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**PE 246**

**INFORMATION NOTE**

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| From: | General Secretariat of the Council |
| To: | Permanent Representatives Committee/Council |
| Subject: | Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL amending Council Regulation (EC) No 2012/2002 in order to provide financial assistance to Member States to cover serious financial burden inflicted on them following a withdrawal of the United Kingdom from the Union without an agreement<br>- Outcome of the European Parliament's proceedings<br>(Strasbourg, 21 to 24 October 2019) |

## I. INTRODUCTION

The rapporteur, Younous OMARJEE, presented a report consisting of 14 amendments (amendments 1-14) to the proposal for a Regulation on behalf of the Committee on Regional Development.

## II. VOTE

When it voted on 24 October 2019, the plenary adopted all amendments (amendments 1-14) to the proposal for a Regulation. No other amendments were adopted. The amendments adopted are those set out in the annex.

At the end of the vote, the proposal was referred back to the Committee, pursuant to Rule 59(4)(4) of the European Parliament's Rules of Procedure, thereby not bringing the Parliament's first reading to a close and opening the negotiations with the Council.

**ANNEX**

**(24.10.2019)**

# Financial assistance to Member States to cover serious financial burden inflicted on them following a withdrawal of the United Kingdom from the EU without an agreement ***I

**Amendments adopted by the European Parliament on 24 October 2019 on the proposal for a regulation of the European Parliament and of the Council amending Council Regulation (EC) No 2012/2002 in order to provide financial assistance to Member States to cover serious financial burden inflicted on them following a withdrawal of the United Kingdom from the Union without an agreement (COM(2019)0399 – C9-0111/2019 – 2019/0183(COD))[1]**

**(Ordinary legislative procedure: first reading)**

[1] The matter was referred back for interinstitutional negotiations to the committee responsible, pursuant to Rule 59(4), fourth subparagraph (A9-0020/2019).

**Amendment 1**

**Proposal for a regulation**
**Recital 4**

| *Text proposed by the Commission* | *Amendment* |
|---|---|
| (4) To mitigate the economic impact of the withdrawal of the United Kingdom from the Union without an agreement and to show solidarity with the most affected Member States in such exceptional circumstances, Regulation (EC) No 2012/2002 should be amended to support related public expenditure. | (4) To mitigate the economic ***and social*** impact of the withdrawal of the United Kingdom from the Union without an agreement and to show solidarity with the most affected Member States in such exceptional circumstances, Regulation (EC) No 2012/2002 should be amended to support related public expenditure. |

**Amendment 2**

**Proposal for a regulation**
**Recital 5**

| *Text proposed by the Commission* | *Amendment* |
|---|---|
| (5) As this is an exceptional use of the Fund, its assistance to mitigate serious financial burden, inflicted on the Member States as a ***direct*** consequence of the withdrawal of the United Kingdom from the Union without an agreement, should be targeted and limited in time to safeguard the Fund's original rationale and its capacity to respond to natural disasters. | (5) As this is an exceptional use of the Fund, its assistance to mitigate serious financial burden, inflicted ***or to be inflicted*** on the Member States ***in preparation for, or*** as a consequence of***,*** the withdrawal of the United Kingdom from the Union without an agreement, should be targeted and limited in time to safeguard the Fund's original rationale and its capacity to respond to natural disasters. |

**Amendment 3**

**Proposal for a regulation**
**Recital 8**

| *Text proposed by the Commission* | *Amendment* |
|---|---|
| (8) To maintain the availability of the Fund for natural disasters, ***its original purpose, a budgetary ceiling for support related to the*** withdrawal of the United Kingdom from the Union without an | (8) ***Considering that a reasonable budget needs to be provided in order*** to maintain the availability of the ***European Union Solidarity*** Fund for natural disasters, ***other additional means need to be made available to Member States and*** |

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| agreement ***should be established***. | ***regions to help them limit the impact of a potential*** withdrawal of the United Kingdom from the Union without an agreement***, for example by way of the EGF or other ad hoc financial instruments***. |

**Amendment 4**

**Proposal for a regulation**
**Recital 9**

| *Text proposed by the Commission* | *Amendment* |
|---|---|
| (9) Assistance from the Fund to mitigate serious financial burden inflicted on the Member States as a consequence of the withdrawal of the United Kingdom from the Union without an agreement should be subject to the same rules for implementation, monitoring, reporting, control and audit as any other interventions of the Fund. In addition, given the broad scope of public expenditure potentially eligible for support, it is important to ensure that other provisions of EU law, in particular the State aid rules, are respected. | (9) Assistance from the Fund to mitigate serious financial burden inflicted ***or which may be inflicted*** on the Member States ***in preparation for, or*** as a consequence of***,*** the withdrawal of the United Kingdom from the Union without an agreement should be subject to the same rules for implementation, monitoring, reporting, control and audit as any other interventions of the Fund. In addition, given the broad scope of public expenditure potentially eligible for support, it is important to ensure that other provisions of EU law, in particular the State aid rules, are respected. |

**Amendment 5**

**Proposal for a regulation**
**Article 1 – paragraph 1 – point 3**
Regulation (EC) No 2012/2002
Article 3a – paragraph 2

| *Text proposed by the Commission* | *Amendment* |
|---|---|
| (2) The available appropriations for this goal shall be limited to ***half*** of the maximum available amount for the Fund intervention for the years 2019 and 2020. | (2) The available appropriations for this goal shall be limited to ***30 %*** of the maximum available amount for the Fund intervention for the years 2019 and 2020. |

**Amendment 6**

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 3**
Regulation (EC) No 2012/2002
Article 3a – paragraph 3

| *Text proposed by the Commission* | *Amendment* |
|---|---|
| (3) Such assistance shall cover a part of the additional public expenditure ***caused directly by the withdrawal without an agreement and*** incurred exclusively between ***the date of the withdrawal without an agreement*** and 31 December 2020 ("financial burden"). | (3) Such assistance shall cover a part of the additional public expenditure incurred exclusively between ***1 January 2019*** and 31 December 2020 ***in preparation for, or as a consequence of, a withdrawal without an agreement*** ("financial burden"). |

**Amendment 7**

**Proposal for a regulation**
**Article 1 – paragraph 1 – point 3**
Regulation (EC) No 2012/2002
Article 3a – paragraph 4

| *Text proposed by the Commission* | *Amendment* |
|---|---|
| (4) A Member State shall be eligible to apply for assistance under this Article, if the financial burden it has suffered is estimated to be either over EUR ***1 500 000 000*** in 2011 prices, or more than ***0.3 %*** of its GNI. | (4) A Member State shall be eligible to apply for assistance under this Article, if the financial burden it has suffered is estimated to be either over EUR ***750 000 000*** in 2011 prices, or more than ***0,15 %*** of its GNI. |

**Amendment 8**

**Proposal for a regulation**
**Article 1 – paragraph 1 – point 3**
Regulation (EC) No 2012/2002
Article 3 b - paragraph 1

| *Text proposed by the Commission* | *Amendment* |
|---|---|
| (1) Assistance provided under Article 3a shall cover only the financial burden borne by a Member State compared to the situation where an agreement between the Union and the United Kingdom would have been concluded. Such assistance may be used, for example, to provide support to businesses affected by the withdrawal without an agreement, including support to State aid measures for those businesses and | (1) Assistance provided under Article 3a shall cover only the financial burden borne by a Member State compared to the situation where an agreement between the Union and the United Kingdom would have been concluded. Such assistance may be used, for example, to provide support to businesses ***and workers*** affected by the withdrawal without an agreement, including support to State aid measures for |

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| related interventions; measures to preserve existing employment; and to ensure the functioning of border, customs, sanitary and phytosanitary controls, including additional personnel and infrastructure. | those businesses and related interventions; measures to preserve existing employment; and to ensure the functioning of border, customs, sanitary and phytosanitary controls, including additional personnel and infrastructure. |

**Amendment 9**

**Proposal for a regulation**
**Article 1 – paragraph 1 – point 3**
Regulation (EC) No 2012/2002
Article 3 b – paragraph 6 a (new)

| *Text proposed by the Commission* | *Amendment* |
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| | ***(6 a) Expenditure eligible for financing under the European Globalisation Adjustment Fund shall not be financed under this Regulation.*** |

**Amendment 10**

**Proposal for a regulation**
**Article 1 – paragraph 1 – point 6**
Regulation (EC) No 2012/2002
Article 4 a – paragraph 1

| *Text proposed by the Commission* | *Amendment* |
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| (1) The responsible national authorities of a Member State may submit a single application to the Commission for a financial contribution from the Fund in accordance with Article 3a by 30 ***April*** 2020 at the latest. The application shall include, as a minimum, all relevant information on the financial burden inflicted on that Member State. It shall describe the public measures taken in response to the withdrawal without an agreement specifying their net cost until 31 December 2020 ***and the reasons why that net cost could not have been avoided through preparedness measures***. It should also include the justification concerning direct effect of the withdrawal without an agreement. | (1) The responsible national authorities of a Member State may submit a single application to the Commission for a financial contribution from the Fund in accordance with Article 3a by 30 ***June*** 2020 at the latest. The application shall include, as a minimum, all relevant information on the financial burden inflicted on that Member State. It shall describe the public measures taken ***in preparation for or*** in response to the withdrawal without an agreement specifying their net cost until 31 December 2020. It should also include the justification concerning direct effect of the withdrawal without an agreement. |

**Amendment 11**

**Proposal for a regulation**
**Article 1 – paragraph 1 – point 6**
Regulation (EC) No 2012/2002
Article 4 a – paragraph 2

| *Text proposed by the Commission* | *Amendment* |
|---|---|
| (2) The Commission shall prepare guidance on how to access and implement the Fund effectively. The guidance shall provide detailed information on the preparation of the application, and the information to be submitted to the Commission, including on the evidence to be provided concerning the financial burden inflicted. The guidance shall be made public on the websites of the relevant Directorate Generals of the Commission and the Commission shall ensure its wider dissemination to the Member States. | (2) The Commission shall prepare guidance ***by 31 December 2019*** on how to access and implement the Fund effectively. The guidance shall provide detailed information on the preparation of the application, and the information to be submitted to the Commission, including on the evidence to be provided concerning the financial burden inflicted. The guidance shall be made public on the websites of the relevant Directorate Generals of the Commission and the Commission shall ensure its wider dissemination to the Member States. |

**Amendment 12**

**Proposal for a regulation**
**Article 1 – paragraph 1 – point 6**
Regulation (EC) No 2012/2002
Article 4 a – paragraph 3

| *Text proposed by the Commission* | *Amendment* |
|---|---|
| (3) After 30 ***April*** 2020, the Commission shall assess on the basis of the information referred to in paragraphs 1 and 2, for all applications received, whether the conditions for mobilising the Fund are met in each case and shall determine the amounts of any possible financial contribution from the Fund within the limits of the financial resources available. | (3) After 30 ***June*** 2020, the Commission shall assess on the basis of the information referred to in paragraphs 1 and 2, for all applications received, whether the conditions for mobilising the Fund are met in each case and shall determine the amounts of any possible financial contribution from the Fund within the limits of the financial resources available. |

**Amendment 13**

**Proposal for a regulation**

**Article 1 – paragraph 1 – point 6**
Regulation (EC) No 2012/2002
Article 4a – paragraph 4

| *Text proposed by the Commission* | *Amendment* |
|---|---|
| (4) Assistance from the Fund shall be awarded to the Member States meeting the eligibility criteria, taking into account the thresholds specified in Article 3a(4), at a rate of up to ***5%*** of the inflicted financial burden, and within the limits of the budget available. In the event that the budget available should prove insufficient, the aid rate shall be proportionately reduced. | (4) Assistance from the Fund shall be awarded to the Member States meeting the eligibility criteria, taking into account the thresholds specified in Article 3a(4), at a rate of up to ***10 %*** of the inflicted financial burden, and within the limits of the budget available. In the event that the budget available should prove insufficient, the aid rate shall be proportionately reduced. |

**Amendment 14**

**Proposal for a regulation**
**Article 1 – paragraph 1 – point 6**
Regulation (EC) No 2012/2002
Article 4a - paragraph 6

| *Text proposed by the Commission* | *Amendment* |
|---|---|
| (6) The decision to mobilise the Fund shall be taken jointly by the European Parliament and the Council as soon as possible after the submission of the proposal by the Commission. The Commission, on the one hand, and the European Parliament and the Council, on the other hand, shall endeavour to minimise the time taken to mobilise the Fund. | (6) The decision to mobilise the Fund shall be taken jointly by the European Parliament and the Council as soon as possible after the submission of the proposal by the Commission. The Commission, on the one hand, and the European Parliament and the Council, on the other hand, shall endeavour to minimise the time taken to mobilise the Fund ***and shall commit to proposing, in as short a time as possible, a purpose-made instrument to tackle such emergency***. |