Council of the European Union

Brussels, 28 February 2019
(OR. en)

6948/19

Interinstitutional File: 2019/0027(COD)

FSTR 38
FC 18
REGIO 49
SOC 171
AGRISTR 14
PECHE 83
CADREFIN 123
POLGEN 39
CODEC 558

'I' ITEM NOTE

From:	General Secretariat of the Council
To:	Permanent Representatives Committee (Part 2)
No. Cion doc.:	COM(2019) 55 final - 6197/19 + ADD1
Subject:	Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL amending Regulation (EU) No 1303/2013 as regards the resources for the specific allocation for the Youth Employment Initiative - Confirmation of the final compromise text with a view to agreement

I. INTRODUCTION

1. On 1 February 2019, the Commission transmitted to the Council the proposal for a Regulation of the European Parliament and of the Council amending Regulation (EU) No 1303/2013 as regards the resources for the specific allocation for the Youth Employment Initiative (doc. 6197/19 + ADD 1).

2. The objective of the proposal is to adapt the amounts of resources available for economic, social and territorial cohesion set out in Article 91(1) of Regulation (EU) No 1303/2013, the amount of resources for the specific allocation for the Youth Employment Initiative ('YEI') set out in Article 92(5) of that Regulation and the annual breakdown of commitment appropriations reflected in Annex VI of that Regulation to reflect the increase of the resources of the YEI, in line with the adopted budget for 2019. More specifically, commitment appropriations for the specific allocation for the YEI should be increased by an amount of EUR 116,7 million in current prices, bringing the overall amount for 2019 up to EUR 350 million.

In addition, in view of past experience in the context of the increase of the resources of the specific allocation for the YEI, which triggered extensive amendments to programmes to provide amounts from the European Social Fund ('ESF') to match the support from the YEI specific allocation, the EU co-legislators asked the Commission to propose facilitating measures to ensure the swift programming of the additional YEI resources in 2019 in order not to hamper the overall implementation progress of the 2014-2020 operational programmes. Therefore, the proposal introduces relevant provisions to address this request.

II. PRESIDENCY COMPROMISE PROPOSAL

3. The Permanent Representatives Committee, at its meeting of 27 February 2019, approved the mandate for the negotiations with the European Parliament[1].

4. The REGI Committee of the European Parliament, at its meeting of 20 February 2019, voted to accept the Commission proposal by simplified procedure without any changes to the Commission proposal.

5. Following informal contacts between the representatives of the three institutions, it was agreed to accept the Commission proposal without any changes as set out in the negotiating mandate agreed by the Permanent Representatives Committee.

[1] doc. 6517/1/19 REV 1

III. SUBMISSION TO COREPER

6. On that basis, the Permanent Representatives Committee is invited to:

- confirm the agreement reached in favour of the compromise package concerning the proposal for Regulation of the European Parliament and of the Council amending Regulation (EU) No 1303/2013 as regards the resources for the specific allocation for the Youth Employment Initiative (doc. 6197/19 + ADD 1);

- authorise the Presidency to send a letter to the Chair of the European Parliament's Committee on Regional Development confirming that, should the European Parliament adopt its position at first reading, in accordance with Article 294 paragraph 3 of the Treaty, in the form set out in the compromise text contained in the Annex (subject to revision by the legal linguists of both institutions), the Council would, in accordance with Article 294, paragraph 4 of the Treaty, approve the European Parliament's position and the act shall be adopted in the wording which corresponds to the European Parliament's position.

ANNEX

Proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

amending Regulation (EU) No 1303/2013 as regards the resources for the specific allocation for the Youth Employment Initiative

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

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

Having regard to the proposal from the European Commission,

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

Having regard to the opinion of the European Economic and Social Committee[2],

Having regard to the opinion of the Committee of the Regions[3],

Acting in accordance with the ordinary legislative procedure,

[2] OJ C […], […], p. […].
[3] OJ C […], […], p. […].

Whereas:

(1) Regulation (EU) No 1303/2013 of the European Parliament and of the Council[4] lays down the common and general rules applicable to the European Structural and Investment Funds.

(2) The general budget of the Union for the financial year 2019[5] amended the total amount of resources for the Youth Employment Initiative ('YEI') by increasing commitment appropriations for the specific allocation for the YEI in 2019 by an amount of EUR 116,7 million in current prices and bringing the total amount of commitment appropriations for the specific allocation for the YEI for the entire programming period to EUR 4 527 882 072 in current prices.

(3) For 2019, the additional resources of EUR 99 573 877 in 2011 prices are funded by the Global Margin for Commitments within the margin of the multiannual financial framework for the years 2014-2020.

(4) It is appropriate to provide for specific measures facilitating the implementation of the YEI, due to the advanced stage of the implementation of operational programmes for the 2014-2020 programming period.

(5) As it is urgent to amend the programmes supporting the YEI to include the additional resources for the specific allocation for the YEI before the end of 2019, this Regulation should enter into force on the day following that of its publication in the *Official Journal of the European Union*.

(6) Regulation (EU) No 1303/2013 should therefore be amended accordingly,

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

5 OJ C […], […], p. […].

HAVE ADOPTED THIS REGULATION:

Article 1

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

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

– "1. The resources for economic, social and territorial cohesion available for budgetary commitment for the period 2014-2020 shall be EUR 330 081 919 243 in 2011 prices, in accordance with the annual breakdown set out in Annex VI, of which EUR 325 938 694 233 represent the global resources allocated to the ERDF, the ESF and the Cohesion Fund and EUR 4 143 225 010 represent a specific allocation for the YEI. For the purposes of programming and subsequent inclusion in the budget of the Union, the amount of resources for economic, social and territorial cohesion shall be indexed at 2% per year.";

(2) in Article 92, paragraph 5 is replaced by the following:

– "5. Resources for the YEI shall amount to EUR 4 143 225 010 from the specific allocation for the YEI, of which EUR 99 573 877 constitute the additional resources for 2019. They shall be complemented by ESF targeted investment in accordance with Article 22 of Regulation (EU) No 1304/2013.

– Member States who benefit from the additional resources for the specific allocation for the YEI for 2019 as referred to in the first subparagraph, may request the transfer of up to 50% of the additional resources for the specific allocation for the YEI to the ESF to constitute the corresponding ESF targeted investment as required by Article 22 of Regulation (EU) No 1304/2013. Such a transfer shall be made to the respective categories of region corresponding to the categorisation of the regions eligible for the increase of the specific allocation for the YEI. Member States shall request the transfer in the request for amendment of the programme in accordance with Article 30(1) of this Regulation. Resources allocated to past years may not be transferred.

– The second subparagraph shall apply to any additional resources for the YEI specific allocation increasing the resources beyond EUR 4 043 651 133.";

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

Article 2

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

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

Done at Brussels,

For the European Parliament	*For the Council*
The President	*The President*