

Amendment 476

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Report

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Common provisions on European funds (*)

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Proposal for a regulation**Annex II -a (new)**

Text proposed by the Commission

Amendment

Annex II -a

Provisions for determining the scope and the level of suspension of commitments or payments referred to in Article 21(7)

1. Determining the level of suspension of commitments

The maximum level of suspension applied to a Member State shall in the first instance be determined taking into account the ceilings set out in Article 21(7) points (a) to (c). This level shall be reduced if one or more of the following apply:

a) where the employment rate in the Member State for the year preceding the trigger event provided for in Article 21(6) is below the average rate for the Union by more than 2 percentage points, the maximum level of suspension shall be reduced by 15%;

b) where the employment rate in the Member State for the year preceding the trigger event provided for in Article 21(6) is below the average rate for the Union by more than 5 percentage points, the maximum level of suspension shall be reduced by 25%;

c) where the employment rate in the Member State for the year preceding the trigger event provided for in Article 21(6)

is below the average rate for the Union by more than 8 percentage points, the maximum level of suspension shall be reduced by 50%;

d) where the proportion of people at risk of poverty or social exclusion in the Member State exceeds the average for the Union by more than 10 percentage points for the year preceding the trigger event provided for in Article 21(6), the maximum level of suspension shall be reduced by 20%;

e) where the Member State experiences a contraction of real GDP for two or more consecutive years preceding the trigger event provided for in Article 21(6), the maximum level of suspension shall be reduced by 20%;

f) where the suspension concerns commitments for the years 2018, 2019 or 2020, a reduction shall be applied to the level resulting from the application of Article 21(7) as follows:

(i) for the year 2018, the level of suspension shall be reduced by 15%;

(ii) for the year 2019, the level of suspension shall be reduced by 25%;

(iii) for the year 2020, the level of suspension shall be reduced by 50%.

The reduction in the level of suspension resulting from the application of points (a) to (f) shall not exceed in total 50%.

In case point (b) or (c) occurs simultaneously with both points (d) and (e), the effect of the suspension shall be postponed by one year.

2. Determining the scope of suspension of commitments across programmes and priorities

A suspension of commitments applied to a Member State shall in the first instance proportionally affect all programmes and priorities.

However, the following programmes and priorities shall be excluded from the scope of the suspension:

(i) programmes or priorities which are already subject to a suspension decision adopted in accordance with Article 21(5);

(ii) programmes or priorities whose resources are to be increased as a result of a reprogramming request addressed by the Commission in accordance with Article 21(1) in the year of the trigger event referred to in Article 21(6);

(iii) programmes or priorities whose resources have been increased within the two years preceding the trigger event referred to in Article 21(6) as a result of a decision adopted in accordance with Article 21(3);

(iv) programmes or priorities which are of critical importance to address adverse economic or social conditions. These shall cover programmes or priorities supporting investments of particular importance to the Union related to the Youth Employment Initiative. Programmes or priorities may be considered of such critical importance when they support investments related to the implementation of recommendations addressed to the concerned Member State in the framework of the European Semester and aimed at structural reforms, or related to priorities supporting poverty reduction or financial instruments for the competitiveness of SMEs.

3. Determining the final level of suspension of commitments for the programmes falling within the scope of the suspension

The exclusion of a priority within a programme shall be carried out by reducing the commitment of the programme pro rata to the allocation to the priority.

The level of suspension to be applied to the commitments of the programmes shall be that level which is necessary to reach the aggregate level of suspension determined under point 1.

4. Determining the scope and the level of suspension of payments

The programmes and priorities referred to under point 2(i) to (iv) shall also be excluded from the scope of suspension of payments.

The level of suspension to be applied shall not exceed 50% of the payments of programmes and priorities.

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Justification

The CPR criteria should be aligned with the 2020 Strategies targets; therefore the employment rate should replace the unemployment one as indicator for determining the scope and the level of suspension of commitments or payments.