and information about their reuse shall be included in the final performance report.</b>		IV-59
		<b>4. Member States shall adopt the necessary measures to ensure that the resources shall be kept in separate accounts or under appropriate accounting codes.</b>		IV-60
		<b>5. Union resources paid back by beneficiaries at any time, but not reused by the end of the period indicated in paragraph 3, shall be</b>		IV-61

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		<b>repaid to the budget of the Union in accordance with Article 82.</b>		
SECTION II FINANCIAL INSTRUMENTS	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	IV-62
<i>Article 52</i> <i>Financial instruments</i>	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	IV-63
1. Managing authorities may provide a programme contribution, under one or more programmes, to financial instruments set up at national, regional, transnational or cross border level and managed by, or under the responsibility of, the managing authority which contribute to achieving specific objectives.	<i>[no change]</i>	1. Managing authorities may provide a programme contribution, <del>under from</del> one or more programmes, <b>to to existing or newly created</b> financial instruments set up at national, regional, transnational or cross border level and <del>managed</del> <b>implemented directly</b> by, or under the responsibility of, the managing authority which contribute to achieving specific objectives.	<i>Provisional common understanding to be confirmed at political level</i>  1. Managing authorities may provide a programme contribution, <del>under from</del> one or more programmes, <b>to to existing or newly created</b> financial instruments set up at national, regional, transnational or cross border level and <del>managed</del> <b>implemented directly</b> by, or under the responsibility of, the managing authority which contribute to achieving specific objectives.	IV-64
2. Financial instruments shall provide support to final recipients only for new investments expected to be financially viable, such as generating revenues or savings, and which do not find	<u>Amendment 250</u>  2. Financial instruments shall provide support to final recipients only for new investments expected to be financially	2. Financial instruments shall provide support to final recipients only for <del>new</del> investments, <b>including working capital</b> , expected to be financially viable, <del>such as generating revenues or</del>	<i>Provisional common understanding to be confirmed at political level</i>  2. Financial instruments shall provide support to final recipients	IV-65

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sufficient funding from market sources.	viable, such as generating revenues or savings, and which do not find sufficient funding from market sources. <b><i>Such support may target investments in both tangible and intangible assets as well as working capital, in compliance with applicable Union State aid rules.</i></b> <sup>15</sup>	<del>savings</del> , and which do not find sufficient funding from market sources.	only for <del>new</del> investments <b>in both tangible and intangible assets as well as working capital</b> expected to be financially viable, <del>such as generating revenues or savings</del> , and which do not find sufficient funding from market sources. <b>Such support shall be in compliance with applicable Union State aid rules.</b>	
		<b>This support shall be provided only for the elements of the investments which are not physically completed or fully implemented at the date of the investment decision.</b>	<i>Provisional common understanding to be confirmed at political level</i>  <b>This support shall be provided only for the elements of the investments which are not physically completed or fully implemented at the date of the investment decision.</b>	IV-66
3. Support from the Funds through financial instruments shall be based on an <i>ex ante</i> assessment drawn up under	<i>[no change]</i>	3. Support from the Funds through financial instruments shall be based on an <i>ex ante</i> assessment <sup>16</sup> drawn up	<i>Provisional common understanding to be confirmed at political level</i>	IV-67

<sup>15</sup> EP position on recital (44) linked to Article 52: (44) In full respect of the applicable State aid and public procurement rules already clarified during the 2014-2020 programming period, the managing authorities should have the possibility to decide on the most appropriate implementation options for financial instruments in order to address the specific needs of target regions. ***In this framework, the Commission should, in cooperation with the European Court of Auditors, give guidance to auditors, managing authorities and beneficiaries for assessing compliance with state aid and developing state aid schemes.***

<sup>16</sup> Council position: *Recital (42) is to be amended as follows:* (42) The decision **by the managing authorities** to finance support measures through financial instruments should be determined on the basis of an *ex ante* assessment. This Regulation should lay down the minimum mandatory elements of *ex ante* assessments, **for which indicative information available at the date of their completion should be provided**, and should allow Member States to make use of

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the responsibility of the managing authority. The <i>ex ante</i> assessment shall be completed before managing authorities decide to make programme contributions to financial instruments.		under the responsibility of the managing authority. The <i>ex ante</i> assessment shall be completed before managing authorities <del>decide to make</del> programme contributions to financial instruments	<p>3. <b>Appropriate</b> support from the Funds through financial instruments shall be based on an <i>ex ante</i> assessment drawn up under the responsibility of the managing authority. The <i>ex ante</i> assessment shall be completed before managing authorities <del>decide to make</del> programme contributions to financial instruments.</p> <p><i>Recital (42) is amended as follows:</i></p> <p>(42) The decision <b>by the managing authorities</b> to finance support measures through financial instruments should be determined on the basis of an <i>ex ante</i> assessment. This Regulation should lay down the minimum mandatory elements of <i>ex ante</i> assessments, <b>for which indicative information available at the date of their completion should be provided</b>, and should allow Member States to make use of the <i>ex ante</i> assessments carried out for the 2014-2020 period, updated where necessary, in order to avoid administrative burden and delays in</p>	

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the *ex ante* assessments carried out for the 2014-2020 period, updated where necessary, in order to avoid administrative burden and delays in setting up financial instruments.

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			setting up financial instruments.	
The <i>ex ante</i> assessment shall include at least the following elements:	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	IV-68
(a) the proposed amount of programme contribution to a financial instrument and the expected leverage effect;	<u>Amendment 251</u>  (a) the proposed amount of programme contribution to a financial instrument and the expected leverage effect, <b>accompanied by the relevant assessments</b> ;	(a) the proposed amount of programme contribution to a financial instrument and the <b>estimated</b> <del>expected</del> leverage effect;	<i>Provisional common understanding to be confirmed at political level</i>  (a) the proposed amount of programme contribution to a financial instrument and the <b>estimated</b> <del>expected</del> leverage effect <b>accompanied by a short justification</b> ;	IV-69
(b) the proposed financial products to be offered, including the possible need for differentiated treatment of investors;	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	IV-70
(c) the proposed target group of final recipients;	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	IV-71
(d) the expected contribution of the financial instrument to the achievement of specific objectives.	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	IV-72

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The <i>ex ante</i> assessment may be reviewed or updated and may cover part or the entire territory of the Member State and may be based on existing or updated <i>ex ante</i> assessments.	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	IV-73
4. Support to final recipients may be combined with any form of Union contribution, including from the same Fund and may cover the same expenditure item. In that case, the Funds' financial instrument support, which is part of a financial instrument operation, shall not be declared to the Commission for support under another form, another Fund or another Union instrument.	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	IV-74
5. Financial instruments may be combined with ancillary programme support in the form of grants as a single financial instrument operation, within a single funding agreement, where both distinct forms of support shall be provided by the body implementing the financial instrument. In such case the rules applicable to financial instruments shall apply to that single financial instrument operation.	<u>Amendment 252</u>  5. Financial instruments may be combined with ancillary programme support in the form of grants as a single financial instrument operation, within a single funding agreement, where both distinct forms of support shall be provided by the body implementing the financial instrument. <del>In such case</del> <b><i>Where the amount of the programme support in the form of grant is less than the amount of</i></b>	5. Financial instruments may be combined with <del>ancillary</del> programme support in the form of grants as a single financial instrument operation, within a single funding agreement, where both distinct forms of support shall be provided by the body implementing the financial instrument. In such case the rules applicable to financial instruments shall apply to that single financial instrument operation. <b>The programme support in the form of grants shall be</b>	<i>Provisional common understanding to be confirmed at political level</i>  5. Financial instruments may be combined with <del>ancillary</del> programme support in the form of grants as a single financial instrument operation, within a single funding agreement, where both distinct forms of support shall be provided by the body implementing the financial instrument. In such case the rules applicable to financial instruments	IV-75

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	<i>programme support in the form of a financial instrument</i> , the rules <i>applicable to</i> financial instruments shall apply to that single financial instrument operation.	<b>directly linked and necessary for the financial instrument operation and shall not exceed the value of the investment supported by the financial product.</b>	shall apply to that single financial instrument operation. <b>The programme support in the form of grants shall be directly linked and necessary for the financial instrument and shall not exceed the value of the investments supported by the financial product.</b>	
6. In the case of combined support under paragraphs 4 and 5, separate records shall be kept for each source of support.	[no change]	[no change]	Provisional common understanding to be confirmed at political level  [no change]	IV-76
7. The sum of all forms of combined support shall not exceed the total amount of the expenditure item concerned. Grants shall not be used to reimburse support received from financial instruments. Financial instruments shall not be used to pre-finance grants.	[no change]	[no change]	Provisional common understanding to be confirmed at political level  [no change]	IV-77
<i>Article 53 Implementation of financial instruments</i>	[no change]	[no change]	Provisional common understanding to be confirmed at political level  [no change]	IV-78
1. Financial instruments managed by the managing authority may only provide loans or guarantees. The managing authority shall set out the	[no change]	1. Financial instruments <del>managed</del> <b>implemented directly</b> by the managing authority may only provide loans or guarantees. The managing	Provisional common understanding to be confirmed at political level  1. Financial instruments <del>managed</del>	IV-79

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terms and conditions of the programme contribution to the financial instrument in a strategy document including all the elements set out in Annex IX.		authority shall set out the terms and conditions of the programme contribution to the financial instrument in a strategy document including all the elements set out in Annex IX.	<b>implemented directly</b> by the managing authority may only provide loans or guarantees. The managing authority shall set out the terms and conditions of the programme contribution to the financial instrument in a strategy document including all the elements set out in Annex IX.	
2. Financial instruments managed under the responsibility of the managing authority may be set up as either of the following:	<i>[no change]</i>	2. Financial instruments <del>managed</del> <b>implemented</b> under the responsibility of the managing authority may be <del>set up as</del> either of the following:	<i>Provisional common understanding to be confirmed at political level</i>  2. Financial instruments <del>managed</del> <b>implemented</b> under the responsibility of the managing authority may be <del>set up as</del> either of the following:	IV-80
(a) an investment of programme resources into the capital of a legal entity;	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	IV-81
(b) separate blocks of finance or fiduciary accounts within an institution.	<i>[no change]</i>	(b) separate blocks of finance or fiduciary accounts <del>within an institution.</del>	<i>Provisional common understanding to be confirmed at political level</i>  (b) separate blocks of finance or fiduciary accounts <del>within an institution.</del>	IV-82
The managing authority shall select the body implementing a financial	<u>Amendment 253</u>	The managing authority shall select, <b>on the basis of applicable law</b> , the	<i>Provisional common understanding</i>	IV-83



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instrument.	The managing authority shall select the body implementing a financial instrument <i>either through direct or indirect award of a contract.</i>	body implementing a financial instrument.	<i>to be confirmed at political level</i>  <i>[no change]</i>	
	<p><u>Amendment 254</u> <sup>17</sup></p> <p><i>The managing authority may entrust implementation tasks through a direct award to:</i></p>	<p><b>2a. The managing authority may directly award a contract for the implementation of a financial instrument to:</b></p>	<p><i>Provisional common understanding to be confirmed at political level</i></p> <p><b>2a. The managing authority may directly award a contract for the implementation of a financial instrument to:</b></p> <p><i>Recital 44 is amended as follows:</i> (44) In full respect of the applicable State aid and public procurement rules already clarified during the 2014-2020 programming period, the managing authorities should have the possibility to decide on the most appropriate implementation options for financial instruments in order to address the specific needs of target regions. <b>In addition, in order to ensure continuity with the 2014-2020 programming period, managing authorities should have the possibility to implement financial instruments through a</b></p>	IV-84

<sup>17</sup> EP position: A new recital (42a) is to be added: *Managing authorities should have the possibility to implement financial instruments through a direct award of a contract to the EIB Group, national promotional banks and to international financial institutions (IFIs).*

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			<b>direct award of a contract to the EIB and to international financial institutions in which a Member State is a shareholder. They should also have the possibility to award contracts directly to publicly-owned banks or institutions fulfilling the same strict conditions as provided for by the Regulation No. 2018/1046/EU in the 2014-2020 programming period. This Regulation should provide clear conditions in order to ensure that the possibility of direct award remains consistent with the principles of the internal market. In this framework, the Commission should provide support to auditors, managing authorities and beneficiaries for ensuring compliance with state aid rules.</b>	
	<b><i>(a) the EIB;</i></b>	<b>(i) the EIB;</b>	<i>Provisional common understanding to be confirmed at political level</i>  <b>(i) the EIB;</b>	IV-85
	<b><i>(b) an international financial institution in which a Member State is a shareholder;</i></b>	<b>(ii) international financial institutions in which a Member State is a shareholder;</b>	<i>Provisional common understanding to be confirmed at political level</i>  <b>(ii) international financial institutions in which a Member</b>	IV-86

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			State is a shareholder;	
	<i>(c) a publicly-owned bank or institution, established as a legal entity and carrying out financial activities on a professional basis.</i>	<b>(iii) a publicly-owned bank or institution, established as a legal entity carrying out financial activities on a professional basis, which fulfils all of the following conditions:</b>	<i>Provisional common understanding to be confirmed at political level</i>  <b>(iii) a publicly-owned bank or institution, established as a legal entity carrying out financial activities on a professional basis, which fulfils all of the following conditions:</b>	IV-87
		<b>— there is no direct private capital participation, with the exception of non-controlling and non-blocking forms of private capital participation required by national legislative provisions, in conformity with the Treaties, which do not exert a decisive influence on the relevant bank or institution, and with the exception of forms of private capital participation which confer no influence on decisions regarding the day-to-day management of the financial instrument supported by the Funds;</b>	<i>Provisional common understanding to be confirmed at political level</i>  <b>— there is no direct private capital participation, with the exception of non-controlling and non-blocking forms of private capital participation required by national legislative provisions, in conformity with the Treaties, which do not exert a decisive influence on the relevant bank or institution, and with the exception of forms of private capital participation which confer no influence on decisions regarding the day-to-day management of the financial instrument supported by the Funds;</b>	IV-88

<b>Commission proposal COM(2018)375</b>	<b>European Parliament's first reading (29/03/19)</b>	<b>Council position (COREPER partial mandate 3/4/19)</b>	<b>Compromise proposal, comments</b>	<b>Row</b>
		— <b>operates under a public policy mandate given by the relevant authority of a Member State at national or regional level, which includes carrying out, as all or part of its activities, economic development activities contributing to the objectives of the Funds;</b>	<i>Provisional common understanding to be confirmed at political level</i>  — <b>operates under a public policy mandate given by the relevant authority of a Member State at national or regional level, which includes carrying out, as all or part of its activities, economic development activities contributing to the objectives of the Funds;</b>	IV-89
		— <b>carries out, as all or part of its activities, economic development activities contributing to the objectives of the Funds in regions, policy areas or sectors for which access to funding from market sources is not generally available or sufficient;</b>	<i>Provisional common understanding to be confirmed at political level</i>  — <b>carries out, as all or part of its activities, economic development activities contributing to the objectives of the Funds in regions, policy areas or sectors for which access to funding from market sources is not generally available or sufficient;</b>	IV-90
		— <b>operates without primarily focussing on maximising profits, but ensures a long-term financial sustainability for its activities;</b>	<i>Provisional common understanding to be confirmed at political level</i>  — <b>operates without primarily focussing on maximising profits, but ensures a long-term financial sustainability for its activities;</b>	IV-91

Commission proposal COM(2018)375	European Parliament's first reading (29/03/19)	Council position (COREPER partial mandate 3/4/19)	Compromise proposal, comments	Row
		— ensures that the direct award of a contract referred to in point (b) does not provide any direct or indirect benefit for commercial activities by way of appropriate measures in accordance with applicable law;	<i>Provisional common understanding to be confirmed at political level</i>  — ensures that the direct award of a contract referred to in point (b) does not provide any direct or indirect benefit for commercial activities by way of appropriate measures in accordance with applicable law;	IV-92
		— is subject to the supervision of an independent authority in accordance with applicable law.	<i>Provisional common understanding to be confirmed at political level</i>  — is subject to the supervision of an independent authority in accordance with applicable law.	IV-93
		(iv) other bodies, also entering under the scope of Article 12 of the Public Procurement Directive 2014/24/EU.	<i>Provisional common understanding to be confirmed at political level</i>  (iv) other bodies, also entering under the scope of Article 12 of the Public Procurement Directive 2014/24/EU.	IV-94
When the body selected by the managing authority implements a holding fund, that body may further select other bodies to implement a specific fund.	[no change]	2b. When the body selected by the managing authority implements a holding fund, that body may further select other bodies to implement a specific fund-funds.	<i>Provisional common understanding to be confirmed at political level</i>  2b. When the body selected by the managing authority implements a holding fund, that body may further	IV-95

Commission proposal COM(2018)375	European Parliament's first reading (29/03/19)	Council position (COREPER partial mandate 3/4/19)	Compromise proposal, comments	Row
			select other bodies to implement a specific fund-funds.	
3. The terms and conditions of programme contributions to financial instruments implemented in accordance with paragraph 2, shall be set out in funding agreements between:	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	IV-96
(a) the duly mandated representatives of the managing authority and the body implementing a holding fund, where applicable;	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	IV-97
(b) the duly mandated representatives of the managing authority, or, where applicable, the body implementing a holding fund and the body implementing a specific fund.	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	IV-98
Those funding agreements shall include all the elements set out in Annex IX.	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	IV-99
4. The financial liability of the managing authority shall not exceed the amount committed by the managing authority to the financial instrument under the relevant funding agreements.	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	IV-100

Commission proposal COM(2018)375	European Parliament's first reading (29/03/19)	Council position (COREPER partial mandate 3/4/19)	Compromise proposal, comments	Row
5. The bodies implementing the financial instruments concerned, or in the context of guarantees, the body providing the underlying loans, shall select final recipients , taking due account of the programme objectives and the potential for the financial viability of the investment as justified in the business plan or an equivalent document. The selection process of final recipients shall be transparent, justified by the nature of the action and shall not give rise to a conflict of interest.	<i>[no change]</i>	5. The bodies implementing the financial instruments concerned, or in the context of guarantees, the body providing the underlying loans, shall <del>select</del> <b>support</b> final recipients-, taking due account of the programme objectives and the potential for the financial viability of the investment as justified in the business plan or an equivalent document. The selection <del>process</del> of final recipients shall be transparent, <del>justified by the nature of the action</del> and shall not give rise to a conflict of interest.	<i>Provisional common understanding to be confirmed at political level</i>  5. The bodies implementing the financial instruments concerned, or in the context of guarantees, the body providing the underlying loans, shall <del>select</del> <b>support</b> final recipients-, taking due account of the programme objectives and the potential for the financial viability of the investment as justified in the business plan or an equivalent document. The selection <del>process</del> of final recipients shall be transparent, <del>justified by the nature of the action</del> and shall not give rise to a conflict of interest.	IV-101
6. National co-financing of a programme may be provided either by the managing authority or at the level of holding funds, or at the level of specific funds, or at the level of investments in final recipients, in accordance with the Fund-specific rules. When the national co-financing is provided at the level of investments in final recipients, the body implementing financial instruments shall keep documentary evidence demonstrating the eligibility of the underlying expenditure.	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	IV-102

Commission proposal COM(2018)375	European Parliament's first reading (29/03/19)	Council position (COREPER partial mandate 3/4/19)	Compromise proposal, comments	Row
7. The managing authority, in managing the financial instrument pursuant to paragraph 2, or the body implementing the financial instrument, in managing the financial instrument pursuant to paragraph 3, shall keep separate accounts or maintain an accounting code per priority and per each category of region for each programme contribution and separately for resources referred to in Articles 54 and 56 respectively.	<u>Amendment 255</u>  7. The managing authority, in managing the financial instrument pursuant to paragraph 2, or the body implementing the financial instrument, in managing the financial instrument pursuant to paragraph 3, shall keep separate accounts or maintain an accounting code per priority and per each category of region, <b>or by type of intervention for the EAFRD</b> , for each programme contribution and separately for resources referred to in Articles 54 and 56 respectively.	7. The managing authority, in managing the financial instrument pursuant to paragraph <b>21</b> , or the body implementing the financial instrument pursuant to paragraph <b>32</b> , shall keep separate accounts or maintain an accounting code per priority and, <b>where applicable</b> , per each category of region for each programme contribution and separately for resources referred to in Articles 54 and 56 respectively.	<i>Provisional common understanding to be confirmed at political level</i>  7. The managing authority in <b>implementing directly</b> the financial instrument pursuant to paragraph <b>21</b> , or the body implementing the financial instrument <del>in managing the financial instrument</del> pursuant to paragraph <b>32</b> , shall keep separate accounts or maintain an accounting code per priority and, <b>where applicable</b> , per each category of region[, <b>or by type of intervention for the EAFRD,</b> ] <sup>18</sup> for each programme contribution and separately for resources referred to in Articles 54 and 56 respectively.	IV-103
	<u>Amendment 256</u>  <b>7a. Reporting requirements on the financial instrument's use for the intended purposes shall be limited to the managing authorities and to financial intermediaries.</b>		<i>EP AM withdrawn.</i>	IV-104
<i>Article 54</i> <i>Interest and other gains generated by</i>	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding</i>	IV-105

<sup>18</sup> Whether the bracketed text is included will depend on the outcome of negotiations between the co-legislators on the sectoral regulation (EAFRD).



Commission proposal COM(2018)375	European Parliament's first reading (29/03/19)	Council position (COREPER partial mandate 3/4/19)	Compromise proposal, comments	Row
<i>support from the Funds to financial instruments</i>			<i>to be confirmed at political level</i>  <i>[no change]</i>	
1. Support from the Funds paid to financial instruments shall be placed in interest-bearing accounts in financial institutions domiciled within Member States and shall be managed in line with active treasury management and sound financial management.	<i>[no change]</i>	1. Support from the Funds paid to financial instruments shall be placed in <del>interest-bearing</del> accounts in financial institutions domiciled within Member States and shall be managed in line with <del>active treasury management and</del> sound financial management.	<i>Provisional common understanding to be confirmed at political level</i>  1. Support from the Funds paid to financial instruments shall be placed in <del>interest-bearing</del> accounts in financial institutions domiciled within Member States and shall be managed in line with active treasury management and sound financial management.  <i>Recital (36a) is added:</i>  <b>(36a) Given the protracted low-interest environment and in order not to unduly penalise bodies implementing financial instruments, it is necessary, subject to active treasury management by these bodies, to enable the financing of negative interest generated as a result of investments of the Funds from resources paid back to the financial instrument. Through active treasury management, the bodies implementing financial instruments should seek to</b>	IV-106

Commission proposal COM(2018)375	European Parliament's first reading (29/03/19)	Council position (COREPER partial mandate 3/4/19)	Compromise proposal, comments	Row
			<b>optimise returns and minimise charges, within an acceptable level of risk.</b>	
2. Interest and other gains attributable to support from the Funds paid to financial instruments shall be used under the same objective or objectives as the initial support from the Funds, either within the same financial instrument; or, following the winding up of the financial instrument, in other financial instruments or other forms of support, until the end of the eligibility period.	<u>Amendment 257</u>  2. Interest and other gains attributable to support from the Funds paid to financial instruments shall be used under the same objective or objectives as the initial support from the Funds, either within the same financial instrument; or, following the winding up of the financial instrument, in other financial instruments or other forms of support <i>for further investments in final recipients; or, where applicable, to cover the losses in the nominal amount of the Funds contribution to the financial instrument that result from negative interest, if such losses occur despite active treasury management by the bodies implementing financial instruments;</i> until the end of the eligibility period.	2. Interest and other gains attributable to support from the Funds paid to financial instruments shall be used under the same objective or objectives, as the initial support from the Funds, <b>including the payments of management fees and reimbursement of management costs incurred by the bodies implementing the financial instrument in accordance with point (d) of Article 62(1)</b> , either within the same financial instrument; or, following the winding up of the financial instrument, in other financial instruments or other forms of support, until the end of the eligibility period.	<i>Provisional common understanding to be confirmed at political level</i>  2. Interest and other gains attributable to support from the Funds paid to financial instruments shall be used under the same objective or objectives, as the initial support from the Funds, <b>including for the payments of management fees and the reimbursement of management costs incurred by the bodies implementing the financial instrument in accordance with point (d) of Article 62(1)</b> , either within the same financial instrument; or, following the winding up of the financial instrument, in other financial instruments or other forms of support <b>for further investments in final recipients</b> , until the end of the eligibility period.	IV-107
3. Interest and other gains referred to in paragraph 2 not used in accordance with that provision shall be deducted from the eligible expenditure.	<i>[no change]</i>	3. Interest and other gains referred to in paragraph 2 not used in accordance with that provision shall be deducted from the <del>eligible expenditure</del> <b>accounts submitted for the final accounting</b>	<i>Provisional common understanding to be confirmed at political level</i>  3. Interest and other gains referred to in paragraph 2 not used in accordance with that provision shall	IV-108

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		year.	be deducted from the <del>eligible expenditure-accounts submitted for the final accounting year.</del>	
<i>Article 55</i> <i>Differentiated treatment of investors</i>	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	IV-109
1. Support from the Funds to financial instruments invested in final recipients as well as any type of income generated by those investments, which are attributable to the support from the Funds, may be used for differentiated treatment of investors operating under the market economy principle through an appropriate sharing of risks and profits.	<u>Amendment 258</u>  1. Support from the Funds to financial instruments invested in final recipients as well as any type of income generated by those investments, which are attributable to the support from the Funds, may be used for differentiated treatment of investors operating under the market economy principle, <b>or for other forms of Union support</b> , through an appropriate sharing of risks and profits <b>taking into account the principle of sound financial management.</b>	1.Support from the Funds to financial instruments invested in final recipients, <b>resources paid back</b> as well as any type of income generated by those investments, which are attributable to the support from the Funds, may be used for differentiated treatment of investors operating under the market economy principle through an appropriate sharing of risks and profits.	<i>Provisional common understanding to be confirmed at political level</i> <sup>19</sup>  1. Support from the Funds to financial instruments invested in final recipients <b>and</b> any type of income generated by those investments, <b>including resources paid back</b> , which are attributable to the support from the Funds, may be used for differentiated treatment of investors operating under the market economy principle through an appropriate sharing of risks and profits <b>taking into account the principle of sound financial management.</b>  <i>[Footnote to be revisited in the light of Art.10 outcomes]</i>	IV-110

<sup>19</sup> The inclusion of the EP wording “**or for other forms of Union support**” will depend on the outcome of negotiations on Article 10.

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2. The level of such differentiated treatment shall not exceed what is necessary to create incentives for attracting private resources, established by either a competitive process or an independent assessment.	<u>Amendment 259</u>  2. The level of such differentiated treatment shall not exceed what is necessary to create incentives for attracting private resources, established by either a competitive process or an independent <i>the ex ante</i> assessment <b>performed in line with Article 52 of this Regulation.</b>	[no change]	<i>Provisional common understanding to be confirmed at political level</i>  [no change]	IV-111
<i>Article 56</i> <i>Re-use of resources attributable to the support from the Funds</i>	[no change]	[no change]	<i>Provisional common understanding to be confirmed at political level</i>  [no change]	IV-112
1. Resources paid back, before the end of the eligibility period, to financial instruments from investments in final recipients or from the release of resources set aside as agreed in guarantee contracts, including capital repayments and any type of generated income that is attributable to the support from the Funds, shall be re-used in the same or other financial instruments for further investments in final recipients, under the same specific objective or objectives and for any management costs and fees associated to such further investments.	<u>Amendment 260</u>  1. Resources paid back, before the end of the eligibility period, to financial instruments from investments in final recipients or from the release of resources set aside as agreed in guarantee contracts, including capital repayments and any type of generated income that is attributable to the support from the Funds, shall be re-used in the same or other financial instruments for further investments in final recipients, under the same specific objective or objectives and for any management costs and fees	1. Resources paid back, before the end of the eligibility period, to financial instruments from investments in final recipients or from the release of resources set aside as agreed in for guarantee contracts, including capital repayments and any type of generated income that is attributable to the support from the Funds, shall be re-used in the same or other financial instruments for further investments in final recipients, <del>under</del> <b>to cover the same specific objective or objectives losses in the nominal amount of the Funds contribution to the financial instrument resulting</b>	<i>Provisional common understanding to be confirmed at political level</i>  1. Resources paid back, before the end of the eligibility period, to financial instruments from investments in final recipients or from the release of resources set aside as agreed in for guarantee contracts, including capital repayments and any type of generated income that is attributable to the support from the Funds, shall be re-used in the same or other financial instruments for further investments in final recipients, <del>under</del>	IV-113

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	associated to such further investments, <b><i>taking into account the principle of sound financial management.</i></b>	<b>from negative interest</b> and/or for any management costs and fees associated to such further investments.	<del>or to cover the same specific objective or objectives</del> <b>losses in the nominal amount of the Funds contribution to the financial instrument resulting from negative interest, if such losses occur despite active treasury management</b> and/or for any management costs and fees associated to such further investments, <b>taking into account the principle of sound financial management.</b>	
	<u>Amendment 261</u>  <b><i>Savings through more efficient operations shall not be considered to constitute generated income for the purposes of the first subparagraph. In particular, cost savings resulting from energy efficiency measures shall not result in a corresponding reduction in operating subsidies.</i></b>			IV-114
2. Member States shall adopt the necessary measures to ensure that the resources referred to in paragraph 1 and paid back to financial instruments during a period of at least eight years after the end of the eligibility period, are re-used in accordance with the policy objectives of the programme or	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	IV-115

<b>Commission proposal COM(2018)375</b>	<b>European Parliament's first reading (29/03/19)</b>	<b>Council position (COREPER partial mandate 3/4/19)</b>	<b>Compromise proposal, comments</b>	<b>Row</b>
programmes under which they were set up, either within the same financial instrument or, following the exit of those resources from the financial instrument, in other financial instruments or in other forms of support.				
CHAPTER III Eligibility rules	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	IV-116
<i>Article 57 Eligibility</i>	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	IV-117
1. The eligibility of expenditure shall be determined on the basis of national rules, except where specific rules are laid down in, or on the basis of, this Regulation or the Fund-specific Regulations.	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	IV-118
2. Expenditure shall be eligible for a contribution from the Funds if it has been incurred by a beneficiary or the private partner of a PPP operation and paid in implementing operations, between the date of submission of the programme to the Commission or from 1 January 2021, whichever date	<u>Amendment 262</u>  Expenditure shall be eligible for a contribution from the Funds if it has been incurred by a beneficiary or the private partner of a PPP operation and paid in implementing operations, between the date of submission of the	2.Expenditure shall be eligible for a contribution from the Funds if it has been incurred by a beneficiary or the private partner of a PPP operation and paid in implementing operations, between the date of submission of the programme to the Commission or from 1 January 2021, whichever date is		IV-119

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is earlier, and 31 December 2029.	programme to the Commission or from 1 January 2021, whichever date is earlier, and 31 December <del>2029</del> 2030.	earlier, and 31 December [2029-].		
For costs reimbursed pursuant to points (b) and (c) of Article 48(1), the actions constituting the basis for reimbursement shall be carried out between the date of submission of the programme to the Commission or from 1 January 2021, whichever is earlier, and 31 December 2029.	[no change]	For costs reimbursed pursuant to points (b), (c) and (ef) of Article 48(1), the actions constituting the basis for reimbursement shall be carried out between the date of submission of the programme to the Commission or from 1 January 2021, whichever is earlier, and 31 December [2029-].	<i>Provisional common understanding to be confirmed at political level</i>  For costs reimbursed pursuant to points (b), (c) and (ef) of Article 48(1), the actions constituting the basis for reimbursement shall be carried out between the date of submission of the programme to the Commission or from 1 January 2021, whichever is earlier, and 31 December [2029-].	IV-120
3. For the ERDF, expenditure related to operations covering more than one category of region as set out in Article 102(2) within a Member State shall be allocated to the categories of regions concerned on a <i>pro rata</i> basis, based on objective criteria.	[no change]	[no change]	<i>Provisional common understanding to be confirmed at political level</i>  [no change]	IV-121
For the ESF+, expenditure related to operations shall contribute to the achievement of the specific objectives of the programme.	[no change]	For the ESF+, expenditure related to operations <del>shall contribute</del> <b>can be allocated to any of the categories of regions of the programme under the condition that the operation contributes</b> to the achievement of the	<i>Provisional common understanding to be confirmed at political level</i>  For the ESF+, expenditure related to operations <del>shall contribute</del> <b>can be allocated to any of the categories of regions of the programme under</b>	IV-122

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		specific objectives of the programme.	<b>the condition that the operation contributes</b> to the achievement of the specific objectives of the programme.	
4. All or part of an operation may be implemented outside of a Member State, including outside the Union, provided that the operation contributes to the objectives of the programme.	<u>Amendment 263</u>  4. All or part of an operation <b><i>under the ERDF, the ESF+ or the Cohesion Fund</i></b> may be implemented outside of a Member State, including outside the Union, provided that the operation <b><i>falls under one of the five components of the European territorial cooperation goal (Interreg) as defined in Article 3 of the Regulation (EU) [...] ('the ETC Regulation')</i></b> and contributes to the objectives of the programme	4.All or part of an operation may be implemented outside of a Member State, including outside the Union, provided that the operation contributes to the objectives of the programme <sup>20</sup> .		IV-123
5. For grants taking the forms of points (b), (c) and (d) of Article 48(1), the expenditure which shall be eligible for a contribution from the Funds shall	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	IV-124

<sup>20</sup> Council position: *Recital (37) is amended as follows:* (37) In order to provide legal clarity, it is appropriate to specify the eligibility period for expenditure or costs linked to operations supported by the Funds under this Regulation and to restrict support for completed operations. The date from which expenditure becomes eligible for support from the Funds in case of adoption of new programmes or of changes in the programmes should also be clarified, including the exceptional possibility to extend the eligibility period to the start of a natural disaster in case there is urgent need to mobilise resources to respond to such disaster. **At the same time, flexibility in programme implementation should be provided for as regards the eligibility of expenditure for operations which contribute to the objectives of the programme, regardless if they are implemented outside of a Member State or the Union or in the same category of region within a Member State.**



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equal the amounts calculated in accordance with Article 48(2).				
6. Operations shall not be selected for support by the Funds where they have been physically completed or fully implemented before the application for funding under the programme is submitted to the managing authority, irrespective of whether all related payments have been made.	<u>Amendment 264</u>  6. Operations shall not be selected for support by the Funds where they have been physically completed or fully implemented before the application for funding under the programme is submitted to the managing authority, irrespective of whether all related payments have been made. <b><i>This paragraph shall not apply to EMFF compensation for additional costs in outermost regions or expenditure financed by specific supplementary ERDF and ESF+ allocations for outermost regions.</i></b>	6. Operations shall not be selected for support by the Funds where they have been physically completed or fully implemented before the application for funding under the programme is submitted to the managing authority, irrespective of whether all related payments have been made.		IV-125
		<b>This provision shall not apply to the compensation measures supported by EMFF, the compensation for additional costs in the outermost regions for fisheries and aquaculture products, as well as to the operations under Article 11 of ERDF Regulation, regarding to the specific additional allocation for the outermost regions.</b>		IV-126
7. Expenditure which becomes eligible as a result of a programme	[no change]	[no change]	Provisional common understanding	IV-127

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amendment shall be eligible from the date of the submission of the corresponding request to the Commission.			<i>to be confirmed at political level</i>  <i>[no change]</i>	
For the ERDF, the Cohesion Fund, that shall be the case where a new type of intervention referred to in Table 1 of Annex I or, for the AMIF, the ISF and the BMVI, in the Fund-specific Regulations is added in the programme.	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	IV-128
Where a programme is amended in order to provide a response to natural disasters, the programme may provide that the eligibility of expenditure relating to such amendment starts from the date when the natural disaster occurred.	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	IV-129
8. Where a new programme is approved in the context of the mid-term review in accordance with Article 14, expenditure shall be eligible from the date of submission of the corresponding request to the Commission.	<i>[no change]</i>	8. Where a new programme is approved in the context of the mid-term review in accordance with Article 14, expenditure shall be eligible from the date of submission of the corresponding request to the Commission.	<i>Provisional common understanding to be confirmed at political level</i>  8. Where a new programme is approved in the context of the mid-term review in accordance with Article 14, expenditure shall be eligible from the date of submission of the corresponding request to the Commission.	IV-130

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9. An operation may receive support from one or more Funds or from one or more programmes and from other Union instruments. In such cases expenditure declared in a payment application for one of the Funds shall not be declared for either of the following:	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	IV-131
(a) support from another Fund or Union instrument;	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	IV-132
(b) support from the same Fund under another programme.	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	IV-133
The amount of expenditure to be entered into a payment application of a Fund may be calculated for each Fund and for the programme or programmes concerned on a <i>pro rata</i> basis, in accordance with the document setting out the conditions for support.	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	IV-134
<i>Article 58</i> <i>Non eligible costs</i>	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	IV-135

Commission proposal COM(2018)375	European Parliament's first reading (29/03/19)	Council position (COREPER partial mandate 3/4/19)	Compromise proposal, comments	Row
1. The following costs shall not be eligible for a contribution from the Funds:	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	IV-136
(a) interest on debt, except in relation to grants given in the form of an interest rate subsidy or guarantee fee subsidy;	<u>Amendment 265</u>  (a) interest on debt, except in relation to grants given in the form of an interest rate subsidy or guarantee fee subsidy <b><i>or in relation to a contribution to financial instruments that results from negative interest;</i></b>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	IV-137
(b) the purchase of land for an amount exceeding 10 % of the total eligible expenditure for the operation concerned; for derelict sites and for those formerly in industrial use which comprise buildings, that limit shall be increased to 15 %; for guarantees those percentages shall apply to the amount of the underlying loan;	<i>[no change]</i>	(b) the purchase of land for an amount exceeding 10 % of the total eligible expenditure for the operation concerned; for derelict sites and for those formerly in industrial use which comprise buildings, that limit shall be increased to 15 %; <del>for guarantees those</del> percentages shall apply <b>to the programme contribution paid to the final recipient or, in case of guarantees, to the amount of the underlying loan;</b>	<i>Provisional common understanding to be confirmed at political level</i>  (b) the purchase of land for an amount exceeding 10 % of the total eligible expenditure for the operation concerned; for derelict sites and for those formerly in industrial use which comprise buildings, that limit shall be increased to 15 %; <del>for guarantees for financial instruments,</del> those percentages shall apply <b>to the programme contribution paid to the final recipient or, in case of guarantees, to the amount of the underlying loan;</b>	IV-138
(c) value added tax ('VAT'), except for	<u>Amendment 266</u>	(c) value added tax ('VAT'), except for		IV-139

Commission proposal COM(2018)375	European Parliament's first reading (29/03/19)	Council position (COREPER partial mandate 3/4/19)	Compromise proposal, comments	Row
operations the total cost of which is below EUR 5 000 000.	<del>(e) value added tax ('VAT'), except for operations the total cost of which is below EUR 5 000 000</del>	<del>operations where it is non-recoverable under national VAT legislation.</del>		
		<b>The treatment of VAT at the total cost of which is below EUR 5 000 000 level of investments made by final recipients shall not be taken into account for the purposes of determining the eligibility of expenditure under the financial instrument. However, where financial instruments are combined with grants under Article 52(5), the provisions of first subparagraph shall apply to the grant.</b>		IV-140
For point (b), the limits shall not apply to operations concerning environmental conservation.	<i>[no change]</i>	<del>For point</del> <b>Point (b), the limits</b> shall not apply to operations concerning environmental conservation.		IV-141
	<u>Amendment 267</u>  <i>The eligibility for value added tax ('VAT') operations shall be determined on a case-by-case approach, except for operations the total cost of which is below EUR 5 000 000, and for investments and expenditure by final recipients.</i>			IV-142
2. The Fund-specific Regulations may	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding</i>	IV-143

Commission proposal COM(2018)375	European Parliament's first reading (29/03/19)	Council position (COREPER partial mandate 3/4/19)	Compromise proposal, comments	Row
identify additional costs that are not eligible for a contribution from each Fund.			<i>to be confirmed at political level</i> <i>[no change]</i>	
<i>Article 59</i> <i>Durability of operations</i>	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i> <i>[no change]</i>	IV-144
1. The Member State shall repay the contribution from the Funds to an operation comprising investment in infrastructure or productive investment, if within five years of the final payment to the beneficiary or within the period of time set out in State aid rules, where applicable, that operation is subject to any of the following:	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i> <i>[no change]</i>	IV-145
(a) a cessation or transfer of a productive activity;	<i>[no change]</i>	a cessation or transfer of a productive activity <b>outside the geographical area covered by the programme;</b>	<i>Provisional common understanding to be confirmed at political level</i>  (a) a cessation or transfer of a productive activity <b>outside the NUTS level 2 region in which it received support;</b>	IV-146
(b) a change in ownership of an item of infrastructure which gives to a firm or a public body an undue advantage;	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i> <i>[no change]</i>	IV-147

Commission proposal COM(2018)375	European Parliament's first reading (29/03/19)	Council position (COREPER partial mandate 3/4/19)	Compromise proposal, comments	Row
(c) a substantial change affecting its nature, objectives or implementation conditions which would result in undermining its original objectives.	[no change]	[no change]	Provisional common understanding to be confirmed at political level  [no change]	IV-148
The Member State may reduce the time limit set out in the first subparagraph to three years in cases concerning the maintenance of investments or jobs created by SMEs.	<u>Amendment 268</u>  The Member State may reduce the time limit set out in the first subparagraph to three years in <b><i>the duly justified</i></b> cases <b><i>referred to in points (a), (b) and (c)</i></b> concerning the maintenance of <del>investments or jobs</del> created by SMEs.	[no change]	Provisional common understanding to be confirmed at political level  [no change]	IV-149
		<b>Repayment by the Member State due to non-compliance with this Article shall be made in proportion to the period of non-compliance.</b>	Provisional common understanding to be confirmed at political level  <b>Repayment by the Member State due to non-compliance with this Article shall be made in proportion to the period of non-compliance.</b>	IV-150
2. Operations supported by the ESF+ shall repay the support from the ESF+ only when they are subject to an obligation for maintenance of investment under State aid rules.	[no change]	[no change]	Provisional common understanding to be confirmed at political level  [no change]	IV-151
3. Paragraphs 1 and 2 shall not apply to any operation which undergoes	<u>Amendment 269</u>	3. Paragraphs 1 and 2 shall not apply to <b>contributions to or by financial</b>	Provisional common understanding to be confirmed at political level	IV-152

Commission proposal COM(2018)375	European Parliament's first reading (29/03/19)	Council position (COREPER partial mandate 3/4/19)	Compromise proposal, comments	Row
cessation of a productive activity due to a non-fraudulent bankruptcy.	3. Paragraphs 1 and 2 shall not apply to <b>programme contributions to or from financial instruments and</b> any operation which undergoes cessation of a productive activity due to a non-fraudulent bankruptcy	<b>instruments or to</b> any operation which undergoes cessation of a productive activity due to a non-fraudulent bankruptcy.	3. Paragraphs 1 and 2 shall not apply to <b>programme contributions to or by financial instruments or to</b> any operation which undergoes cessation of a productive activity due to a non-fraudulent bankruptcy.	
<i>Article 60 Relocation</i>	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	IV-153
1. Expenditure supporting relocation as defined in Article 2(26) shall not be eligible for a contribution from the Funds.	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	IV-154
2. Where a contribution from the Funds constitutes State aid, the managing authority shall satisfy itself that the contribution does not support relocation in accordance with Article 14(16) of Commission Regulation (EU) No 651/2014.	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	IV-155
<i>Article 61 Specific eligibility rules for grants</i>	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	IV-156
1. Contributions in kind in the form of provision of works, goods, services,	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>	IV-157



<b>Commission proposal COM(2018)375</b>	<b>European Parliament's first reading (29/03/19)</b>	<b>Council position (COREPER partial mandate 3/4/19)</b>	<b>Compromise proposal, comments</b>	<b>Row</b>
land and real estate for which no payment supported by invoices, or documents of equivalent probative value, has been made, may be eligible where the following conditions are fulfilled:			<i>[no change]</i>	
(a) the public support paid to the operation which includes contributions in kind does not exceed the total eligible expenditure, excluding contributions in kind, at the end of the operation;	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	IV-158
(b) the value attributed to contributions in kind does not exceed the costs generally accepted on the market in question;	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	IV-159
(c) the value and the delivery of the contribution in kind can be independently assessed and verified;	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	IV-160
(d) in the case of provision of land or real estate, a payment, for the purposes of a lease agreement of a nominal amount per annum not exceeding a single unit of the currency of the Member State, may be made;	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	IV-161
(e) in the case of contributions in kind in the form of unpaid work, the value	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding</i>	IV-162

<b>Commission proposal COM(2018)375</b>	<b>European Parliament's first reading (29/03/19)</b>	<b>Council position (COREPER partial mandate 3/4/19)</b>	<b>Compromise proposal, comments</b>	<b>Row</b>
of that work is determined by taking into account the verified time spent and the rate of remuneration for equivalent work.			<i>to be confirmed at political level</i>  <i>[no change]</i>	
The value of the land or real estate referred to in point (d) of the first subparagraph of this Article shall be certified by an independent qualified expert or duly authorised official body and shall not exceed the limit laid down in Article 58(1)(b).	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	IV-163
2. Depreciation costs for which no payment supported by invoices has been made, may be considered as eligible where the following conditions are fulfilled:	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	IV-164
(a) the eligibility rules of the programme allow for it;	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	IV-165
(b) the amount of the expenditure is duly justified by supporting documents having equivalent probative value to invoices for eligible costs where those costs were reimbursed in the form referred to in Article 48(1)(a);	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	IV-166

Commission proposal COM(2018)375	European Parliament's first reading (29/03/19)	Council position (COREPER partial mandate 3/4/19)	Compromise proposal, comments	Row
(c) the costs relate exclusively to the period of support for the operation;	<i>[no change]</i>	<i>[no change]</i>	Provisional common understanding to be confirmed at political level  <i>[no change]</i>	IV-167
(d) public grants have not contributed towards the acquisition of the depreciated assets.	<i>[no change]</i>	<i>[no change]</i>	Provisional common understanding to be confirmed at political level  <i>[no change]</i>	IV-168
<i>Article 62 Specific eligibility rules for financial instruments</i>	<i>[no change]</i>	<i>[no change]</i>	Provisional common understanding to be confirmed at political level  <i>[no change]</i>	IV-169
1. Eligible expenditure of a financial instrument shall be the total amount of programme contribution paid to, or, in the case of guarantees, set aside as agreed in guarantee contracts, by, the financial instrument within the eligibility period, where that amount corresponds to:	<i>[no change]</i>	1. Eligible expenditure of a financial instrument shall be the total amount of programme contribution paid to, or, in the case of guarantees, set aside <del>as agreed in</del> <b>for</b> guarantee contracts, by, the financial instrument within the eligibility period, where that amount corresponds to:	Provisional common understanding to be confirmed at political level  1. Eligible expenditure of a financial instrument shall be the total amount of programme contribution paid to, or, in the case of guarantees, set aside <del>as agreed in</del> <b>for</b> guarantee contracts, by, the financial instrument within the eligibility period, where that amount corresponds to:	IV-170
(a) payments to final recipients, in the case of loans, equity and quasi-equity investments;	<i>[no change]</i>	<i>[no change]</i>	Provisional common understanding to be confirmed at political level  <i>[no change]</i>	IV-171

Commission proposal COM(2018)375	European Parliament's first reading (29/03/19)	Council position (COREPER partial mandate 3/4/19)	Compromise proposal, comments	Row
(b) resources set aside as agreed in guarantee contracts, whether outstanding or having already come to maturity, in order to honour possible guarantee calls for losses, calculated based on a multiplier ratio covering a multiple amount of underlying disbursed new loans, equity or quasi-equity investments in final recipients;	[no change]	(b) resources set aside <del>as agreed in</del> for guarantee contracts, whether outstanding or having already come to maturity, in order to honour possible guarantee calls for losses, calculated based on a <b>prudent ex ante risk assessment and in accordance with the multiplier ratio<sup>21</sup></b> <del>covering a multiple amount of</del> <b>established for the respective</b> underlying disbursed new loans, equity or quasi-equity investments in final recipients;	<p><i>Provisional common understanding to be confirmed at political level</i></p> <p>(b) resources set aside <del>as agreed in</del>for guarantee contracts, whether outstanding or having already come to maturity, in order to honour possible guarantee calls for losses, calculated based on a multiplier ratio <del>covering a multiple amount of</del> <b>established for the respective</b> underlying disbursed new loans, equity or quasi-equity investments in final recipients;</p> <p><i>Article 2(23) CPR is amended as follows: 'multiplier ratio' in the context of guarantee instruments, means a ratio, <b>established on the basis of a prudent ex ante risk assessment for the respective guarantee product to be offered,</b> between the value of the underlying disbursed new loans, equity or quasi-equity investments; and the amount of the programme contribution set aside <del>as agreed in</del> for guarantee</i></p>	IV-172

<sup>21</sup> Council position: *Article 2(23) CPR is amended as follows: 'multiplier ratio' in the context of guarantee instruments, means a ratio, **established on the basis of a prudent ex ante risk assessment for the respective guarantee product to be offered,** between the value of the underlying disbursed new loans, equity or quasi-equity investments; and the amount of the programme contribution set aside ~~as agreed in~~ for guarantee contracts to cover expected and unexpected losses from those new loans, equity or quasi-equity investments;*

<b>Commission proposal COM(2018)375</b>	<b>European Parliament's first reading (29/03/19)</b>	<b>Council position (COREPER partial mandate 3/4/19)</b>	<b>Compromise proposal, comments</b>	<b>Row</b>
			contracts to cover expected and unexpected losses from those new loans, equity or quasi-equity investments;	
(c) payments to, or for the benefit of, final recipients where financial instruments are combined with other Union contribution in a single financial instrument operation in accordance with Article 52(5);	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	IV-173
(d) payments of management fees and reimbursements of management costs incurred by the bodies implementing the financial instrument.	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	IV-174
		<b>1a. Where a financial instrument is implemented across consecutive programming periods, support may be provided to, or for the benefit of, final recipients, including management costs and fees, based on legal commitments made under the previous programming period, provided that such support complies with the eligibility rules of the subsequent programming period. In such cases, the eligibility of expenditure submitted in payment applications shall be determined in accordance with the rules of the</b>	<i>Provisional common understanding to be confirmed at political level</i>  <b>1a. Where a financial instrument is implemented across consecutive programming periods, support may be provided to, or for the benefit of, final recipients, including management costs and fees, based on agreements made under the previous programming period, provided that such support complies with the eligibility rules of the subsequent programming period. In such cases, the eligibility of expenditure submitted in</b>	IV-175

Commission proposal COM(2018)375	European Parliament's first reading (29/03/19)	Council position (COREPER partial mandate 3/4/19)	Compromise proposal, comments	Row
		respective programming period.	payment applications shall be determined in accordance with the rules of the respective programming period.	
2. For point (b) of paragraph 1, the multiplier ratio shall be established in a prudent <i>ex ante</i> risk assessment and agreed in the relevant funding agreement. The multiplier ratio may be reviewed, where justified by subsequent changes in market conditions. Such a review shall not have retroactive effect.	[no change]	2. For point (b) of paragraph 1, <b>if the entity benefiting from the guarantees has not disbursed the planned amount of new loans, equity or quasi-equity investments to final recipients in accordance with the multiplier ratio shall be established in a prudent <i>ex ante</i> risk assessment and agreed in the relevant funding agreement, the eligible expenditure shall be reduced proportionally.</b> The multiplier ratio may be reviewed, where justified by subsequent changes in market conditions. Such a review shall not have retroactive effect <b>on the eligible expenditure corresponding to the amount of the underlying support which has been paid back.</b>	<i>Provisional common understanding to be confirmed at political level</i>  2. For point (b) of paragraph 1, <b>if the entity benefiting from the guarantees has not disbursed the planned amount of new loans, equity or quasi-equity investments to final recipients in accordance with the multiplier ratio shall be established in a prudent <i>ex ante</i> risk assessment and agreed in the relevant funding agreement, the eligible expenditure shall be reduced proportionally.</b> The multiplier ratio may be reviewed, where justified by subsequent changes in market conditions. Such a review shall not have retroactive effect.	IV-176
3. For point (d) of paragraph 1, management fees shall be performance based. Where bodies implementing a holding fund and/or specific funds, pursuant to Article 53(3), are selected through a direct award of contract, the amount of management cost and fees	<u>Amendment 270</u>  For point (d) of paragraph 1, management fees shall be performance based. <b>For the first twelve months of implementation of the financial instrument, base remuneration for</b>	3. For point (d) of paragraph 1, <del>management fees shall be performance based. Where</del> <b>where</b> bodies implementing a holding fund and/or specific funds, pursuant to Article 53(3), are selected through a direct award of contract, <b>pursuant to Article</b>		IV-177

Commission proposal COM(2018)375	European Parliament's first reading (29/03/19)	Council position (COREPER partial mandate 3/4/19)	Compromise proposal, comments	Row
paid to those bodies that can be declared as eligible expenditure shall be subject to a threshold of up to 5 % of the total amount of programme contributions disbursed to final recipients in loans, equity or quasi-equity investments or set aside as agreed in guarantee contracts.	<b>management costs and fees shall be eligible.</b> Where bodies implementing a holding fund and/or specific funds, pursuant to Article 53(3) <b>53(2)</b> , are selected through a direct award of contract, the amount of management cost and fees paid to those bodies that can be declared as eligible expenditure shall be subject to a threshold of up to 5 % of the total amount of programme contributions disbursed to final recipients in loans, equity or quasi-equity investments or set aside as agreed in guarantee contracts	<b>53(2a)</b> , the amount of management cost and fees paid to those bodies that can be declared as eligible expenditure shall be subject to <del>a threshold</del> <b>shall be a flat rate</b> of up to <del>5-10%</del> <b>10%</b> of the total amount <b>included in each payment application pursuant to Article 86(2)(a) and (b). The flat rate shall be up to 20%</b> of programme contributions disbursed <del>the total amount related to final recipients in loans, equity or quasi-equity investments or set aside as agreed</del> <b>included in guarantee contracts.</b> <b>each payment application pursuant to Article 86(2)(b).</b>		
That threshold is not applicable where the selection of bodies implementing financial instruments is made through a competitive tender in accordance with the applicable law and the competitive tender establishes the need for a higher level of management costs and fees.	<u>Amendment 271</u> <del>That threshold is not applicable</del> Where the selection of bodies implementing financial instruments is made through a competitive tender in accordance with the applicable law and the competitive tender establishes the need for a higher level of management costs and fees <b>which shall be performance-based.</b>	<del>That threshold is not applicable where the selection</del> <b>For point (d) of paragraph 1</b> , bodies implementing financial instruments is made <b>a holding fund and/or specific funds are selected</b> through a competitive tender in accordance with the applicable law <del>and</del> , <b>the amount of management costs and fees shall be established in the funding agreement reflecting the result of the competitive tender establishes the need for a higher level of.</b> <b>Such</b> management costs and fees <b>shall consist of both a base and a performance-based remuneration.</b>		IV-178

<b>Commission proposal COM(2018)375</b>	<b>European Parliament's first reading (29/03/19)</b>	<b>Council position (COREPER partial mandate 3/4/19)</b>	<b>Compromise proposal, comments</b>	<b>Row</b>
4. Where arrangement fees, or any part thereof, are charged to final recipients, they shall not be declared as eligible expenditure.	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	IV-179
5. The eligible expenditure declared in accordance with paragraph 1 shall not exceed the sum of the total amount of support from the Funds paid for the purposes of that paragraph and the corresponding national co-financing.	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	IV-180



**COMMON PROVISIONS REGULATION: Block 6 - Financial management (Articles 80-101)**

<b>Commission proposal</b>	<b>European Parliament's first reading</b> (29/03/19)	<b>Council position</b> (COREPER partial mandate 17/4/19)	<b>Compromise proposal, comments</b>	<b>Row</b>
		<b>TABLE OF CONTENTS</b>  [... TO BE INSERTED]		VI-1
TITLE VII FINANCIAL MANAGEMENT, SUBMISSION AND EXAMINATION OF ACCOUNTS AND FINANCIAL CORRECTIONS	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	VI-2
CHAPTER I Financial management	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	VI-3
SECTION I GENERAL ACCOUNTING RULES	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	VI-4
<i>Article 80</i> <i>Budgetary commitments</i>	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	VI-5
1. The decision approving the programme in accordance with Article 18 shall constitute a financing decision within the meaning of [Article 110(3)] of the Financial Regulation and its notification to the Member State	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	VI-6

Commission proposal	European Parliament's first reading (29/03/19)	Council position (COREPER partial mandate 17/4/19)	Compromise proposal, comments	Row
concerned shall constitute a legal commitment.				
That decision shall specify the Union contribution per Fund and per year.	<i>[no change]</i>	That decision shall specify the <b>total</b> Union contribution per Fund and per year. <b>However, for programmes under the Investment for jobs and growth goal, an amount corresponding to 50% for the years 2026 and 2027 ('flexibility amount')</b> per programme in each Member State shall be retained and shall only be definitively allocated to the programme after the adoption of the Commission decision following the mid-term review as referred to in Article 14.	<i>Provisional common understanding to be confirmed at political level</i>  That decision shall specify the <b>total</b> Union contribution per Fund and per year. <b>However, for programmes under the Investment for jobs and growth goal, an amount corresponding to 50% for the years 2026 and 2027 ('flexibility amount')</b> per programme in each Member State shall be retained and shall only be definitively allocated to the programme after the adoption of the Commission decision following the mid-term review as referred to in Article 14.	VI-7
2. The budgetary commitments of the Union in respect of each programme shall be made by the Commission in annual instalments for each Fund during the period between 1 January 2021 and 31 December 2027.	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	VI-8
3. By way of derogation from Article 111(2) of the Financial Regulation, the	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>	VI-9

<b>Commission proposal</b>	<b>European Parliament's first reading</b> (29/03/19)	<b>Council position</b> (COREPER partial mandate 17/4/19)	<b>Compromise proposal, comments</b>	<b>Row</b>
budgetary commitments for the first instalment shall follow the adoption of the programme by the Commission.			<i>[no change]</i>	
<i>Article 81</i> <i>Use of the euro</i>	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	VI-10
Any amounts set out in programmes, reported or declared to the Commission by Member States shall be denominated in euro.	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	VI-11
<i>Article 82</i> <i>Repayment</i>	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	VI-12
1. Any repayment due to be made to the budget of the Union shall be effected before the due date indicated in the order for recovery drawn up in accordance with [Article 98 of the Financial Regulation]. The due date shall be the last day of the second month following the issuing of the order.	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	VI-13
2. Any delay in effecting repayment shall give rise to interest on account of late payment, starting on the due date and ending on the date of actual payment. The rate of such interest	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	VI-14

<b>Commission proposal</b>	<b>European Parliament's first reading</b> (29/03/19)	<b>Council position</b> (COREPER partial mandate 17/4/19)	<b>Compromise proposal, comments</b>	<b>Row</b>
shall be one-and-a-half percentage points above the rate applied by the European Central Bank in its main refinancing operations on the first working day of the month in which the due date falls.				
SECTION II RULES FOR PAYMENTS TO MEMBER STATES	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	VI-15
<i>Article 83</i> <i>Types of payments</i>	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	VI-16
Payments shall take the form of pre-financing, interim payments and payments of the balance of the accounts for the accounting year.	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	VI-17
<i>Article 84</i> <i>Pre-financing</i>	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	VI-18
1. The Commission shall pay pre-financing based on the total support from the Funds set out in the decision approving the programme pursuant to Article 17(3)(f)(i).	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	VI-19

Commission proposal	European Parliament's first reading (29/03/19)	Council position (COREPER partial mandate 17/4/19)	Compromise proposal, comments	Row
2. The pre-financing for each Fund shall be paid in yearly instalments before 1 July of each year, subject to availability of funds, as follows:	<u>Amendment 310</u>  The pre-financing for each Fund shall be paid in yearly instalments before 1 July of each year, <del>subject to availability of funds</del> as follows:	2. [The pre-financing for each Fund shall be paid in yearly instalments before 1 July of each year, subject to availability of funds, as follows:		VI-20
(a) 2021: 0.5 %;	<i>[no change]</i>	[(a) 2021: 0.5 %;]		VI-21
(b) 2022: 0.5 %;	<u>Amendment 311</u>  (b) 2022: <del>0.5 %</del> ; <b>0,7 %</b> ;	[(b) 2022: 0.5 %;]		VI-22
(c) 2023: 0.5 %;	<u>Amendment 312</u>  (c) 2023: <del>0.5 %</del> ; <b>1 %</b> ;	[(c) 2023: 0.5 %;]		VI-23
(d) 2024: 0.5 %;	<u>Amendment 313</u>  (d) 2024: <del>0.5 %</del> ; <b>1,5 %</b> ;	[(d) 2024: 0.5 %;]		VI-24
(e) 2025: 0.5 %;	<u>Amendment 314</u>  (e) 2025: <del>0.5 %</del> ; <b>2 %</b> ;	[(e) 2025: 0.5 %;]		VI-25
(f) 2026: 0.5 %	<u>Amendment 315</u>  (f) 2026: <del>0.5</del> <b>2 %</b>	[(f) 2026: 0.5 %]		VI-26
Where a programme is adopted after 1 July 2021, the earlier instalments shall be paid in the year of adoption.	<i>[no change]</i>	[Where a programme is adopted after 1 July 2021, the earlier instalments shall be paid in the year of adoption-.]		VI-27

Commission proposal	European Parliament's first reading (29/03/19)	Council position (COREPER partial mandate 17/4/19)	Compromise proposal, comments	Row
3. By way of derogation from paragraph 2, for Interreg programmes, specific rules on pre-financing shall be set out in the ETC Regulation.	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	VI-28
4. The amount paid as pre-financing shall be cleared from the Commission accounts no later than with the final accounting year.	<i>[no change]</i>	4. The amount paid as pre-financing shall be cleared from the Commission accounts no later than <del>with</del> the final accounting year.		VI-29
5. Any interest generated by the pre-financing shall be used for the programme concerned in the same way as the Funds and shall be included in the accounts for the final accounting year.	<i>[no change]</i>	5. Any interest generated by the pre-financing shall be used for the programme concerned in the same way as the Funds <del>and shall be included in the accounts for the final accounting year.</del>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	VI-30
<i>Article 85</i> <i>Payment applications</i>	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	VI-31
1. The Member State shall submit a maximum of four payment applications per programme, per Fund and per accounting year. Every year the time limit for each payment application shall be 30 April, 31 July, 31 October and 26 December.	<i>[no change]</i>	1. The Member State shall submit a maximum of <del>four</del> <b>seven</b> payment applications per programme, per Fund and per accounting year. Every year <del>the time limit for each, one</del> payment application <del>shall</del> <b>may</b> be <del>30 April</del> <b>submitted at any time in each time period between the</b>		VI-32

Commission proposal	European Parliament's first reading (29/03/19)	Council position (COREPER partial mandate 17/4/19)	Compromise proposal, comments	Row
		<b>following dates: 28 February, 31 May, 31 July, 31 October, 30 November and 26 31 December.<sup>22</sup> and one additional payment application per programme, per Fund may be submitted in one of those time periods.</b>		
The last payment application submitted by 31 July shall be deemed to be the final payment application for the accounting year that has ended 30 June.	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	VI-33
		<b>The first sub-paragraph shall not apply to Interreg Programmes.</b>	<i>Provisional common understanding to be confirmed at political level</i>  <b>The first sub-paragraph shall not apply to Interreg Programmes.</b>	VI-34
2. Payment applications shall not be admissible unless the latest assurance package due has been submitted.	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	VI-35
3. Payment applications shall be submitted to the Commission in accordance with the template set out in Annex XIX and include, for each	<i>[no change]</i>	3. Payment applications shall be submitted to the Commission in accordance with the template set out in Annex XIX and include, for each	<i>Provisional common understanding to be confirmed at political level</i>  3. Payment applications shall be	VI-36

<sup>22</sup> Council position: The change in the wording of Article 85(1) requires an amendment to recital 55: (55) To reduce the administrative burden for Member States as well as for the Commission, a compulsory schedule of quarterly payment applications should be established. Commission payments should continue to be subject to a 10% 5% retention until the payment of the annual balance of accounts when the Commission is able to conclude that the accounts are complete, accurate and true.

Commission proposal	European Parliament's first reading (29/03/19)	Council position (COREPER partial mandate 17/4/19)	Compromise proposal, comments	Row
priority and by category of region:		priority and, <b>where relevant</b> , by category of region:	submitted to the Commission in accordance with the template set out in Annex XIX and include, for each priority and, <b>where relevant</b> , by category of region:	
(a) the total amount of eligible expenditure incurred by beneficiaries and paid in implementing operations, as entered in the system of the body carrying out the accounting function;	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  (a) the total amount of eligible expenditure incurred by beneficiaries and paid in implementing operations <b>linked to specific objectives for which enabling conditions are fulfilled and operations linked to specific objectives for which enabling conditions are not fulfilled but contribute to the fulfilment of enabling conditions</b> , as entered in the system of the body carrying out the accounting function;	VI-37
(b) the amount for technical assistance calculated in accordance with Article 31(2);	<u>Amendment 316</u>  (b) the amount for technical assistance calculated in accordance with Article <del>31(2);</del> <b>31</b> ;	(b) the amount for technical assistance calculated in accordance with <b>point (b) of</b> Article <del>31(2);</del> <b>30(5), where applicable;</b>	<i>Provisional common understanding to be confirmed at political level</i>  (b) the amount for technical assistance calculated in accordance with <b>point (b) of</b> Article <del>31(2);</del> <b>30(5), where applicable;</b>	VI-38
(c) the total amount of public contribution paid or to be paid, as	<i>[no change]</i>	(c) the total amount of public contribution <del>paid made</del> or to be <del>paid</del>	<i>Provisional common understanding</i>	VI-39



Commission proposal	European Parliament's first reading (29/03/19)	Council position (COREPER partial mandate 17/4/19)	Compromise proposal, comments	Row
entered in the accounting systems of the body carrying out the accounting function;		<b>made</b> , as entered in the accounting systems of the body carrying out the accounting function;	<i>to be confirmed at political level</i>  (c) the total amount of public contribution <del>paid</del> <b>made</b> or to be <del>paid</del> <b>made linked to specific objectives for which enabling conditions are fulfilled and operations linked to specific objectives for which enabling conditions are not fulfilled but contribute to the fulfilment of enabling conditions</b> , as entered in the system of the body carrying out the accounting function;	
			<i>Provisional common understanding to be confirmed at political level</i>  (d) the total amount of eligible expenditure incurred by beneficiaries and paid in implementing operations linked to specific objectives for which enabling conditions are not fulfilled with the exception of operations that contribute to the fulfilment of enabling conditions, as entered in the system of the body carrying out the accounting function  <i>[Annex XIX to be adapted]</i>	VI-39a

Commission proposal	European Parliament's first reading (29/03/19)	Council position (COREPER partial mandate 17/4/19)	Compromise proposal, comments	Row
4. By way of derogation from point (a) of paragraph 3, the following shall apply:	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	VI-40
(a) where the Union contribution is made pursuant to point (a) of Article 46, the amounts included in a payment application shall be the amounts justified by the progress in the fulfilment of conditions, or achievement of results, in accordance with the decision referred to in Article 89(2);	<i>[no change]</i>	(a) where the Union contribution is made pursuant to point (a) of Article 46, the amounts included in a payment application shall be the amounts justified by the progress in the fulfilment of conditions, or achievement of results, in accordance with the decision referred to in Article 89(2) <b>or the delegated act referred to in Article 89(4);</b>	<i>Provisional common understanding to be confirmed at political level</i>  (a) where the Union contribution is made pursuant to point (a) of Article 46, the amounts included in a payment application shall be the amounts justified by the progress in the fulfilment of conditions, or achievement of results, in accordance with the decision referred to in Article 89(2) <b>or the delegated act referred to in Article 89(4);</b>	VI-41
(b) where the Union contribution is made pursuant to points (c), (d) and (e) of Article 46, the amounts included in a payment application shall be the amounts determined in accordance with the decision referred to in Article 88(3);	<i>[no change]</i>	(b) where the Union contribution is made pursuant to points (c), (d) and (e) of Article 46, the amounts included in <del>ana</del> a payment application shall be the amounts determined in accordance with the decision referred to in Article 88(3) <b>or the delegated act referred to in Article 88(4);</b>	<i>Provisional common understanding to be confirmed at political level</i>  (b) where the Union contribution is made pursuant to points (c), (d) and (e) of Article 46, the amounts included in <del>ana</del> a payment application shall be the amounts determined in accordance with the decision referred to in Article 88(3) <b>or the delegated act referred to in Article 88(4);</b>	VI-42

Commission proposal	European Parliament's first reading (29/03/19)	Council position (COREPER partial mandate 17/4/19)	Compromise proposal, comments	Row
(c) for the forms of grants listed in points (b), (c) and (d) of Article 48(1), the amounts included in a payment application shall be the costs calculated on the applicable basis.	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	VI-43
	<u>Amendment 317</u>  <i>(ca) in the case of state aid, the payment application may include advances paid to the beneficiary by the body granting the aid under the following cumulative conditions: they are subject to a bank or equivalent guarantee, they do not exceed 40 % of the total amount of the aid to be granted to a beneficiary for a given operation and are covered by expenditure paid by beneficiaries and supported by receipted invoices within 3 years.</i>			VI-44
		<b>4.bis By way of derogation from paragraph 3, in the case of State aid, the payment application may include advances paid to the beneficiary by the body granting the aid under the following cumulative conditions:</b>		VI-45
		<b>(a) those advances are subject to a guarantee provided by a bank or other financial institution</b>		VI-46

<b>Commission proposal</b>	<b>European Parliament's first reading (29/03/19)</b>	<b>Council position (COREPER partial mandate 17/4/19)</b>	<b>Compromise proposal, comments</b>	<b>Row</b>
		<b>established in the Member State or be covered by a facility provided as a guarantee by a public entity or by the Member State;</b>		
		<b>(b) those advances do not exceed 40 % of the total amount of the aid to be granted to a beneficiary for a given operation;</b>		VI-47
		<b>(c) those advances are covered by expenditure paid by beneficiaries in implementing the operation and supported by receipted invoices or accounting documents of equivalent probative value at the latest within three years following the year of the payment of the advance or on 31 December [2029], whichever is earlier, failing which the next payment application shall be corrected accordingly.</b>		VI-48
		<b>Each payment application which includes advances of this type shall separately disclose the total amount paid from the programme as advances, the amount which has been covered by expenditure paid by beneficiaries within three years of the payment of the advance in accordance with point (c) and the amount which has not been</b>		VI-49

Commission proposal	European Parliament's first reading (29/03/19)	Council position (COREPER partial mandate 17/4/19)	Compromise proposal, comments	Row
		<b>covered by expenditure paid by beneficiaries and for which the three year period has not yet elapsed.</b>		
5. By way of derogation from point (c) of paragraph 3, in the case of aid schemes under Article 107 of the TFEU, the public contribution corresponding to the expenditure included in a payment application shall have been paid to the beneficiaries by the body granting the aid.	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	VI-50
<i>Article 86</i> <i>Specific elements for financial instruments in payment applications</i>	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	VI-51
1. Where financial instruments are implemented in accordance with Article 53(2), payment applications submitted in accordance with Annex XIX shall include the total amounts disbursed or, in the case of guarantees, the amounts set aside as agreed in guarantee contracts, by the managing authority to final recipients as referred to in points (a), (b) and (c) of Article 62(1).	<u>Amendment 318</u>  1. Where financial instruments are implemented in accordance with Article <del>53(2)</del> <b>53(1)</b> , payment applications submitted in accordance with Annex XIX shall include the total amounts disbursed or, in the case of guarantees, the amounts set aside as agreed in guarantee contracts, by the managing authority to final recipients as referred to in points (a), (b) and (c) of Article 62(1).	1. Where financial instruments are implemented in accordance with Article 53(21), payment applications submitted in accordance with Annex XIX shall include the total amounts disbursed or, in the case of guarantees, the amounts set aside <del>as agreed in</del> <b>for</b> guarantee contracts, by the managing authority to final recipients as referred to in points (a), (b) and (c) of Article 62(1).	<i>Provisional common understanding to be confirmed at political level</i>  1. Where financial instruments are implemented in accordance with Article 53(21), payment applications submitted in accordance with Annex XIX shall include the total amounts disbursed or, in the case of guarantees, the amounts set aside <del>as agreed in</del> <b>for</b> guarantee contracts, by the managing authority to final	VI-52

Commission proposal	European Parliament's first reading (29/03/19)	Council position (COREPER partial mandate 17/4/19)	Compromise proposal, comments	Row
			recipients as referred to in points (a), (b) and (c) of Article 62(1).	
2. Where financial instruments are implemented in accordance with Article 53(3), payment applications that include expenditure for financial instruments shall be submitted in accordance with the following conditions:	<u>Amendment 319</u>  2. Where financial instruments are implemented in accordance with Article <del>53(3)</del> <b>53(2)</b> , payment applications that include expenditure for financial instruments shall be submitted in accordance with the following conditions:	2. Where financial instruments are implemented in accordance with Article 53( <del>3</del> <b>2</b> ), payment applications that include expenditure for financial instruments shall be submitted in accordance with the following conditions:	<i>Provisional common understanding to be confirmed at political level</i>  2. Where financial instruments are implemented in accordance with Article 53( <del>3</del> <b>2</b> ), payment applications that include expenditure for financial instruments shall be submitted in accordance with the following conditions:	VI-53
(a) the amount included in the first payment application shall have been paid to the financial instruments and may be up to 25 % of the total amount of programme contributions committed to the financial instruments under the relevant funding agreement, in accordance with the relevant priority and category of region, if applicable;	<i>[no change]</i>	(a) the amount included in the first payment application shall have been paid to the financial instruments and may be up to <del>25</del> <b>35</b> % of the total amount of programme contributions committed to the financial instruments under the relevant funding agreement, in accordance with the relevant priority and category of region, if applicable;		VI-54
(b) the amount included in subsequent payment applications submitted during the eligibility period shall include the eligible expenditure as referred to in Article 62(1).	<i>[no change]</i>	(b) the amount included in subsequent payment applications submitted during the eligibility period shall include the eligible expenditure as referred to in Article 62( <del>1</del> <b>2</b> ) <b>(a), (b) and (c);</b>		VI-55

Commission proposal	European Parliament's first reading (29/03/19)	Council position (COREPER partial mandate 17/4/19)	Compromise proposal, comments	Row
		<b>(c) the amounts included in the first and subsequent payment applications shall include the amount of management costs and fees established in line with Article 62(3).</b>		VI-56
3. The amount included in the first payment application, referred to in point (a) of paragraph 2, shall be cleared from Commission accounts no later than the final accounting year.	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	VI-57
It shall be disclosed separately in payment applications.	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	VI-58
<i>Article 87</i> <i>Common rules for payments</i>	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	VI-59
1. Subject to available funding, the Commission shall make interim payments no later than 60 days after the date on which a payment application is received by the Commission.	<u>Amendment 320</u>  1. <del>Subject to available funding</del> The Commission shall make interim payments no later than 60 days after the date on which a payment application is received by the Commission.	1. <del>Subject</del> <b>Without prejudice to Article 11(5) and (6) and</b> subject to available funding, the Commission shall make interim payments no later than 60 days after the date on which a payment application is received by the Commission.	<i>Provisional common understanding to be confirmed at political level</i>  1. <del>Subject</del> <b>Without prejudice to Article 11(5) and (6) and</b> subject to available funding, the Commission shall make interim payments no later than 60 days after the date on which a payment application is received by the	VI-60

Commission proposal	European Parliament's first reading (29/03/19)	Council position (COREPER partial mandate 17/4/19)	Compromise proposal, comments	Row
			Commission.	
2. Each payment shall be attributed to the earliest open budget commitment of the Fund and category of region concerned. The Commission shall reimburse as interim payments 90 % of the amounts included in the payment application, which results from applying the co-financing rate for each priority to the total eligible expenditure or to the public contribution as appropriate. The Commission shall determine the remaining amounts to be reimbursed or to be recovered when calculating the balance of the accounts in accordance with Article 94.	<i>[no change]</i>	2. Each payment shall be attributed to the earliest open budget commitment of the Fund and category of region concerned. The Commission shall reimburse as interim payments <del>90</del> <b>95</b> % of the amounts included in the payment application, which results from applying the co-financing rate for each priority to the total eligible expenditure or to the public contribution as appropriate. The Commission shall determine the remaining amounts to be reimbursed or to be recovered when calculating the balance of the accounts in accordance with Article 94.		VI-61
3. The support from the Funds to a priority in interim payments shall not be higher than the amount of the support from the Funds for the priority laid down in the decision of the Commission approving the programme.	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	VI-62
4. Where the Union contribution takes the form of point (a) of Article 46 or where the grants take the form listed in points (b), (c) and (d) of Article 48(1) the Commission shall not pay	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  4. <del>Where</del> <b>For</b> the Union contribution <del>takes</del> <b>taking</b> the forms	VI-63



Commission proposal	European Parliament's first reading (29/03/19)	Council position (COREPER partial mandate 17/4/19)	Compromise proposal, comments	Row
more than the amount requested by the Member State.			<b>of support point (a)</b> of Article 46, <del>or where the grants take the form listed in points (b), (c) and (d) of Article 48(1)</del> the Commission shall not pay more than the amount requested by the Member State.	
5. In addition, the support from the Funds to a priority in the payment of the balance of the final accounting year shall not exceed any of the following amounts:	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	VI-64
(a) the public contribution declared in payment applications;	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	VI-65
(b) support from the Funds paid to beneficiaries;	<i>[no change]</i>	(b) support from the Funds paid <b>or to be paid</b> to beneficiaries;	<i>Provisional common understanding to be confirmed at political level</i>  (b) support from the Funds paid <b>or to be paid</b> to beneficiaries;	VI-66
(c) the amount requested by the Member State.	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	VI-67
			<i>Provisional common understanding to be confirmed at political level</i>  <b>Amounts reimbursed pursuant to</b>	VI-67a

Commission proposal	European Parliament's first reading (29/03/19)	Council position (COREPER partial mandate 17/4/19)	Compromise proposal, comments	Row
			<b>Article 30(5) shall not be taken into account for the purposes of calculating the ceiling set out in point (b).</b>	
6. On the request of a Member State, interim payments may be increased by 10 % above the co-financing rate applicable to each priority for the Funds, if a Member State meets one of the following conditions after [date of adoption of this Regulation]:	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	VI-68
(a) the Member State receives a loan from the Union under Council Regulation (EU) No 407/2010;	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	VI-69
(b) the Member State receives medium-term financial assistance under the ESM as established by the Treaty establishing the ESM of 2 February 2012 or as referred to in Council Regulation (EC) No 332/2002 <sup>23</sup> conditional on the implementation of a macro-economic adjustment programme;	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	VI-70
(c) financial assistance is made available to the Member State	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>	VI-71

<sup>23</sup> Council Regulation (EC) No 332/2002 of 18 February 2002 establishing a facility providing medium-term financial assistance for Member States' balances of payments (OJ L 53, 23.2.2002, p. 1).

Commission proposal	European Parliament's first reading (29/03/19)	Council position (COREPER partial mandate 17/4/19)	Compromise proposal, comments	Row
conditional on the implementation of a macroeconomic adjustment programme as specified in Regulation (EU) No 472/2013 <sup>24</sup> of the European Parliament and of the Council.			<i>[no change]</i>	
The increased rate, which may not exceed 100 %, shall apply to requests for payments until the end of the calendar year in which the related financial assistance comes to an end.	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	VI-72
7. Paragraph 6 shall not apply to Interreg programmes.	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	VI-73
<i>Article 88</i> <i>Reimbursement of eligible expenditure based on unit costs, lump sums and flat rates</i>	<i>[no change]</i>	<i>Article 88</i> <del>Reimbursement of eligible expenditure</del> <b>Union contribution</b> based on unit costs, lump sums and flat rates	<i>Provisional common understanding to be confirmed at political level</i>  <i>Article 88</i> <del>Reimbursement of eligible expenditure</del> <b>Union contribution</b> based on unit costs, lump sums and flat rates	VI-74
1. The Commission may reimburse the Union contribution to a programme on the basis of unit costs,	<i>[no change]</i>	1. The Commission may reimburse the Union contribution to a programme on the basis of unit costs,	<i>Provisional common understanding to be confirmed at political level</i>	VI-75

<sup>24</sup> Regulation (EU) No 472/2013 of the European Parliament and of the Council of 21 May 2013 on the strengthening of economic and budgetary surveillance of Member States in the euro area experiencing or threatened with serious difficulties with respect to their financial stability (OJ L 140, 27.5.2013, p. 1).

Commission proposal	European Parliament's first reading (29/03/19)	Council position (COREPER partial mandate 17/4/19)	Compromise proposal, comments	Row
lump sums and flat rates for reimbursement of the Union contribution to a programme.		lump sums and flat rates <del>for reimbursement of the Union contribution to a programme.</del> <b>in accordance with Article 46, either based on the amounts and rates approved by a Commission decision in accordance with paragraph 2 or set out in the delegated act referred to in paragraph 4.</b>	1. The Commission may reimburse the Union contribution to a programme on the basis of unit costs, lump sums and flat rates <del>for reimbursement of the Union contribution to a programme.</del> <b>in accordance with Article 46, either based on the amounts and rates approved by a Commission decision in accordance with paragraph 2 or set out in the delegated act referred to in paragraph 4.</b>	
2. In order to make use of a Union contribution to the programme based on unit costs, lump sums and flat rates as referred to in Article 46, Member States shall submit a proposal to the Commission in accordance with the templates set out in Annexes V and VI, as part of the programme or of a request for its amendment.	<i>[no change]</i>	2. In order to make use of a Union contribution to the programme based on unit costs, lump sums and flat rates <del>as referred to in Article 46,</del> Member States shall submit a proposal to the Commission in accordance with the templates set out in Annexes V and VI, as part of the programme or of a request for its amendment.	<i>Provisional common understanding to be confirmed at political level</i>  2. In order to make use of a Union contribution to the programme based on unit costs, lump sums and flat rates <del>as referred to in Article 46,</del> Member States shall submit a proposal to the Commission in accordance with the templates set out in Annexes V and VI, as part of the programme or of a request for its amendment.	VI-76
The amounts and rates proposed by the Member State shall be established on the basis of the delegated act referred to in paragraph 4 or on the	<i>[no change]</i>	The amounts and rates proposed by the Member State shall be established on the basis of <del>the delegated act referred to in paragraph</del>	<i>Provisional common understanding to be confirmed at political level</i>  The amounts and rates proposed by the Member State shall be	VI-77

Commission proposal	European Parliament's first reading (29/03/19)	Council position (COREPER partial mandate 17/4/19)	Compromise proposal, comments	Row
basis of the following:		<del>4 or on the basis of the following:</del>	established on the basis of <del>the</del> delegated act referred to in <del>paragraph 4 or on the basis of the</del> following:	
(a) a fair, equitable and verifiable calculation method based on any of the following:	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	VI-78
(i) statistical data, other objective information or an expert judgement;	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	VI-79
(ii) verified historical data;	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	VI-80
(iii) the application of usual cost accounting practices;	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	VI-81
(b) draft budgets;	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	VI-82
(c) the rules on corresponding unit costs and lump sums applicable in Union policies for a similar type of operation;	<i>[no change]</i>	(c) the rules on corresponding unit costs <del>and</del> , lump sums <b>and flat rates</b> applicable in Union policies for a similar type of operation;	<i>Provisional common understanding to be confirmed at political level</i>  (c) the rules on corresponding unit	VI-83

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			costs <del>and</del> , lump sums <b>and flat rates</b> applicable in Union policies for a similar type of operation;	
(d) the rules on corresponding unit costs and lump sums applied under schemes for grants funded entirely by the Member State for a similar type of operation.	<i>[no change]</i>	(d) the rules on corresponding unit costs <del>and</del> , lump sums <b>and flat rates</b> applied under schemes for grants funded entirely by the Member State for a similar type of operation.	<i>Provisional common understanding to be confirmed at political level</i>  (d) the rules on corresponding unit costs <del>and</del> , lump sums <b>and flat rates</b> applied under schemes for grants funded entirely by the Member State for a similar type of operation.	VI-84
3. The Commission decision approving the programme or its amendment shall set out the types of operations covered by the reimbursement based on unit costs, lump sums and flat rates, the definition and the amounts covered by unit costs, lump sums and flat rates and the methods for adjustment of the amounts.	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	VI-85
Member States shall use one of the forms of grants as referred to in Article 48(1) to support operations for which expenditure is reimbursed by the Commission on the basis of this Article.	<i>[no change]</i>	Member States shall <del>use one of the forms of grants as referred to in Article 48(1) to support operations</del> <b>reimburse beneficiaries</b> for which expenditure is reimbursed by the Commission on the basis <b>the purposes</b> of this Article. <b>That reimbursement may take any form of support.</b>	<i>Provisional common understanding to be confirmed at political level</i>  Member States shall <del>use one of the forms of grants as referred to in Article 48(1) to support operations</del> <b>reimburse beneficiaries</b> for which expenditure is reimbursed by the Commission on the basis <b>the</b>	VI-86

Commission proposal	European Parliament's first reading (29/03/19)	Council position (COREPER partial mandate 17/4/19)	Compromise proposal, comments	Row
			<b>purposes of this Article. That reimbursement may take any form of support.</b>	
Commission or Member States audits shall exclusively aim at verifying that the conditions for reimbursement by the Commission have been fulfilled.	<i>[no change]</i>	Commission or Member States audits <b>and Member States management verifications</b> shall exclusively aim at verifying that the conditions for reimbursement by the Commission have been fulfilled.	<i>Provisional common understanding to be confirmed at political level</i>  Commission or Member States audits <b>and management verifications carried out by Member States</b> shall exclusively aim at verifying that the conditions for reimbursement by the Commission have been fulfilled.	VI-87
4. The Commission is empowered to adopt a delegated act in accordance with Article 107 to supplement this Article by defining unit costs, lump sums, flat rates, their amounts and adjustment methods in the ways referred to in the second sub-paragraph of paragraph 2.	<i>[no change]</i>	4. <del>The</del> <b>In addition, the</b> Commission is empowered to adopt a delegated act in accordance with Article 107 to supplement this Article by defining <b>EU level</b> unit costs, lump sums, flat rates, their amounts and adjustment methods in the ways referred to in <b>points (a) to (d) of</b> the second sub-paragraph of paragraph 2.	<i>Provisional common understanding to be confirmed at political level</i>  4. <del>The</del> <b>In addition, the</b> Commission is empowered to adopt a delegated act in accordance with Article 107 to supplement this Article by defining <b>EU level</b> unit costs, lump sums, flat rates, their amounts and adjustment methods in the ways referred to in <b>points (a) to (d) of</b> the second sub-paragraph of paragraph 2.	VI-88
		<b>5 (new). This Article shall not apply to the Union contribution for technical assistance reimbursed pursuant to point (e) of Article 46.</b>	<i>Provisional common understanding to be confirmed at political level</i>  <b>5 (new). This Article shall not</b>	VI-89

Commission proposal	European Parliament's first reading (29/03/19)	Council position (COREPER partial mandate 17/4/19)	Compromise proposal, comments	Row
			<b>apply to the Union contribution for technical assistance reimbursed pursuant to point (e) of Article 46.</b>	
<i>Article 89</i> <i>Financing not linked to costs</i>	<i>[no change]</i>	<i>Article 89</i> <b>Financing<sup>25</sup> Union contribution based on financing</b> not linked to costs	<i>Provisional common understanding to be confirmed at political level</i>  <i>Article 89</i> <b>Financing Union contribution based on financing</b> not linked to costs  <i>Recital (26) is amended as follows:</i>  (26) It is opportune to clarify that, where a Member State proposes to the Commission that a priority of a programme or part thereof is	VI-90

<sup>25</sup> Council position: *Recital 26 is amended as follows:* (26) It is opportune to clarify that, where a Member State proposes to the Commission that a priority of a programme or part thereof is supported through a financing scheme not linked to costs, the actions, deliverables and conditions agreed should be related to concrete investments undertaken under the shared management programmes in that Member State or region. **In that context, when the Member State proposes and when the Commission approves such a scheme, the respect of the principle of sound financial management should be ensured. In particular, as regards the appropriateness of the amounts linked to the fulfilment of the respective conditions or the achievement of results, the Commission should ensure that the resources employed are adequate for the investments undertaken. Where a financing scheme not linked to costs is used in a programme, underlying costs linked to the implementation of that scheme should not be subject to any verifications or audits in light of the ex-ante agreement of the Commission in the programme or a delegated act on the amounts linked to the fulfilment of the conditions or the achievement of results. Verifications and audits should be limited to checking that the conditions or results triggering the reimbursement of the Union contribution are fulfilled.**



Commission proposal	European Parliament's first reading (29/03/19)	Council position (COREPER partial mandate 17/4/19)	Compromise proposal, comments	Row
			supported through a financing scheme not linked to costs, the actions, deliverables and conditions agreed should be related to concrete investments undertaken under the shared management programmes in that Member State or region. <b>In that context, the respect of the principle of sound financial management should be ensured. In particular, as regards the appropriateness of the amounts linked to the fulfilment of the respective conditions or the achievement of results, the Commission and the Member State should ensure that resources employed are adequate for the investments undertaken. Where a financing scheme not linked to costs is used in a programme, underlying costs linked to the implementation of that scheme should not be subject to any verifications or audits because the Commission provides an ex-ante agreement on the amounts linked to the fulfilment of the conditions or the achievement of results in the programme or in a delegated act. Verifications and audits should</b>	

Commission proposal	European Parliament's first reading (29/03/19)	Council position (COREPER partial mandate 17/4/19)	Compromise proposal, comments	Row
			<b>be limited to checking that the conditions or results triggering the reimbursement of the Union contribution are fulfilled.</b>	
1. In order to make use of a Union contribution to all or parts of a priority of programmes based on financing not linked to costs, the Member State shall submit a proposal to the Commission in accordance with the templates set out in Annexes V and VI, as part of the programme or of a request for its amendment. The proposal shall contain the following information:	<i>[no change]</i>	1. <del>In order to make use of a</del> <b>The Commission may reimburse the</b> Union contribution to all or parts of a priority of programmes based on financing not linked to costs, <del>the Member State in accordance with</del> <b>Article 46, either based on the amounts approved by a Commission decision in accordance with paragraph 2 or set out in the delegated act referred to in paragraph 4. In order to make use of a Union contribution to the programme based on financing not linked to costs, Member States shall submit a proposal to the Commission in accordance with the templates set out in Annexes V and VI, as part of the programme or of a request for its amendment. The proposal shall contain the following information:</b>	<i>Provisional common understanding to be confirmed at political level</i>  1. <del>In order to make use of a</del> <b>The Commission may reimburse the</b> Union contribution to all or parts of a priority of programmes based on financing not linked to costs, <del>the Member State in accordance with</del> <b>Article 46, either based on the amounts approved by a Commission decision in accordance with paragraph 2 or set out in the delegated act referred to in paragraph 4. In order to make use of a Union contribution to the programme based on financing not linked to costs, Member States shall submit a proposal to the Commission in accordance with the templates set out in Annexes V and VI, as part of the programme or of a request for its amendment. The proposal shall contain the following information:</b>	VI-91
(a) identification of the priority concerned and the overall amount	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding</i>	VI-92

<b>Commission proposal</b>	<b>European Parliament's first reading</b> (29/03/19)	<b>Council position</b> (COREPER partial mandate 17/4/19)	<b>Compromise proposal, comments</b>	<b>Row</b>
covered by the financing not linked to costs; a description of the part of the programme and the type of operations covered by the financing not linked to costs;			<i>to be confirmed at political level</i> <i>[no change]</i>	
(b) a description of the conditions to be fulfilled or of the results to be achieved and a timeline;	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i> <i>[no change]</i>	VI-93
(c) intermediate deliverables triggering reimbursement by the Commission;	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i> <i>[no change]</i>	VI-94
(d) measurement units;	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i> <i>[no change]</i>	VI-95
(e) the schedule for reimbursement by the Commission and related amounts linked to the progress in the fulfilment of conditions or achievement of results;	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i> <i>[no change]</i>	VI-96
(f) the arrangements for verification of the intermediate deliverables and of the fulfilment of conditions or achievement of results;	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i> <i>[no change]</i>	VI-97
(g) the methods for adjustment of the	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding</i>	VI-98

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amounts, where applicable;			<i>to be confirmed at political level</i> <i>[no change]</i>	
(h) the arrangements to ensure the audit trail in accordance with Annex XI demonstrating the fulfilment of conditions or achievement of results.	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i> <i>[no change]</i>	VI-99
		<b>(i) the envisaged reimbursement to the beneficiary(-ies) within the priority or parts of a priority of programmes concerned by this Article.</b>	<i>Provisional common understanding to be confirmed at political level</i>  <b>(i) the envisaged type of reimbursement method used to reimburse the beneficiary or beneficiaries within the priority or parts of a priority of programmes concerned by this Article.</b>	VI-100
2. The Commission decision approving the programme or the request for its amendment shall set out all the elements listed in paragraph 1.	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i> <i>[no change]</i>	VI-101
3. Member States shall use one of the forms of grants as referred to in Article 48(1) to support operations for which expenditure is reimbursed by the Commission on the basis of this Article.	<i>[no change]</i>	3. Member States shall <del>use one of the forms of grants as referred to in Article 48(1) to support operations</del> <b>reimburse beneficiaries</b> for which expenditure is reimbursed by the Commission on the basis <del>of this Article.</del> <b>the purposes of this Article. That reimbursement may take any form</b>	<i>Provisional common understanding to be confirmed at political level</i>  3. Member States shall <del>use one of the forms of grants as referred to in Article 48(1) to support operations</del> <b>reimburse beneficiaries</b> for which expenditure is	VI-102

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		<b>of support.</b>	<del>reimbursed by the Commission on the basis</del> <b>the purposes of this Article. That reimbursement may take any form of support.</b>	
Commission or Member States audits shall exclusively aim at verifying that the conditions for reimbursement by the Commission have been fulfilled or the results have been achieved.	<i>[no change]</i>	Commission or Member States audits <b>and Member States management verifications</b> shall exclusively aim at verifying that the conditions for reimbursement by the Commission have been fulfilled or the results have been achieved.	<i>Provisional common understanding to be confirmed at political level</i>  Commission or Member States audits <b>and management verifications carried out by Member States</b> shall exclusively aim at verifying that the conditions for reimbursement by the Commission have been fulfilled or the results have been achieved.	VI-103
4. The Commission is empowered to adopt a delegated act in accordance with Article 107 to supplement this Article by establishing amounts for financing not linked to costs by type of operation, the methods for adjustment of the amounts and the conditions to be fulfilled or the results to be achieved.	<i>[no change]</i>	4. The Commission is empowered to adopt a delegated act in accordance with Article 107 to supplement this Article by establishing amounts for <b>EU level</b> financing not linked to costs by type of operation, the methods for adjustment of the amounts and the conditions to be fulfilled or the results to be achieved.	<i>Provisional common understanding to be confirmed at political level</i>  4. <b>In addition, the</b> Commission is empowered to adopt a delegated act in accordance with Article 107 to supplement this Article by establishing amounts for <b>EU-level</b> financing not linked to costs by type of operation, the methods for adjustment of the amounts and the conditions to be fulfilled or the results to be achieved.	VI-104
SECTION III INTERRUPTIONS AND SUSPENSIONS	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>	VI-105

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			<i>[no change]</i>	
<i>Article 90</i> <i>Interruption of the payment deadline</i>	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	VI-106
1. The Commission may interrupt the payment deadline for payments, except for pre-financing, for a maximum period of six months where any of the following conditions is met:	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	VI-107
(a) there is evidence to suggest a serious deficiency and for which corrective measures have not been taken;	<u>Amendment 321</u>  (a) there is <b>a serious</b> evidence <del>to suggest</del> <b>of</b> a serious deficiency and for which corrective measures have not been taken;	(a) there is evidence to suggest a serious deficiency <sup>26</sup> and for which corrective measures have not been taken;	<i>Provisional common understanding to be confirmed at political level</i>  (a) there is evidence to suggest a serious deficiency <del>and</del> for which corrective measures have not been taken;	VI-108
(b) the Commission has to carry out additional verifications following receipt of information that expenditure in a payment application may be linked to an irregularity.	<i>[no change]</i>	(b) the Commission has to carry out additional verifications following receipt of information that expenditure in a payment application may be linked to an irregularity <sup>27</sup> .	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	VI-109
2. The Member State may agree to extend the interruption period by three months.	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>	VI-110

<sup>26</sup> Council position: As defined in Article 2(30).

<sup>27</sup> Council position: As defined in Article 2(29).

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			<i>[no change]</i>	
3. The Commission shall limit the interruption to the part of the expenditure affected by the elements referred to in paragraph 1, unless it is not possible to identify the part of the expenditure affected. The Commission shall inform the Member State in writing of the reason for interruption and shall ask them to remedy the situation. The Commission shall end the interruption as soon as the measures remedying the elements referred to in paragraph 1 have been taken.	<i>[no change]</i>	3. The Commission shall limit the interruption to the part of the expenditure affected by the elements referred to in paragraph 1, unless it is not possible to identify the part of the expenditure affected. The Commission shall inform the Member State <b>and the managing authority</b> in writing of the reason for interruption and shall ask them to remedy the situation. The Commission shall end the interruption as soon as the measures remedying the elements referred to in paragraph 1 have been taken.	<i>Provisional common understanding to be confirmed at political level</i>  3. The Commission shall limit the interruption to the part of the expenditure affected by the elements referred to in paragraph 1, unless it is not possible to identify the part of the expenditure affected. The Commission shall inform the Member State <b>and the managing authority</b> in writing of the reason for interruption and shall ask them to remedy the situation. The Commission shall end the interruption as soon as the measures remedying the elements referred to in paragraph 1 have been taken.	VI-111
4. The Fund-specific rules for the EMFF may lay down specific bases for interruption of payments linked to non-compliance with rules applicable under the Common Fisheries Policy.	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	VI-112
<i>Article 91</i> <i>Suspension of payments</i>	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	VI-113
1. The Commission may suspend all	<i>[no change]</i>	1. The Commission may suspend all	<i>Provisional common understanding</i>	VI-114

Commission proposal	European Parliament's first reading (29/03/19)	Council position (COREPER partial mandate 17/4/19)	Compromise proposal, comments	Row
or part of payments after having given the Member State the opportunity to present its observations, if any of the following conditions is met:		or part of payments, <b>except for pre-financing</b> , after having given the Member State the opportunity to present its observations, if any of the following conditions is met:	<i>to be confirmed at political level</i>  1. The Commission may suspend all or part of payments, <b>except for pre-financing</b> , after having given the Member State the opportunity to present its observations, if any of the following conditions is met:	
(a) the Member State has failed to take the necessary action to remedy the situation giving rise to an interruption under Article 90;	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	VI-115
(b) there is a serious deficiency;	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	VI-116
(c) the expenditure in payment applications is linked to an irregularity that has not been corrected;	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	VI-117
(d) there is a reasoned opinion by the Commission in respect of an infringement under Article 258 of the TFEU that puts at risk the legality and regularity of expenditure	<i>[no change]</i>	(d) there is a reasoned opinion by the Commission in respect of an infringement under Article 258 of the TFEU <del>that puts</del> <b>covering a matter having a sufficient direct link with the expenditure so as to put</b> at risk <del>the its</del> legality and regularity <del>of expenditure</del> ;	<i>Provisional common understanding to be confirmed at political level</i>  (d) there is a reasoned opinion by the Commission in respect of an infringement <b>procedure</b> under Article 258 of the TFEU <b>on a matter</b> that puts at risk the legality and regularity of expenditure	VI-118



Commission proposal	European Parliament's first reading (29/03/19)	Council position (COREPER partial mandate 17/4/19)	Compromise proposal, comments	Row
			<p><i>Recital 57 is amended as follows:</i></p> <p>(57) In order to safeguard the financial interests and the budget of the Union proportionate measures should be established and implemented at the level of Member States and of the Commission. The Commission should be able to interrupt payments deadlines, suspend interim payments and apply financial corrections where the respective conditions are fulfilled. The Commission should respect the principle of proportionality by taking into account the nature, gravity and frequency of irregularities and their financial implications for the budget of the Union. <b>Where it is not possible for the Commission to quantify precisely the amount of irregular expenditure in order to apply financial corrections linked to individual cases, it should apply a flat-rate or statistically extrapolated financial correction. Suspension of interim payments based on a reasoned opinion issued by the Commission pursuant to Article 258 of the</b></p>	

Commission proposal	European Parliament's first reading (29/03/19)	Council position (COREPER partial mandate 17/4/19)	Compromise proposal, comments	Row
			<b>TFEU, should be possible provided there is a sufficiently direct link between the matter addressed by the reasoned opinion and the expenditure at stake so as to put at risk its legality and regularity.</b>	
(e) the Member State has failed to take the necessary action in accordance with Article 15(6).	<u>Amendment 322</u> <sup>28</sup> <del>(e) the Member State has failed to take the necessary action in accordance with Article 15(6).</del>	[(e ) the Member State has failed to take the necessary action in accordance with Article 15(6-).] <sup>29</sup>		VI-119
2. The Commission shall end the suspension of all or part of payments when the Member State has taken the measures remedying the elements referred to in paragraph 1.	[no change]	[no change]	<i>Provisional common understanding to be confirmed at political level</i>  [no change]	VI-120
3. The Fund-specific rules for the EMFF may lay down specific bases for suspension of payments linked to non-compliance with rules applicable under the Common Fisheries Policy.	[no change]	[no change]	<i>Provisional common understanding to be confirmed at political level</i>  [no change]	VI-121
CHAPTER II Submission and examination of accounts	[no change]	[no change]	<i>Provisional common understanding to be confirmed at political level</i>	VI-122

<sup>28</sup> EP position: This amendment is linked to EP amendments 425/rev, 444/rev, 448, 469 deleting Article 15 in its entirety.

<sup>29</sup> Council position: N.B.: This provision is bracketed waiting for a decision on Article 15 CPR.

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			<i>[no change]</i>	
<i>Article 92</i> <i>Content and submission of accounts</i>	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding</i> <i>to be confirmed at political level</i>  <i>[no change]</i>	VI-123
1. For each accounting year for which payment applications have been submitted, the Member State shall submit to the Commission by 15 February, the following documents ('the assurance package') which shall cover the preceding accounting year as defined in Article 2(28):	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding</i> <i>to be confirmed at political level</i>  <i>[no change]</i>	VI-124
(a) the accounts in accordance with the template set out in Annex XX;	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding</i> <i>to be confirmed at political level</i>  <i>[no change]</i>	VI-125
(b) the management declaration referred to in Article 68(1)(f) in accordance with the template set out in Annex XV;	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding</i> <i>to be confirmed at political level</i>  <i>[no change]</i>	VI-126
(c) the audit opinion referred to in Article 71(3)(a) in accordance with the template set out in Annex XVI;	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding</i> <i>to be confirmed at political level</i>  <i>[no change]</i>	VI-127
(d) the annual control report referred to in Article 71(3)(b) in accordance	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding</i> <i>to be confirmed at political level</i>	VI-128

Commission proposal	European Parliament's first reading (29/03/19)	Council position (COREPER partial mandate 17/4/19)	Compromise proposal, comments	Row
with the template set out in Annex XVII.			<i>[no change]</i>	
2. The deadline referred to in paragraph 1 may exceptionally be extended by the Commission to 1 March, upon communication by the Member State concerned.	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	VI-129
3. The accounts shall include at the level of each priority and, where applicable, fund and category of region:	<i>[no change]</i>	3. The accounts shall include at the level of each priority and, where applicable, fund and, <b>where relevant</b> , category of region:	<i>Provisional common understanding to be confirmed at political level</i>  3. The accounts shall include at the level of each priority and, where applicable, fund and, <b>where relevant</b> , category of region:	VI-130
(a) the total amount of eligible expenditure entered into the accounting systems of the body carrying out the accounting function which has been included in the final payment application for the accounting year and the total amount of the corresponding public contribution paid or to be paid;	<i>[no change]</i>	(a) the total amount of eligible expenditure entered into the accounting systems of the body carrying out the accounting function which has been included in the final payment application for the accounting year and the total amount of the corresponding public contribution <del>paid</del> <b>made</b> or to be <del>paid</del> <b>made</b> ;	<i>Provisional common understanding to be confirmed at political level</i>  (a) the total amount of eligible expenditure entered into the accounting systems of the body carrying out the accounting function which has been included in the final payment application for the accounting year and the total amount of the corresponding public contribution <del>paid</del> <b>made</b> or to be <del>paid</del> <b>made linked to specific objectives for which enabling conditions are fulfilled and operations linked to specific</b>	VI-131

Commission proposal	European Parliament's first reading (29/03/19)	Council position (COREPER partial mandate 17/4/19)	Compromise proposal, comments	Row
			<b>objectives for which enabling conditions are not fulfilled but contribute to the fulfilment of enabling conditions;</b>	
(b) the amounts withdrawn during the accounting year;	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	VI-132
(c) the amounts of public contribution paid to each financial instrument;	<i>[no change]</i>	(c) the amounts of public contribution paid to <del>each</del> financial instrument <b>instruments;</b>	<i>Provisional common understanding to be confirmed at political level</i>  (c) the amounts of public contribution paid to <del>each</del> financial instrument <b>instruments;</b>	VI-133
(d) for each priority, an explanation on any differences between the amounts declared pursuant to point (a) and the amounts declared in payment applications for the same accounting year.	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	VI-134
			<i>Provisional common understanding to be confirmed at political level</i>  <b>(3a) The assurance package shall not concern the total amount of eligible expenditure incurred by beneficiaries and paid in implementing operations and corresponding public</b>	VI-134a

Commission proposal	European Parliament's first reading (29/03/19)	Council position (COREPER partial mandate 17/4/19)	Compromise proposal, comments	Row
			<b>contribution made or to be made linked to specific objectives for which enabling conditions are not fulfilled with the exception of operations that contribute to the fulfilment of enabling conditions.</b>	
4. The accounts shall not be admissible if Member States have not undertaken the necessary corrections to reduce the residual risk on the legality and regularity of the expenditure included in the accounts to less than 2 %.	<i>[no change]</i>	4. The accounts shall not be admissible if Member States have not undertaken the necessary corrections to reduce the residual <del>risk</del> <b>error rate</b> on the legality and regularity of the expenditure included in the accounts to less than 2 %.	<i>Provisional common understanding to be confirmed at political level</i>  4. The accounts shall not be admissible if Member States have not undertaken the necessary corrections to reduce the residual <del>risk</del> <b>error rate</b> on the legality and regularity of the expenditure included in the accounts to less than 2 %.	VI-135
5. Member States shall in particular deduct from the accounts:	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	VI-136
(a) the irregular expenditure which has been subject to financial corrections in accordance with Article 97;	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	VI-137
(b) the expenditure which is subject to an ongoing assessment of its legality and regularity;	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	VI-138

Commission proposal	European Parliament's first reading (29/03/19)	Council position (COREPER partial mandate 17/4/19)	Compromise proposal, comments	Row
(c) other amounts as necessary to reduce to 2 % the residual error rate of the expenditure declared in the accounts.	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	VI-139
The Member State may include expenditure under point (b) of the first sub-paragraph in a payment application in subsequent accounting years once its legality and regularity is confirmed.	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	VI-140
6. The Member State may replace irregular amounts which it has detected after the submission of the accounts by making the corresponding adjustments in the accounts for the accounting year in which the irregularity is detected, without prejudice to Article 98.	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  6. The Member State may <del>replace</del> <b>correct</b> irregular amounts which it has detected after the submission of the accounts <b>in which the amounts were included</b> by making the corresponding adjustments <del>in the accounts</del> <b>for</b> the accounting year in which the irregularity is detected, without prejudice to Article 98.	VI-141
7. As part of the assurance package, the Member State shall submit for the last accounting year the final performance report referred to in Article 38 or the last annual implementation report for the EMFF, the AMIF, the ISF and the BMVI.	<i>[no change]</i>	7. As part of the assurance package, the Member State shall submit for the last accounting year the final performance report referred to in Article 38 <del>or the last annual implementation report for the EMFF, the AMIF, the ISF and the BMVI.</del>		VI-142

<b>Commission proposal</b>	<b>European Parliament's first reading</b> (29/03/19)	<b>Council position</b> (COREPER partial mandate 17/4/19)	<b>Compromise proposal, comments</b>	<b>Row</b>
<i>Article 93</i> <i>Examination of accounts</i>	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding</i> <i>to be confirmed at political level</i>  <i>[no change]</i>	VI-143
The Commission shall satisfy itself that the accounts are complete, accurate and true by 31 May of the year following the end of the accounting year unless Article 96 applies.	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding</i> <i>to be confirmed at political level</i>  <i>[no change]</i>	VI-144
<i>Article 94</i> <i>Calculation of the balance</i>	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding</i> <i>to be confirmed at political level</i>  <i>[no change]</i>	VI-145
1. When determining the amount chargeable to the Funds for the accounting year and the consequent adjustments in relation to the payments to the Member State, the Commission shall take into account:	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding</i> <i>to be confirmed at political level</i>  <i>[no change]</i>	VI-146
(a) the amounts in the accounts referred to in point (a) of Article 95(2) and to which the co-financing rate for each priority is to be applied;	<i>[no change]</i>	(a) the amounts in the accounts referred to in point (a) of Article <del>95(2)</del> <b>92(3)</b> and to which the co-financing rate for each priority is to be applied;	<i>Provisional common understanding</i> <i>to be confirmed at political level</i>  (a) the amounts in the accounts referred to in point (a) of Article <del>95(2)</del> <b>92(3)</b> and to which the co-financing rate for each priority is to be applied;	VI-147



<b>Commission proposal</b>	<b>European Parliament's first reading</b> (29/03/19)	<b>Council position</b> (COREPER partial mandate 17/4/19)	<b>Compromise proposal, comments</b>	<b>Row</b>
(b) the total amount of interim payments made by the Commission during that accounting year.	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	VI-148
2. Where there is an amount recoverable from the Member State, it shall be subject to a recovery order issued by the Commission which shall be executed, where possible, by offsetting against amounts due to the Member State in subsequent payments to the same programme. Such a recovery shall not constitute a financial correction and shall not reduce support from the Funds to the programme. The amount recovered shall constitute assigned revenue in accordance with Article [177(3)] of the Financial Regulation.	<i>[no change]</i>	2. Where there is an amount recoverable from the Member State, it shall be subject to a recovery order issued by the Commission which shall be executed, where possible, by offsetting against amounts due to the Member State in subsequent payments to the same programme. Such a recovery shall not constitute a financial correction and shall not reduce support from the Funds to the programme. The amount recovered shall constitute assigned revenue in accordance with Article <del>177</del> <b>21</b> (3) of the Financial Regulation.	<i>Provisional common understanding to be confirmed at political level</i>  2. Where there is an amount recoverable from the Member State, it shall be subject to a recovery order issued by the Commission which shall be executed, where possible, by offsetting against amounts due to the Member State in subsequent payments to the same programme. Such a recovery shall not constitute a financial correction and shall not reduce support from the Funds to the programme. The amount recovered shall constitute assigned revenue in accordance with Article <del>177</del> <b>21</b> (3) of the Financial Regulation.	VI-149
<i>Article 95</i> <i>Procedure for the examination of accounts</i>	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	VI-150
1. The procedure set out in Article 96 shall apply in either of the following	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>	VI-151

Commission proposal	European Parliament's first reading (29/03/19)	Council position (COREPER partial mandate 17/4/19)	Compromise proposal, comments	Row
cases:			<i>[no change]</i>	
(a) the audit authority has provided a qualified or adverse audit opinion due to reasons linked to the completeness, accuracy and veracity of the accounts;	<i>[no change]</i>	<i>[no change]</i>	Provisional common understanding to be confirmed at political level  <i>[no change]</i>	VI-152
(b) the Commission has evidence putting into question the reliability of an unqualified audit opinion.	<i>[no change]</i>	<i>[no change]</i>	Provisional common understanding to be confirmed at political level  <i>[no change]</i>	VI-153
2. In all other cases, the Commission shall calculate the amounts chargeable to the Funds in accordance with Article 94 and make the respective payments or recoveries before 1 July. That payment or recovery shall constitute the acceptance of accounts.	<i>[no change]</i>	<i>[no change]</i>	Provisional common understanding to be confirmed at political level  <i>[no change]</i>	VI-154
<i>Article 96 Contradictory procedure for the examination of accounts</i>	<i>[no change]</i>	<i>[no change]</i>	Provisional common understanding to be confirmed at political level  <i>[no change]</i>	VI-155
1. If the audit authority provides an audit opinion which is qualified due to reasons linked to the completeness, accuracy and veracity of the accounts, the Commission shall ask the Member State to revise the accounts and to resubmit the documents referred to in Article 92(1) within one month.	<i>[no change]</i>	1. If the audit authority provides an audit opinion which is qualified <b>or adverse</b> due to reasons linked to the completeness, accuracy and veracity of the accounts, the Commission shall ask the Member State to revise the accounts and to resubmit the documents referred to in Article	Provisional common understanding to be confirmed at political level  1. If the audit authority provides an audit opinion which is qualified <b>or adverse</b> due to reasons linked to the completeness, accuracy and veracity of the accounts, the	VI-156

<b>Commission proposal</b>	<b>European Parliament's first reading</b> (29/03/19)	<b>Council position</b> (COREPER partial mandate 17/4/19)	<b>Compromise proposal, comments</b>	<b>Row</b>
		92(1) within one month.	Commission shall ask the Member State to revise the accounts and to resubmit the documents referred to in Article 92(1) within one month.	
Where by the time limit set out in the first sub-paragraph:	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	VI-157
(a) the audit opinion is unqualified, Article 94 shall apply and the Commission shall pay any additional amount due or proceed to a recovery within two months;	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	VI-158
(b) the audit opinion is still qualified or documents have not been re-submitted by the Member State, paragraphs 2, 3 and 4 shall apply.	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	VI-159
2. If the audit opinion remains qualified due to reasons linked to the completeness, accuracy and veracity of the accounts or if the audit opinion remains unreliable, the Commission shall inform the Member State on the amount chargeable to the Funds for the accounting year.	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	VI-160
3. Where the Member State agrees with this amount within one month, the Commission shall pay any additional amount due or proceed to a	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>	VI-161

<b>Commission proposal</b>	<b>European Parliament's first reading</b> (29/03/19)	<b>Council position</b> (COREPER partial mandate 17/4/19)	<b>Compromise proposal, comments</b>	<b>Row</b>
recovery in accordance with Article 94 within two months.			<i>[no change]</i>	
4. Where the Member State does not agree with the amount referred to in paragraph 2, the Commission shall establish the amount chargeable to the Funds for the accounting year. Such an act shall not constitute a financial correction and shall not reduce support from the Funds to the programme. The Commission shall pay any additional amount due or proceed to a recovery in accordance with Article 94 within two months.	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	VI-162
5. With regard to the final accounting year, the Commission shall pay or recover the annual balance of the accounts for programmes supported by the ERDF, the ESF+ and the Cohesion Fund no later than two months after the date of acceptance of the final performance report as referred to in Article 38.	<i>[no change]</i>	5. With regard to the final accounting year, the Commission shall pay or recover the annual balance of the accounts for programmes supported by the ERDF, the <del>ESF+</del> and the <del>Cohesion Fund</del> <b>Funds</b> no later than two months after the date of acceptance of the final performance report as referred to in Article 38.		VI-163
CHAPTER III Financial corrections	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	VI-164
<i>Article 97</i> <i>Financial corrections by Member</i>	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>	VI-165

<b>Commission proposal</b>	<b>European Parliament's first reading</b> (29/03/19)	<b>Council position</b> (COREPER partial mandate 17/4/19)	<b>Compromise proposal, comments</b>	<b>Row</b>
<i>States</i>			<i>[no change]</i>	
1. Member States shall protect the Union budget and apply financial corrections by cancelling all or part of the support from the Funds to an operation or programme when expenditure declared to the Commission is found to be irregular.	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	VI-166
2. Financial corrections shall be recorded in the accounts for the accounting year in which the cancellation is decided.	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	VI-167
3. The support from the Funds cancelled may be reused by the Member State within the programme concerned except for an operation that was subject of that correction or, where a financial correction is made for a systemic irregularity, for any operation affected by the systemic irregularity.	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	VI-168
4. The Fund-specific rules for the EMFF may lay down specific bases for financial corrections by the Member States linked to non-compliance with rules applicable under the Common Fisheries Policy.	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	VI-169
5. By way of derogation from	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding</i>	VI-170

<b>Commission proposal</b>	<b>European Parliament's first reading</b> (29/03/19)	<b>Council position</b> (COREPER partial mandate 17/4/19)	<b>Compromise proposal, comments</b>	<b>Row</b>
paragraphs 1 to 3, in operations comprising financial instruments, a contribution cancelled in accordance with this Article, as a result of an individual irregularity, may be re-used within the same operation under the following conditions:			<i>to be confirmed at political level</i>  <i>[no change]</i>	
(a) where the irregularity that gives rise to the cancellation of the contribution is detected at the level of the final recipient: only for other final recipients within the same financial instrument;	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	VI-171
(b) where the irregularity that gives rise to the cancellation of the contribution is detected at the level of the body implementing the specific fund, where a financial instrument is implemented through a structure with a holding fund, only for other bodies implementing specific funds.	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	VI-172
Where that irregularity that gives rise to the cancellation of the contribution is detected at the level of the body implementing the holding fund, or at the level of the body implementing the specific fund where a financial instrument is implemented through a structure without a holding fund, the contribution cancelled shall not be	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	VI-173

Commission proposal	European Parliament's first reading (29/03/19)	Council position (COREPER partial mandate 17/4/19)	Compromise proposal, comments	Row
reused within the same operation.				
Where a financial correction is made for a systemic irregularity, the contribution cancelled shall not be reused for any operation affected by the systemic irregularity.	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	VI-174
6. The bodies implementing financial instrument shall reimburse to Member States programme contributions affected by irregularities, together with interest and any other gains generated by those contributions.	<i>[no change]</i>	6. The bodies implementing financial <del>instrument</del> <b>instruments</b> shall reimburse to Member States programme contributions affected by irregularities, together with interest and any other gains generated by those contributions.	<i>Provisional common understanding to be confirmed at political level</i>  6. The bodies implementing financial <del>instrument</del> <b>instruments</b> shall reimburse to Member States programme contributions affected by irregularities, together with interest and any other gains generated by those contributions.	VI-175
The bodies implementing financial instruments shall not reimburse to Member States the amounts referred to in the first subparagraph provided that those bodies demonstrate for a given irregularity that the following cumulative conditions are fulfilled:	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	VI-176
(a) the irregularity occurred at the level of final recipients or, in the case of a holding fund, at the level of bodies implementing specific funds or final recipients;	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	VI-177

<b>Commission proposal</b>	<b>European Parliament's first reading</b> (29/03/19)	<b>Council position</b> (COREPER partial mandate 17/4/19)	<b>Compromise proposal, comments</b>	<b>Row</b>
(b) the bodies implementing financial instruments performed their obligations, in relation to the programme contributions affected by the irregularity, in accordance with applicable law and acted with the degree of professional care, transparency and diligence expected from a professional body experienced in implementing financial instruments;	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	VI-178
(c) the amounts affected by the irregularity could not be recovered notwithstanding that the bodies implementing financial instruments pursued all applicable contractual and legal measures with due diligence.	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	VI-179
<i>Article 98</i> <i>Financial corrections by the Commission</i>	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	VI-180
1. The Commission shall make financial corrections by reducing support from the Funds to a programme where it concludes that:	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	VI-181
(a) there is a serious deficiency which has put at risk the support from the Funds already paid to the programme;	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	VI-182



Commission proposal	European Parliament's first reading (29/03/19)	Council position (COREPER partial mandate 17/4/19)	Compromise proposal, comments	Row
(b) expenditure contained in accepted accounts is irregular and was not detected and reported by the Member State;	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	VI-183
(c) the Member State has not complied with its obligations under Article 91 prior to the opening of the financial correction procedure by the Commission.	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	VI-184
Where the Commission applies flat-rate or extrapolated financial corrections, this shall be carried out in accordance with Annex XXI.	<i>[no change]</i>	Where the Commission applies flat-rate or extrapolated financial corrections, this shall be carried out in accordance with Annex XXI <sup>30</sup> .	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>  <i>Recital (57) is amended as follows:</i>  (57) In order to safeguard the financial interests and the budget of the Union proportionate measures should be established and implemented at the level of Member States and of the Commission. The Commission should be able to interrupt	VI-185

<sup>30</sup> Council position: *Recital 57 will be amended as follows:* (57) In order to safeguard the financial interests and the budget of the Union proportionate measures should be established and implemented at the level of Member States and of the Commission. The Commission should be able to interrupt payments deadlines, suspend interim payments and apply financial corrections where the respective conditions are fulfilled. The Commission should respect the principle of proportionality by taking into account the nature, gravity and frequency of irregularities and their financial implications for the budget of the Union. **Where it is not possible for the Commission to quantify precisely the amount of irregular expenditure in order to apply financial corrections linked to individual cases, it should apply a flat-rate or extrapolated financial correction.**

Commission proposal	European Parliament's first reading (29/03/19)	Council position (COREPER partial mandate 17/4/19)	Compromise proposal, comments	Row
			payments deadlines, suspend interim payments and apply financial corrections where the respective conditions are fulfilled. The Commission should respect the principle of proportionality by taking into account the nature, gravity and frequency of irregularities and their financial implications for the budget of the Union. <b>Where it is not possible for the Commission to quantify precisely the amount of irregular expenditure in order to apply financial corrections linked to individual cases, it should apply a flat-rate or statistically extrapolated financial correction. Suspension of interim payments based on a reasoned opinion issued by the Commission pursuant to Article 258 of the TFEU, should be possible provided there is a sufficiently direct link between the matter addressed by the reasoned opinion and the expenditure at stake so as to put at risk its legality and regularity.</b>	
2. Before taking a decision on a financial correction, the Commission shall inform the Member State of its	<i>[no change]</i>	2. Before taking a decision on a financial correction, the Commission shall inform the Member State of its	<i>Provisional common understanding to be confirmed at political level</i>	VI-186

Commission proposal	European Parliament's first reading (29/03/19)	Council position (COREPER partial mandate 17/4/19)	Compromise proposal, comments	Row
conclusions and give the Member State the opportunity to present its observations within two months.		conclusions and give the Member State the opportunity to present its observations <del>within two months</del> <b>and to demonstrate that the actual extent of irregularity is less than the Commission's assessment within two months. The deadline can be extended if mutually agreed.</b>	2. Before taking a decision on a financial correction, the Commission shall inform the Member State of its conclusions and give the Member State the opportunity to present, <b>within two months</b> , its observations <del>within two months</del> <b>and to demonstrate that the actual extent of irregularity is less than the Commission's assessment. The deadline can be extended if mutually agreed.</b>	
3. Where the Member State does not accept the conclusions of the Commission, the Member State shall be invited to a hearing by the Commission, in order to ensure that all relevant information and observations are available to form the basis for Commission conclusions on the application of the financial correction.	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	VI-187
4. The Commission shall decide on a financial correction by means of an implementing act within 12 months of the hearing or from submission of additional information as required by the Commission.	<i>[no change]</i>	4. The Commission shall decide on a financial correction <b>taking into account the extent and financial implications of the irregularities or serious deficiencies</b> , by means of an implementing act within <del>12</del> <b>9</b> months of the <b>date of the</b> hearing or <del>from</del> <b>of</b> the submission of additional information as required by the	<i>Provisional common understanding to be confirmed at political level</i>  4. The Commission shall decide on a financial correction <b>taking into account the extent, the frequency and financial implications of the irregularities or serious deficiencies</b> , by means of an	VI-188

Commission proposal	European Parliament's first reading (29/03/19)	Council position (COREPER partial mandate 17/4/19)	Compromise proposal, comments	Row
		Commission.	implementing act within <del>12</del> <b>10</b> months of the <b>date of the</b> hearing or <del>from</del> <b>of the</b> submission of additional information as required by the Commission.	
When deciding on a financial correction, the Commission shall take account of all information and observations submitted.	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	VI-189
Where a Member States agrees to the financial correction for cases referred to in points (a) and (c) of paragraph 1 before the adoption of the decision referred to in paragraph 1, the Member State may reuse the amounts concerned. This possibility shall not apply to financial correction for cases referred to in (b) of paragraph 1.	<i>[no change]</i>	Where a Member States agrees to the financial correction for cases referred to in points (a) and (c) of paragraph 1 before the adoption of the decision referred to in paragraph 1, the Member State may reuse the amounts concerned. This possibility shall not apply to financial correction for cases referred to in (b) of paragraph 1.	<i>Provisional common understanding to be confirmed at political level</i>  Where a Member States agrees to the financial correction for cases referred to in points (a) and (c) of paragraph 1 before the adoption of the decision referred to in paragraph 1, the Member State may reuse the amounts concerned. This possibility shall not apply to financial correction for cases referred to in (b) of paragraph 1.	VI-190
5. The Fund-specific rules for the EMFF may lay down specific bases for financial corrections by the Commission linked to non-compliance with rules applicable under the Common Fisheries Policy.	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	VI-191
CHAPTER IV	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding</i>	VI-192

Commission proposal	European Parliament's first reading (29/03/19)	Council position (COREPER partial mandate 17/4/19)	Compromise proposal, comments	Row
Decommitment			<i>to be confirmed at political level</i> <i>[no change]</i>	
<i>Article 99</i> <i>Decommitment principles and rules</i>	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding</i> <i>to be confirmed at political level</i> <i>[no change]</i>	VI-193
1. The Commission shall decommit any amount in a programme which has not been used for pre-financing in accordance with Article 84 or for which a payment application has not been submitted in accordance with Articles 85 and 86 by 26 December of the second calendar year following the year of the budget commitments for the years 2021 to 2026.	<u>Amendment 323</u> 1. The Commission shall decommit any amount in a programme which has not been used for pre-financing in accordance with Article 84 or for which a payment application has not been submitted in accordance with Articles 85 and 86 by <del>26</del> <b>31</b> December of the <del>second</del> <b>third</b> calendar year following the year of the budget commitments for the years 2021 to 2026.	[1. The Commission shall decommit any amount in a programme which has not been used for pre-financing in accordance with Article 84 or for which a payment application has not been submitted in accordance with Articles 85 and 86 by <del>26</del> <b>31</b> December of the second calendar year following the year of the budget commitments for the years 2021 to 2026. ]		VI-194
2. The amount to be covered by pre-financing or payment applications by the time limit established in paragraph 1 concerning the budget commitment of 2021 shall be 60 % of that commitment. 10 % of the budget commitment of 2021 shall be added to each budget commitment for the years 2022 to 2025 for the purposes of calculating the amounts to be covered.	<u>Amendment 324</u> <del>2. The amount to be covered by pre-financing or payment applications by the time limit established in paragraph 1 concerning the budget commitment of 2021 shall be 60 % of that commitment. 10 % of the budget commitment of 2021 shall be added to each budget commitment for the years 2022 to 2025 for the purposes of</del>	[2. The amount to be covered by pre-financing or payment applications by the time limit established in paragraph 1 concerning the budget commitment of 2021 shall be 60 % of that commitment. 10 % of the budget commitment of 2021 shall be added to each budget commitment for the years 2022 to 2025 for the purposes of calculating the amounts		VI-195

Commission proposal	European Parliament's first reading (29/03/19)	Council position (COREPER partial mandate 17/4/19)	Compromise proposal, comments	Row
	<del>calculating the amounts to be covered.</del>	to be covered. ]		
3. The part of commitments still open on 31 December 2029 shall be decommitted if the assurance package and the final performance report for programmes supported by the ESF+, the ERDF and the Cohesion Fund have not been submitted to the Commission by the time limit set out in Article 38(1).	<u>Amendment 325</u> 3. The part of commitments still open on 31 December <del>2029</del> <b>2030</b> shall be decommitted if the assurance package and the final performance report for programmes supported by the ESF+, the ERDF and the Cohesion Fund have not been submitted to the Commission by the time limit set out in Article 38(1).	3. The part of commitments still open on 31 December [2029] shall be decommitted if the assurance package and the final performance report <del>for programmes supported by the ESF+, the ERDF and the Cohesion Fund</del> have not been submitted to the Commission by the time limit set out in Article 38(1).		VI-196
<i>Article 100</i> <i>Exceptions to the decommitment rules</i>	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	VI-197
1. The amount concerned by decommitment shall be reduced by the amounts equivalent to that part of the budget commitment for which:	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	VI-198
(a) the operations are suspended by a legal proceeding or by an administrative appeal having suspensory effect; or	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	VI-199
(b) it has not been possible to make a payment application for reasons of <i>force majeure</i> seriously affecting implementation of all or part of the	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	VI-200

Commission proposal	European Parliament's first reading (29/03/19)	Council position (COREPER partial mandate 17/4/19)	Compromise proposal, comments	Row
programme.				
	<u>Amendment 326</u>  <i>(ba) it has not been possible to make a timely payment application because of delays at Union level in setting up the legal and administrative framework for the funds for the 2021-2027 period.</i>			VI-201
The national authorities claiming <i>force majeure</i> shall demonstrate the direct consequences of the <i>force majeure</i> on the implementation of all or part of the programme.	[no change]	[no change]	<i>Provisional common understanding to be confirmed at political level</i>  [i no change]	VI-202
2. By 31 January, the Member State shall send to the Commission information on the exceptions referred to in points (a) and (b) of paragraph 1 for the amount to be declared by 26 December.	[no change]	2. By 31 January, the Member State shall send to the Commission information on the exceptions referred to in points (a) and (b) of paragraph 1 for the amount to be declared by <del>26</del> <b>31</b> December.	<i>Provisional common understanding to be confirmed at political level</i>  2. By 31 January, the Member State shall send to the Commission information on the exceptions referred to in points (a) and (b) of paragraph 1 for the amount to be declared by <del>26</del> <b>31</b> December.	VI-203
<i>Article 101</i> <i>Procedure for decommitment</i>	[no change]	[no change]	<i>Provisional common understanding to be confirmed at political level</i>  [i no change]	VI-204
1. On the basis of the information it has received as of 31 January, the	[no change]	[no change]	<i>Provisional common understanding</i>	VI-205

Commission proposal	European Parliament's first reading (29/03/19)	Council position (COREPER partial mandate 17/4/19)	Compromise proposal, comments	Row
Commission shall inform the Member State of the amount of the decommitment resulting from that information.			<i>to be confirmed at political level</i> <i>[no change]</i>	
2. The Member State shall have one month to agree to the amount to be decommitted or to submit its observations.	<u>Amendment 327</u>  2. The Member State shall have <del>one month</del> <b>two months</b> to agree to the amount to be decommitted or to submit its observations.	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  2. The Member State shall have <del>one month</del> <b>two months</b> to agree to the amount to be decommitted or to submit its observations.	VI-206
3. By 30 June, the Member State shall submit to the Commission a revised financing plan reflecting, for the calendar year concerned, the reduced amount of support over one or more priorities of the programme. For programmes supported by more than one Fund, the amount of support shall be reduced by Fund proportionately to the amounts concerned by the decommitment that had not been used in the calendar year concerned.	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	VI-207
In the absence of such submission, the Commission shall revise the financing plan by reducing the contribution from the Funds for the calendar year concerned. That reduction shall be allocated to each priority proportionately to the amounts	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	VI-208



<b>Commission proposal</b>	<b>European Parliament's first reading</b> (29/03/19)	<b>Council position</b> (COREPER partial mandate 17/4/19)	<b>Compromise proposal, comments</b>	<b>Row</b>
concerned by the decommitment that had not been used in the calendar year concerned.				
4. The Commission shall amend the decision approving the programme no later than 31 October.	<i>[no change]</i>	<i>[no change]</i>	<i>Provisional common understanding to be confirmed at political level</i>  <i>[no change]</i>	VI-209