



2016/0282(COD)

19.5.2017

OPINION

of the Committee on Employment and Social Affairs

for the Committee on Budgets and the Committee on Budgetary Control

on the proposal for a regulation of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union and amending Regulation (EC) No 2012/2002, Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, EU No 1304/2013, (EU) No 1305/2013, (EU) No 1306/2013, (EU) No 1307/2013, (EU) No 1308/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014 and (EU) No 652/2014 of the European Parliament and of the Council and Decision No 541/2014/EU of the European Parliament and of the Council
(COM(2016)0605 – C8-0372/2016 – 2016/0282(COD))

Rapporteur (*): Jérôme Lavrilleux

(*) Associated committee – Rule 54 of the Rules of Procedure

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SHORT JUSTIFICATION

On 14 September 2016, in the interests of more results-focused EU budgeting, the Commission proposed an ‘omnibus’ regulation giving effect to the mid-term revision of the 2014-2020 Multiannual Financial Framework. The thrust of the proposed regulation is to simplify the implementing measures for the European Structural and Investment Funds (ESIFs).

Commission studies, which the rapporteur consulted when drawing up this opinion, have concluded that the funds’ administrative and auditing rules are currently too complex for both fund managers and beneficiaries.

Likewise, the last three annual reports by the European Court of Auditors have noted the need for simplified cost options to be more widely and comprehensively used, especially when it comes to keeping grant costs under control. In its special report on that subject, the Court of Auditors has further pointed out that using simplified cost options, as long as they are set at the right level and thus follow the principle of economy, also effectively limits the risks of excessive prices.

Because the complexity of the financial rules leads to mistakes on the part of fund managers and leads potential beneficiaries to dismiss the ESIFs as inaccessible and unattractive, the implementation of the funds is less effective than it should be, so there is a case for introducing simpler, more accessible rules that are easier to apply.

Making it easier for beneficiaries to access and use the ESIFs is also politically worthwhile as a means of enhancing the funds’ credibility in the eyes of Member States and of Europe’s citizens. While the 2014-2020 regulatory framework already includes a number of simplification measures, such as the digitalisation of procedures and the introduction of simplified cost options, it is now clear, as audits and checks become more stringent and more frequent, that these are insufficient.

The fact that the proper implementation of the funds, their accessibility and their attractiveness are being compromised and the creeping loss of confidence in the EU’s response to the need for investment are matters of real concern, which Parliament, and especially its relevant committees, needs to address.

More widespread use of the ESIFs must be encouraged and their full potential must be tapped because they are the Union’s most effective investment policy tools. This is the way to re-launch European investment and to make the goals of the Europe 2020 strategy achievable.

So the purpose of this drive to simplify the financial rules that govern the Union’s general budget and to make them more flexible is, as set out in the Commission proposal, to achieve a better balance between the principle of sound financial management and operational effectiveness. If the regulatory framework is to function more smoothly, red tape needs to be minimised without undermining the importance of the checking procedures.

Simplifying the financial rules means specifically: applying simplified cost options to all the ESIFs, rather than just the European Social Fund; involving national financial institutions as management bodies for the financial instruments, in the interests of improved dialogue with

SMEs; and enabling individuals to apply for European Regional Development Fund and European Social Fund financing. All of these proposals, from the Commission and the French authorities, are designed to make the ESIFs more accessible.

However, additional measures are also needed, in order to put together a simplification ‘package’ designed to ensure that maximum benefit is derived from each of the funds concerned.

The additional measures will have to clarify how simplified cost options will apply to state aid, harmonise the state aid rules and the technical assistance arrangements, in respect of shared and direct management as appropriate, and apply the single audit principle to all the ESIFs.

More broadly, and beyond the necessary changes in the regulatory framework, the rapporteur is asking the Commission to take steps to review its current policy of issuing guidance notes entailing numerous obligations, particularly in respect of auditing, which are making the administration of the funds increasingly burdensome.

Blanket simplification is not possible because certain simplification measures cannot be considered until after 2020, given the impact they would have on the regulatory framework. The rapporteur would also point out that, because this is a legislative act, if too many proposals, and particularly too many non-substantive amendments, are piled on top of the Commission text, it could slow down the legislative process for the adoption of the ‘omnibus’ regulation, thus penalising both potential ESIF beneficiaries and the funds’ financial management bodies.

AMENDMENTS

The Committee on Employment and Social Affairs calls on the Committee on Budgets and the Committee on Budgetary Control, as the committees responsible, to take into account the following amendments:

Amendment 1

Proposal for a regulation Recital 144

Text proposed by the Commission

(144) It should be clarified that, where financial instruments are combined with other forms of support from the Union budget, the rules ***on financial instruments*** should apply. Such rules should be complemented, where applicable, by specific requirements ***stemming from the sector specific legislation***.

Amendment

(144) It should be clarified that, where financial instruments are combined with other forms of support from the Union budget, the rules ***stemming from the sector-specific legislation*** should apply. Such rules should be complemented, where applicable, by specific requirements ***on financial instruments***.

Amendment 2

Proposal for a regulation Recital 170

Text proposed by the Commission

(170) In order to ensure that the European Union Programme for Employment and Social Innovation (EaSI) provides swiftly adequate resources to support changing political priorities, the indicative shares for each of the three axis and the minimum percentages for each of the thematic priorities within the individual axis should allow for a greater flexibility. This should improve the management of the Programme and allow focussing budgetary resources on actions producing better employment and social results.

Amendment

(170) In order to ensure that the European Union Programme for Employment and Social Innovation (EaSI) provides swiftly adequate resources to support changing political priorities, the indicative shares for each of the three axis and the minimum percentages for each of the thematic priorities within the individual axis should allow for a greater flexibility, ***while maintaining an ambitious deployment rate for EURES cross-border partnerships***. This should improve the management of the Programme and allow focussing budgetary resources on actions producing better employment and social results.

Amendment 3

Proposal for a regulation Recital 199a (new)

Text proposed by the Commission

Amendment

(199a) In the interests of increased efficiency, Member States should be able to make more frequent use of simplified cost options and of ‘single lump sum’ financing in order to make the associated administration less burdensome and to simplify the rules governing the allocation of funds.

Amendment 4

Proposal for a regulation Article 2 – paragraph 1 – point 27

Text proposed by the Commission

Amendment

27. ‘financial instruments’ means Union measures of financial support provided from the budget in order to address one or more specific policy objectives of the Union. Such instruments may take the form of equity or quasi-equity investments, loans or guarantees, or other risk-sharing instruments, and may, where appropriate, be combined with other forms of financial support ***or with funds under shared implementation*** or EDF funds;

27. ‘financial instruments’ means Union measures of financial support provided from the budget in order to address one or more specific policy objectives of the Union. Such instruments may take the form of equity or quasi-equity investments, loans or guarantees, or other risk-sharing instruments and may, where appropriate, be combined with other forms of financial support or EDF funds;

Justification

Combining EU level financial instruments with ESF, EGF and FEAD, which are funds under shared management, is not appropriate because these three funds are policy driven while financial instruments are demand driven.

Amendment 5

**Proposal for a regulation
Article 54 – paragraph 3**

Text proposed by the Commission

Amendment

3. ***Citizens may be consulted*** on the implementation of the Union budget by the Commission, Member States or any other entity implementing the Union budget.

3. ***An open, transparent and regular dialogue with citizens through their representative associations*** on the implementation of the Union budget ***shall be fostered and maintained*** by the Commission, Member States or any other entity implementing the Union budget.

Justification

It is important that article 11 TEU on consultation and dialogue with civil society is fully respected in the implementation of the EU budget.

Amendment 6

**Proposal for a regulation
Article 62 – paragraph 9**

Text proposed by the Commission

Amendment

9. Resources allocated to Member States under shared implementation may also be used in combination with operations and instruments carried out under Regulation 2015/1017 of the European Parliament and of the Council of 25 June 2015 on the European Fund for Strategic Investments, the European Investment Advisory Hub and the European Investment Project Portal and amending Regulations (EU) No 1291/2013 and (EU) No 1316/2013. *deleted*

Amendment 7

Proposal for a regulation Article 125

Text proposed by the Commission

Amendment

Article 125

deleted

Transfer of resources to instruments established under this Regulation or sector specific Regulations

Resources allocated to Member States under shared implementation may, at their request, be transferred to instruments established under this Regulation or under sector specific Regulations. The Commission shall implement these resources in accordance with point (a) or (c) of Article 61(1), where possible for the benefit of the Member State concerned. In addition resources allocated to Member States under shared implementation may at their request be used to enhance the risk-bearing capacity of the EFSI. In such cases, EFSI rules shall apply.

Justification

Such a transfer of resources would be in contradiction with policy objectives of the funds under shared management, favouring instead other financial instruments, EFSI and trust funds. Adding migration and refugees as priorities for ESIF and YEI extension increases needs for funding from the European Social Fund. Given that, and that ESF related measures are also supported by other ESIF, transfers from these funds to other objectives will hinder

the achievement of greater social cohesion and must not be considered. In addition, this text is totally inappropriate for the FEAD and EGF.

Amendment 8

Proposal for a regulation Article 175 – paragraph 8

Text proposed by the Commission

8. Beneficiaries may declare personnel costs for the work carried out by volunteers under an action or work programme, on the basis of unit costs authorised in accordance with paragraphs 1 to 6.

Amendment

8. Beneficiaries may declare personnel costs for the work carried out by volunteers under an action or work programme, on the basis of unit costs authorised in accordance with paragraphs 1 to 6. ***The engagement of volunteers is to be understood as unpaid, non-compulsory activity: time that individuals give without pay to activities performed through a not-for-profit organisation.***

Amendment 9

Proposal for a regulation Article 186 – paragraph 4

Text proposed by the Commission

4. In the case of operating grants, the grant agreement shall be signed within **six** months of the start of the beneficiary's financial year. Costs eligible for financing may neither have been incurred before the grant application was submitted nor before the start of the beneficiary's financial year.

Amendment

4. In the case of operating grants, the grant agreement shall be signed within **three** months of the start of the beneficiary's financial year. Costs eligible for financing may neither have been incurred before the grant application was submitted nor before the start of the beneficiary's financial year. ***The first instalment shall be paid to the beneficiary within two months after the signature of the grant agreement.***

Justification

The period of the signature of grant agreements by the COM should be reduced from 6 to 3 months of the start of the beneficiary's financial year. This would allow the COM to increase its efficiency in the programming cycle. It would also avoid putting in jeopardy the financial capacity of civil society organisations, esp. the smallest one. Six months for the signature of agreements plus 3 months for payment of the first instalment require most civil society

organisations to rely on bank loans.

Amendment 10

Proposal for a regulation Article 201 – paragraph 3

Text proposed by the Commission

3. Where financial instruments are implemented ***under shared implementation with Member States***, sector specific rules apply, ***without prejudice to subparagraph 2 of Article 208(2)***.

Amendment

3. Where financial instruments ***under ESI funds*** are implemented, sector specific rules apply.

Amendment 11

Proposal for a regulation Article 208 – paragraph 2 – subparagraph 2

Text proposed by the Commission

Where a financial instrument is established for the purpose of implementing Article 39 of Regulation (EU) No 1303/2013 with a contribution from a budgetary guarantee of the Union, ***this Title shall apply with the exception of Article 201(1)***. It shall be implemented in accordance with Article 61(1)(c).

Amendment

Where a financial instrument is established for the purpose of implementing Article 39 of Regulation (EU) No 1303/2013 with a contribution from a budgetary guarantee of the Union, ***the sector-specific rules of that Regulation shall apply***. It shall be implemented in accordance with Article 61(1)(c).

Amendment 12

Proposal for a regulation Article 210

Text proposed by the Commission

Article 210

Treatment of contributions under shared implementation

1. Separate records shall be kept for contributions to financial instruments established under this Section from funds under shared implementation.

2. Contributions from funds implemented

Amendment

deleted

under shared implementation shall be placed in separate accounts and used in accordance with the objectives of the respective funds to actions and final recipients consistent with the programme or programmes from which contributions are made.

3. As regards contributions from funds under shared implementation to financial instruments established under this Section, the sector specific rules shall apply. Notwithstanding the foregoing, Managing Authorities may rely on an existing ex-ante evaluation, carried out in accordance with point (h) of Article 202(1), prior to contributing to an existing financial instrument.

Justification

Management and implementation of financial instruments under ESIF should not be mixed up with those of other financial instruments at EU level. Otherwise it will create serious problems for beneficiaries and final recipients. Not all Funds which are implemented under shared management provide opportunity for establishing financial instruments. See Regulation (EU) No 223/2014 and Regulation (EU) No 1309/2013.

Amendment 13

Proposal for a regulation

Article 263 – paragraph 1 – point 1

Regulation (EU) No 1296/2013

Article 5 – paragraph 2

Text proposed by the Commission

Amendment

1. in Article 5, paragraph 2 is replaced by the following: *deleted*

‘2. The following indicative percentages shall apply on average over the whole period of the Programme to the axes set out in Article 3(1):

(a) at least 18% to the Progress axis;

(b) at least 18% to the EURES axis;

(c) at least 18% to the Microfinance and Social Entrepreneurship axis.’

Amendment 14

Proposal for a regulation

Article 263 – paragraph 1 – point 1 a (new)

Regulation (EU) No 1296/2013

Article 5 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

1a. in Article 5, the following paragraph is inserted:

‘2a. Appropriations for any of the three axes – Progress, EURES or Microfinance, and Social Entrepreneurship – or for their thematic priorities, which are unused at the end of a financial year, shall be carried forward to the following financial year. The indicative minima set out in paragraph 2(a), (b) and (c) shall not apply to those appropriations.’

Amendment 15

Proposal for a regulation

Article 263 – paragraph 1 – point 2

Regulation (EU) No 1296/2013

Article 14 – paragraph 1

Text proposed by the Commission

Amendment

1. The Progress axis shall support actions in one or more of the thematic sections listed in points (a), (b) and (c).

- (a) employment, in particular to fight youth unemployment;
- (b) social protection, social inclusion and the reduction and prevention of poverty;
- (c) working conditions.”

“1. The Progress axis shall support actions in one or more of the thematic sections listed in points (a), (b) and (c).

Over the entire period of the Programme, the indicative breakdown of the allocation set out in point (a) of Article 5(2) between the different sections shall respect the following minimum percentages:

- (a) employment, in particular to fight youth unemployment: **20 %**;
- (b) social protection, social inclusion and the reduction and prevention of poverty: **45 %**;
- (c) working conditions: **7 %**.

Any remainder shall be allocated to one or more of the thematic sections referred to in points (a), (b), or (c), or to a combination of them.”

Amendment 16

Proposal for a regulation

Article 263 – paragraph 1 – point 3

Regulation (EU) No 1296/2013

Article 19

Text proposed by the Commission

"Article 19

Thematic sections and financing

The EURES axis shall support actions in one or more of the thematic sections listed in points (a), (b) and (c):

- (a) transparency of job vacancies, applications and any related information for applicants and employers;
- (b) development of services for the recruitment and placing of workers in employment through the clearance of job vacancies and applications at Union level, in particular targeted mobility schemes;
- (c) cross-border partnerships

Amendment

"Article 19

Thematic sections and financing

The EURES axis shall support actions in one or more of the thematic sections listed in points (a), (b) and (c). ***Over the entire period of the Programme, the indicative breakdown of the allocation set out in point (b) of Article 5(2) between the different sections shall respect the following minimum percentages:***

- (a) transparency of job vacancies, applications and any related information for applicants and employers: ***15 %;***
- (b) development of services for the recruitment and placing of workers in employment through the clearance of job vacancies and applications at Union level, in particular targeted mobility schemes: ***15 %;***
- (c) cross-border partnerships: ***18 %.***

Any remainder shall be allocated to one or more of the thematic sections referred to in points (a), (b), or (c), or to a combination of them.”

Amendment 17

Proposal for a regulation

Article 263 – paragraph 1 – point 4

Regulation (EU) No 1296/2013

Article 25

Text proposed by the Commission

Amendment

"Article 25

"Article 25

Thematic sections and financing

Thematic sections and financing

The Microfinance and Social Entrepreneurship axis shall support actions in one or more of the thematic sections listed in points (a) and (b):

The Microfinance and Social Entrepreneurship axis shall support actions in one or more of the thematic sections listed in points (a) and (b). ***Over the entire period of the Programme, the indicative breakdown of the allocation set out in point (c) of Article 5(2) between the different sections shall respect the following minimum percentages:***

- (a) microfinance for vulnerable groups and micro-enterprises;
- (b) social entrepreneurship."

- (a) microfinance for vulnerable groups and micro-enterprises: **35 %**;
- (b) social entrepreneurship: **35 %**.

Any remainder shall be allocated to the thematic sections referred to in points (a) or (b) or to a combination of them."

Amendment 18

Proposal for a regulation

Article 263 – paragraph 1 – point 4 a (new)

Regulation (EU) No 1296/2013

Article 32

Present text

Amendment

"Article 32

"Article 32

Work Programmes

Work Programmes

The Commission shall adopt ***implementing*** acts laying down work programmes covering the three axes. Those ***implementing*** acts shall be adopted ***in accordance with the examination procedure referred to in Article 36(3)***.

1. The Commission shall adopt ***delegated*** acts ***in accordance with Article 34***, laying down work programmes covering the three axes.

The work programmes shall, where relevant, be for a three-year rolling period and shall contain a description of the actions to be financed, the procedures for selecting actions to be supported by the

The work programmes shall, where relevant, be for a three-year rolling period and shall contain a description of the actions to be financed, the procedures for selecting actions to be supported by the

Union, the geographic coverage, the target audience and an indicative implementation time frame. The work programmes shall also include an indication of the amount allocated to each specific objective and shall reflect the re-allocation of funds in accordance with Article 33. The work programmes shall reinforce the coherence of the Programme by indicating the links between the three axes."

Union, the geographic coverage, the target audience and an indicative implementation time frame. The work programmes shall also include an indication of the amount allocated to each specific objective, *as well as annual allocations to the three axes of the Programme and to the sections thereof*, and shall reflect the re-allocation of funds in accordance with Article 33. The work programmes shall reinforce the coherence of the Programme by indicating the links between the three axes.

2. *In order to ensure greater transparency and accountability, the competent committee of the European Parliament may invite the Commission to appear before the committee to discuss the draft work programme referred to in paragraph 1 before the Commission's adoption of the delegated act laying down the work programme.*"

Amendment 19

Proposal for a regulation

Article 263 – paragraph 1 – point 5

Regulation (EU) No 1296/2013

Article 33

Text proposed by the Commission

5. Article 33 is *deleted*.

Amendment

5. Article 33 is *replaced by the following*:

"Article 33

Re-allocation of funds between the axes and to the individual thematic sections within the axes

The Commission shall be empowered to adopt delegated acts, in accordance with Article 34, re-allocating funds between axes and to individual thematic sections within each axis where developments in the socio-economic context so require. The re-allocation of funds to thematic sections within each axis shall be reflected in the work programmes referred to in Article 32."

Justification

Amendment seeks to maintain the possibilities for reallocation of funds given by the existing regulation and the controls provided by the use of delegated acts. It simply deletes the percentages and the reference to the mid-term evaluation. Article 13(1) requires this evaluation to be carried out by 1 July 2017.

Amendment 20

Proposal for a regulation

Article 263 – paragraph 1 – point 5 a (new)

Regulation (EU) No 1296/2013

Article 34 – paragraph 2

Present text

2. The power to adopt delegated acts referred to in **Article 33** shall be conferred on the Commission for a period of seven years from 1 January 2014.

Amendment

5a. In Article 34, paragraph 2 is replaced by the following:

“2. The power to adopt delegated acts referred to in **Articles 32 and 33** shall be conferred on the Commission for a period of seven years from 1 January 2014.”

Amendment 21

Proposal for a regulation

Article 263 – paragraph 1 – point 5 b (new)

Regulation (EU) No 1296/2013

Article 34 – paragraph 3

Present text

3. The delegation of power referred to in **Article 33** may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of the power specified in that decision. It shall take effect the day following the publication of the decision in the Official Journal of the European Union or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.

Amendment

5b. In Article 34, paragraph 3 is replaced by the following:

“3. The delegation of power referred to in **Articles 32 and 33** may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of the power specified in that decision. It shall take effect the day following the publication of the decision in the Official Journal of the European Union or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.”

Amendment 22

Proposal for a regulation

Article 263 – paragraph 1 – point 5 c (new)

Regulation (EU) No 1296/2013

Article 34 – paragraph 5

Present text

5. A delegated act adopted pursuant to Article 33 shall enter into force only if no objection has been expressed either by the European Parliament or the Council within a period of two months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by two months at the initiative of the European Parliament or of the Council."

Amendment

5c. In Article 34, paragraph 5 is replaced by the following:

"5. A delegated act adopted pursuant to **Article 32 and** Article 33 shall enter into force only if no objection has been expressed either by the European Parliament or the Council within a period of two months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by two months at the initiative of the European Parliament or of the Council."

Amendment 23

Proposal for a regulation

Article 266 – paragraph 1 – point 1

Regulation (EU) No 1304/2013

Article 13 – paragraph 2 – subparagraph 1 a

Text proposed by the Commission

Where operations falling under point (a) of the first subparagraph also have a benefit for the programme area in which they are implemented, expenditure shall be allocated to these programme areas on a pro rata basis based on objective criteria ***other than the budget allocation to the programme areas.***

Amendment

Where operations falling under point (a) of the first subparagraph also have a benefit for the programme area in which they are implemented, expenditure shall be allocated to these programme areas on a pro rata basis based on objective criteria.

Amendment 24

Proposal for a regulation

Article 266 – paragraph 1 – point 2 – point -a (new)

Present text

Financial audit shall exclusively aim at verifying that the conditions for reimbursement by the Commission on the basis of standard scales of unit costs and lump sums have been fulfilled.

Amendment

(- a) in paragraph 1, the third subparagraph is replaced by the following:

‘Financial audit shall exclusively aim at verifying that the conditions for reimbursement by the Commission on the basis of standard scales of unit costs and lump sums have been fulfilled, ***without, however, delaying the steps in the funding allocation process or creating complications at this stage for fund managers or beneficiaries.***’

Amendment 25

Proposal for a regulation

Article 266 – paragraph 1 – point 2 – point a

Regulation (EU) No 1304/2013

Article 14 – paragraph 2

Text proposed by the Commission

(a) Paragraph 2 is deleted.

Amendment

deleted

Justification

COM shifts text on flat rate and lump sum financing from the ESF to the Common Provision Regulation. For user-friendliness for the ESF beneficiaries we insist that all simplified cost options are explained inside the ESF Regulation. For beneficiaries this is more user friendly and simpler.

Amendment 26

Proposal for a regulation

Article 266 – paragraph 1 – point 2 – point a a (new)

Regulation (EU) No 1304/2013

Article 14 – paragraph 3

Present text

Amendment

(aa) Paragraph 3 is replaced by the

3. In addition to the methods stipulated in Article 67(5) of Regulation (EU) No 1303/2013, where the public support for grants and repayable assistance does not exceed EUR **100 000**, the amounts referred to in Article 67(1)(b), (c) and (d) of Regulation (EU) No 1303/2013 may be established on a case-by-case basis by reference to a draft budget agreed ex ante by the managing authority.

following:

‘3. In addition to the methods stipulated in Article 67(5) of Regulation (EU) No 1303/2013, where the public support for grants and repayable assistance does not exceed EUR **150 000**, the amounts referred to in Article 67(1)(b), (c) and (d) of Regulation (EU) No 1303/2013 may be established on a case-by-case basis by reference to a draft budget agreed ex ante by the managing authority.’

Amendment 27

Proposal for a regulation

Article 266 – paragraph 1 – point 2 – point a b (new)

Regulation (EU) No 1304/2013

Article 14 – paragraph 3 a (new)

Text proposed by the Commission

Amendment

(ab) The following paragraph is inserted:

‘3a. Member States and their local authorities may apply to the European Parliament and the Council for a derogation in relation to the ceilings for public support and to de minimis aid. Such applications may only be submitted in exceptionally serious economic circumstances. The derogation procedure shall be similar to that used for providing a financial contribution from the EGF. The European Parliament shall act by a majority of its component members and three-fifths of the votes cast and the Council shall act by qualified majority.’

Amendment 28

Proposal for a regulation

Article 266 – paragraph 1 – point 2 – point b

Regulation (EU) No 1304/2013

Article 14 – paragraph 4

Text proposed by the Commission

Amendment

(b) Paragraph 4 is deleted.

deleted

Justification

COM shifts text on flat rate and lump sum financing from the ESF to the Common Provision Regulation. For user-friendliness for the ESF beneficiaries we insist that all simplified cost options are explained inside the ESF Regulation. For beneficiaries this is more user friendly and simpler.

Amendment 29

Proposal for a regulation

Article 266 – paragraph 1 – point 3

Regulation (EU) No 1304/2013

Annex 1 – paragraph 1 – subparagraph 4 – indent 3

Text proposed by the Commission

Amendment

- ***participants who live in jobless households**** ***deleted***

Justification

Beneficiary organisations have informed us that participants feel uncomfortable with giving information on third persons, in this case household members. We support their request to remove them from the reporting.

Amendment 30

Proposal for a regulation

Article 266 – paragraph 1 – point 3

Regulation (EU) No 1304/2013

Annex 1 – paragraph 1 – subparagraph 4 – indent 4

Text proposed by the Commission

Amendment

- ***participants who live in jobless households with dependent children**** ***deleted***

Justification

The collection of information on third persons that live in a household can be sensitive and is therefore usually not specified by participants.

Amendment 31

Proposal for a regulation

Article 266 – paragraph 1 – point 3

Regulation (EU) No 1304/2013

Annex 1 – paragraph 1 – subparagraph 4 – indent 5

Text proposed by the Commission

Amendment

– ***participants who live in a single adult household with dependent children****, ***deleted***

Justification

The collection of information on third persons that live in a household can be sensitive and is therefore usually not specified by participants.

Amendment 32

Proposal for a regulation

Article 266 – paragraph 1 – point 3

Regulation (EU) No 1304/2013

Annex I – point 1 – subparagraph 5

Text proposed by the Commission

Amendment

5. The data on participants under the two ***first*** above indicators will be provided in the annual implementation reports as specified in Article 50(4) of Regulation (EU) No 1303/2013. The data ***on participants under the last three above indicators will be provided in the reports as specified in Article 50(5) of Regulation (EU) No 1303/2013. The data of the five*** indicators above shall be collected based on a representative sample of participants within each investment priority. Internal validity shall be ensured in such a way that the data can be generalised at the level of the investment priority.

5. The data on participants under the two above indicators will be provided in the annual implementation reports as specified in Article 50(4) of Regulation (EU) No 1303/2013. The data ***of the two*** indicators above shall be collected based on a representative sample of participants within each investment priority. Internal validity shall be ensured in such a way that the data can be generalised at the level of the investment priority.

Justification

Technical amendment made necessary by the proposed deletion of the previous three indents. See previous amendments for further explanations about the said deletions.

Amendment 33

Proposal for a regulation

Article 271 – paragraph 1 – point -1 (new)

Regulation (EU) No 1309/2013

Article 4 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

-1. In Article 4, the following paragraph is added:

‘2a. Given that SMEs are the main or only types of business in certain regions and sectors, the applicant Member State may apply for EGF assistance for a group of businesses in the same sector or the same region.’

Amendment 34

Proposal for a regulation

Article 271 – paragraph 1 – point 1

Regulation (EU) No 1309/2013

Article 6 – paragraph 2

Text proposed by the Commission

Amendment

2. By way of derogation from Article 2, applicant Member States may provide personalised services co-financed by the EGF to up to a number of NEETs under the age of 25, or where Member States so decide under the age of 30, on the date of submission of the application, equal to the number of targeted beneficiaries, as a priority to persons made redundant or whose activity has ceased, provided that at least some of the redundancies within the meaning of Article 3 occur in NUTS 2 level regions that had youth unemployment rates for young persons aged 15 to 24 of **more than 25 % in 2012 and, for Member States where the youth unemployment rate had increased by more than 30 % in 2012, NUTS level 2 regions that had youth unemployment rates of more than 20 % in 2012.** The support may be rendered to NEETs under the age of 25, or

2. By way of derogation from Article 2, applicant Member States may provide personalised services co-financed by the EGF to up to a number of NEETs under the age of 25, or where Member States so decide under the age of 30, on the date of submission of the application, equal to the number of targeted beneficiaries, as a priority to persons made redundant or whose activity has ceased, provided that at least some of the redundancies within the meaning of Article 3 occur in NUTS 2 level regions that had youth unemployment rates for young persons aged 15 to 24 of **at least 20 % in the reference year, being two years prior to the date of submission of the application for EGF support (“N-2”).** The support may be rendered to NEETs under the age of 25, or where Member States so decide under the age of 30, in those NUTS 2 level regions that had youth

where Member States so decide under the age of 30, in those NUTS 2 level regions that had youth unemployment rates for young persons aged 15 to 24 of ***more than 25 % in 2012 and, for Member States where the youth unemployment rate had increased by more than 30 % in 2012, NUTS level 2 regions that had youth unemployment rates of more than 20 % in 2012.***

unemployment rates for young persons aged 15 to 24 of ***at least 20 % in N-2.***

Amendment 35

Proposal for a regulation

Article 271 – paragraph 1 – point 3

Regulation (EU) No 1309/2013

Article 15 – paragraph 4 – subparagraph 2

Text proposed by the Commission

Transfers related to the EGF shall be made in accordance with Article 30(5) of the Financial Regulation.

Amendment

Transfers related to the EGF shall be made in accordance with Article 30(5) of the Financial Regulation, ***within a period of no more than seven days from the date of adoption of the relevant act by the European Parliament and by the Council.***

Amendment 36

Proposal for a regulation

Article 273 – paragraph 1 – point 1 a (new)

Regulation (EU) No 223/2014

Article 25 – paragraph 1 – point c

Present text

(c) lump sums not exceeding EUR ***100 000*** of public support;

Amendment

1a. In Article 25(1), point (c) is replaced by the following:

‘(c) lump sums not exceeding EUR ***150 000*** of public support;’

Amendment 37

Proposal for a regulation

Article 273 – paragraph 1 – point 1 b (new)

Present text

(d) a case-by-case basis by reference to a draft budget agreed ex ante by the managing authority, where public support does not exceed EUR **100 000**.

Amendment

1b. In Article 25(3), point (d) is replaced by the following:

‘(d) a case-by-case basis by reference to a draft budget agreed ex ante by the managing authority, where public support does not exceed EUR **150 000**.’

Amendment 38

Proposal for a regulation

Article 273 – paragraph 1 – point 6

Regulation (EU) No 223/2014

Article 42 – paragraph 3 – introductory part

Text proposed by the Commission

3. The payment deadline referred to in paragraph 2 may be **suspended** by the managing authority in either of the following duly justified cases:

Amendment

3. The payment deadline referred to in paragraph 2 may be **interrupted** by the managing authority in either of the following duly justified cases:

PROCEDURE – COMMITTEE ASKED FOR OPINION

Title	Financial rules applicable to the general budget of the Union	
References	COM(2016)0605 – C8-0372/2016 – 2016/0282(COD)	
Committees responsible Date announced in plenary	BUDG 21.11.2016	CONT 21.11.2016
Opinion by Date announced in plenary	EMPL 21.11.2016	
Associated committees - date announced in plenary	19.1.2017	
Rapporteur Date appointed	Jérôme Lavrilleux 6.12.2016	
Rule 55 – Joint committee procedure Date announced in plenary	19.1.2017	
Discussed in committee	28.2.2017	22.3.2017
Date adopted	15.5.2017	
Result of final vote	+: 41 -: 3 0: 8	
Members present for the final vote	Guillaume Balas, Tiziana Beghin, Brando Benifei, Mara Bizzotto, Enrique Calvet Chambon, David Casa, Ole Christensen, Martina Dlabajová, Lampros Fountoulis, Elena Gentile, Marian Harkin, Czesław Hoc, Agnes Jongerius, Rina Ronja Kari, Jan Keller, Ádám Kósa, Agnieszka Kozłowska-Rajewicz, Kostadinka Kuneva, Jean Lambert, Jérôme Lavrilleux, Patrick Le Hyaric, Verónica Lope Fontagné, Javi López, Thomas Mann, Dominique Martin, Joëlle Mélin, Emilian Pavel, Georgi Pirinski, Terry Reintke, Sofia Ribeiro, Robert Rochefort, Claude Rolin, Anne Sander, Sven Schulze, Romana Tomc, Yana Toom, Marita Ulvskog, Jana Žitňanská	
Substitutes present for the final vote	Michèle Alliot-Marie, Maria Arena, Amjad Bashir, Rosa D'Amato, Krzysztof Hetman, Miapetra Kumpula-Natri, Paloma López Bermejo, Edouard Martin, Jasenko Selimovic, Helga Stevens, Neoklis Sylikiotis, Monika Vana, Tom Vandenkendelaere	
Substitutes under Rule 200(2) present for the final vote	Marc Joulaud	

FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

41	+
ALDE	Enrique Calvet Chambon, Martina Dlabajová, Marian Harkin, Robert Rochefort, Jasenko Selimovic, Yana Toom
ECR	Amjad Bashir, Czesław Hoc, Helga Stevens, Jana Žitňanská
PPE	Michèle Alliot-Marie, David Casa, Krzysztof Hetman, Marc Joulaud, Agnieszka Kozłowska-Rajewicz, Ádám Kósa, Jérôme Lavrilleux, Verónica Lope Fontagné, Thomas Mann, Sofia Ribeiro, Claude Rolin, Anne Sander, Sven Schulze, Romana Tomc, Tom Vandenkendelaere
S&D	Maria Arena, Guillaume Balas, Brando Benifei, Ole Christensen, Elena Gentile, Agnes Jongerius, Jan Keller, Miapetra Kumpula-Natri, Javi López, Edouard Martin, Emilian Pavel, Georgi Pirinski, Marita Ulvskog
VERTS/ALE	Jean Lambert, Terry Reintke, Monika Vana

3	-
ENF	Dominique Martin, Joëlle Mélin
NI	Lampros Fountoulis

8	0
EFDD	Tiziana Beghin, Rosa D'Amato
ENF	Mara Bizzotto
GUE/NGL	Rina Ronja Kari, Kostadinka Kuneva, Patrick Le Hyaric, Paloma López Bermejo, Neoklis Sylikiotis

Key to symbols:

+ : in favour

- : against

0 : abstention