

	
EUROPEAN PARLIAMENT	2009 - 2014

Plenary sitting

A7-0274/2013

19.7.2013

*****I**

REPORT

on the amended proposal for a regulation of the European Parliament and of the Council 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 covered by the Common Strategic Framework and laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and repealing Council Regulation (EC) No 1083/2006
(COM(2013)0246 – C7-0107/2013 – 2011/0276(COD))

Committee on Regional Development

Rapporteurs: Lambert van Nistelrooij, Constanze Angela Krehl

Rapporteur for the opinion (*):
Ádám Kósa, Committee on Employment and Social Affairs

(*) Associated committee – Rule 50 of the Rules of Procedure

Symbols for procedures

- * Consultation procedure
- *** Consent procedure
- ***I Ordinary legislative procedure (first reading)
- ***II Ordinary legislative procedure (second reading)
- ***III Ordinary legislative procedure (third reading)

(The type of procedure depends on the legal basis proposed by the draft act.)

Amendments to a draft act

In amendments by Parliament, amendments to draft acts are highlighted in ***bold italics***. Highlighting in *normal italics* is an indication for the relevant departments showing parts of the draft act which may require correction when the final text is prepared – for instance, obvious errors or omissions in a language version. Suggested corrections of this kind are subject to the agreement of the departments concerned.

The heading for any amendment to an existing act that the draft act seeks to amend includes a third line identifying the existing act and a fourth line identifying the provision in that act that Parliament wishes to amend. Passages in an existing act that Parliament wishes to amend, but that the draft act has left unchanged, are highlighted in **bold**. Any deletions that Parliament wishes to make in such passages are indicated thus: [...].

CONTENTS

	Page
DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION	5
EXPLANATORY STATEMENT	385
OPINION OF THE COMMITTEE ON EMPLOYMENT AND SOCIAL AFFAIRS*	388
OPINION OF THE COMMITTEE ON BUDGETS	528
OPINION OF THE COMMITTEE ON BUDGETARY CONTROL	558
OPINION OF THE COMMITTEE ON ECONOMIC AND MONETARY AFFAIRS.....	589
OPINION OF THE COMMITTEE ON THE ENVIRONMENT, PUBLIC HEALTH AND FOOD SAFETY	609
OPINION OF THE COMMITTEE ON INDUSTRY, RESEARCH AND ENERGY	640
OPINION OF THE COMMITTEE ON TRANSPORT AND TOURISM.....	691
OPINION OF THE COMMITTEE ON AGRICULTURE AND RURAL DEVELOPMENT	729
OPINION OF THE COMMITTEE ON FISHERIES	761
OPINION OF THE COMMITTEE ON CULTURE AND EDUCATION	779
OPINION OF THE COMMITTEE ON WOMEN'S RIGHTS AND GENDER EQUALITY	789
PROCEDURE.....	819

(*) Associated committee – Rule 50 of the Rules of Procedure

DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION

on the amended proposal for a regulation of the European Parliament and of the Council 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 covered by the Common Strategic Framework and laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and repealing Council Regulation (EC) No 1083/2006 (COM(2013)0246 – C7-0107/2013 – 2011/0276(COD))

(Ordinary legislative procedure: first reading)

The European Parliament,

- having regard to the Commission proposal to Parliament and the Council (COM(2011)0615) and the amended COM proposals (COM (2012)0496, COM(2013)0146 and COM(2013)0246,
- having regard to Article 294(2) and Article 177 of the Treaty on the Functioning of the European Union, pursuant to which the Commission submitted the proposal to Parliament (C7-0107/2013),
- having regard to Article 294(3) of the Treaty on the Functioning of the European Union,
- having regard to the reasoned opinion submitted, within the framework of Protocol No 2 on the application of the principles of subsidiarity and proportionality, by the Italian Senate, asserting that the draft legislative act does not comply with the principle of subsidiarity
- having regard to the opinions of the European Economic and Social Committee of 25 April 2012, 12 December 2012 and 22 May 2013¹,
- having regard to the opinion of the Committee of the Regions of 3 May 2012²,
- having regard to the opinion of the Court of Auditors of 15 December 2011³,
- having regard to Rule 55 of its Rules of Procedure,
- having regard to the report of the Committee on Regional Development and the opinions of the Committee on Employment and Social Affairs and of the Committee on Budgets, Committee on Budgetary Control, Committee on Economic and Monetary Affairs, Committee on Environment, Public Health and Food Safety, the Committee on Industry, Research and Energy, the Committee on Transport and Tourism, the Committee on

¹ OJ C 191, 29.6.2012, p. 30, OJ C 44, 15.2.2013, p. 76, not yet published in the Official Journal.

² OJ C 225, 27.7.2012, p. 58.

³ OJ C 47, 17.2.2011, p. 1.

Agriculture and Rural Development, the Committee on Fisheries, the Committee on Culture and Education and the Committee on Women's Rights and Gender Equality (A7-0274/2013),

1. Adopts its position at first reading hereinafter set out;
2. Calls on the Commission to refer the matter to Parliament again if it intends to amend its proposal substantially or replace it with another text;
3. Instructs its President to forward its position to the Council, the Commission and the national parliaments.

Amendment 1

Proposal for a regulation

Title 1 – title

Text proposed by the Commission

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL 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 *covered by the **Common Strategic Framework*** and laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and repealing Council Regulation (EC) No 1083/2006

Amendment

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL 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 and the Cohesion Fund and repealing Regulation (EC) No 1083/2006

Amendment 2

Proposal for a regulation

Recital 1

Text proposed by the Commission

(1) Article 174 of the Treaty provides that, in order to strengthen its economic, social and territorial cohesion, the Union shall aim at reducing disparities between the levels of development of the various regions and the backwardness of the least

Amendment

(1) Article 174 of the Treaty provides that, in order to strengthen its economic, social and territorial cohesion, the Union shall aim at reducing disparities between the levels of development of the various regions and the backwardness of the least

favoured regions or islands, particular rural areas, areas affected by industrial transition, and regions which suffer from severe and permanent natural or demographic handicaps. Article 175 of the Treaty requires that the Union would support the achievement of these objectives by action it takes through the European Agricultural Guidance and Guarantee Fund, Guidance Section, the European Social Fund, the European Regional Development Fund, the European Investment Bank and other instruments.

favoured regions or islands, particular ***attention shall be paid to*** rural areas, areas affected by industrial transition, and regions which suffer from severe and permanent natural or demographic handicaps ***inter alia, outermost regions, northernmost regions with very low population density and island, cross-border and mountain regions.*** Article 175 of the Treaty requires that the Union would support the achievement of these objectives by action it takes through the European Agricultural Guidance and Guarantee Fund, Guidance Section, the European Social Fund, the European Regional Development Fund, the European Investment Bank and other instruments.

Amendment 3

Proposal for a regulation Recital 1 a (new)

Text proposed by the Commission

Amendment

(1a) Regulation ((EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the annual budget of the Union¹ lays down the general principles with regard to the implementation of the annual budget of the Union. It is necessary to ensure consistency between that Regulation and the provisions governing this Regulation.

¹ OJ L 298, 26.10.2012, p. 1.

Amendment 4

Proposal for a regulation Recital 2

Text proposed by the Commission

(2) In line with the conclusions of the European Council of 17 June 2010, whereby the Union strategy for smart, sustainable and inclusive growth was adopted, the Union and Member States should implement the delivery of smart, sustainable and inclusive growth, while promoting harmonious development of the Union and reducing regional disparities.

Amendment

(2) In line with the conclusions of the European Council of 17 June 2010, whereby the Union strategy for smart, sustainable and inclusive growth was adopted, the Union and Member States should implement the delivery of smart, sustainable and inclusive growth, while promoting harmonious development of the Union and reducing regional disparities.
Cohesion policy plays a predominant role for the accomplishment of the EU 2020 objectives and a sound autonomous cohesion policy is a prerequisite for a successful implementation of this strategy.

Amendment 5

Proposal for a regulation Recital 5

Text proposed by the Commission

(5) The outermost regions should benefit from specific measures **and** additional funding to offset the handicaps resulting from the factors referred to in Article 349 of the Treaty.

Amendment

(5) The outermost regions should benefit from specific **effective** measures **as well as sufficient** additional funding to **take into consideration the remoteness, insularity, social and economic structural circumstances and to** offset the handicaps resulting from the factors referred to in Article 349 of the Treaty.

Amendment 6

Proposal for a regulation Recital 9

Text proposed by the Commission

(9) For the Partnership **Contract** and each

Amendment

(9) For the Partnership **Agreement** and

programme respectively, a Member State should organise a partnership with the representatives of competent regional, local, urban and other public authorities, economic and social partners, and bodies representing civil society, including environmental partners, non-governmental organisations, and bodies responsible for promoting equality and non-discrimination. The purpose of such a partnership is to respect the *principle* of multi-level governance, ensure the ownership of planned interventions by stakeholders and build on the experience and know-how of relevant actors. The *Commission* should be empowered to adopt delegated *acts* providing for a code of conduct in order to ensure *that* partners *are involved* in the preparation, implementation, monitoring and evaluation of Partnership *Contracts* and programmes in a consistent manner.

each programme respectively, a Member State should organise a partnership with the representatives of competent regional, local, urban and other public authorities, economic and social partners and *other* bodies representing civil society, including environmental partners, non-governmental organisations and bodies responsible for promoting equality and non-discrimination, *including, where appropriate, the "umbrella organisations" of such bodies, authorities and organisations.* The purpose of such a partnership is to respect the *principles* of multi-level governance, *but also of subsidiarity and proportionality and the specificities of the Member States' different legal and institutional frameworks as well as to* ensure the ownership of planned interventions by stakeholders and build on the experience and *the* know-how of relevant actors. The *Member States should identify the most representative relevant partners, who should include the institutions, organisations and groups which can influence the preparation or be affected by the preparation and implementation of the programmes. In this context Member States may also identify, where appropriate, as relevant partners, "umbrella organisations" which are the associations, federations or confederations of relevant local, regional and urban authorities or other bodies in accordance with applicable national law and practice.* The *Commission* should be empowered to adopt *a* delegated *act* providing for a code of conduct in order to *facilitate Member States the implementation of partnership with regard to* ensure *the involvement of relevant* partners in the preparation, implementation, monitoring and evaluation of Partnership *Agreements* and programmes in a consistent manner. *The adopted delegated act should have under no circumstances and in no way of its interpretation retroactive effect or be the*

basis to establish irregularities leading to financial corrections. The adopted delegated act should not enter into force earlier than the day of its adoption after the entry into force of this Regulation. The adopted delegated act should allow Member States to determine on the most appropriate modalities for implementing the partnership in accordance with their institutional and legal framework as well as their national and regional competences, provided that its objectives, as laid down in this Regulation, are achieved.

Amendment 7

Proposal for a regulation Recital 11

Text proposed by the Commission

(11) In the context of its effort to increase economic, territorial and social cohesion, the Union should, at all stages of implementation of the **CSF** Funds, aim **at eliminating** inequalities and **promoting** equality between **men and** women, **as well as combating** discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation.

Amendment

(11) In the context of its effort to increase economic, territorial and social cohesion, the Union should, at all stages of implementation of the **European Structural and Investment** Funds, aim **to eliminate** inequalities and **ensure** equality between women **and men both through systematic integration of gender aspects in the programming and the implementation process, and through specific measures in accordance with the Union Strategy for equality between women and men. During that implementation, the Union should also aim to combat** discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation **as set out in Article 2 of the Treaty on the European Union, Article 10 of the Treaty on the Functioning of the European Union and Article 21 of the Charter of Fundamental Rights.**

Amendment 8

Proposal for a regulation Recital 12

Text proposed by the Commission

(12) The objectives of the **CSF** Funds should be pursued in the framework of sustainable development and the Union's promotion of the aim of protecting and improving the environment as set out in **Article 11** and **19** of the Treaty, taking into account the polluter pays principle. **The** Member States should provide information on the support for climate change objectives in line with the ambition to devote at least 20% of the Union budget **to this end**, using a methodology adopted by the Commission by implementing act.

Amendment

(12) The objectives of the **European Structural and Investment** Funds should be pursued in the framework of sustainable development and the Union's promotion of the aim of **preserving**, protecting and improving the **quality of the** environment as set out in **Articles 11** and **191(1)** of the Treaty, taking into account the polluter pays principle. **To this end the** Member States should provide information on the support for climate change objectives in line with the ambition to devote at least 20% of the Union budget using a methodology **based on the categories of intervention or measures** adopted by the Commission by implementing act.

Amendment 9

Proposal for a regulation Recital 13

Text proposed by the Commission

(13) In order to achieve the targets and objectives of the Union strategy for smart, sustainable and inclusive growth, the **CSF** Funds should focus their support on a limited number of common thematic objectives. The precise scope of each of the **CSF** Funds should be set out in Funds-specific rules and may be limited to only some of the thematic objectives defined in this Regulation.

Amendment

(13) In order to achieve the targets and objectives of the Union strategy for smart, sustainable and inclusive growth, the **European Structural and Investment** Funds should focus their support on a limited number of common thematic objectives, **which leave sufficient scope for flexibility in order to accommodate the specific needs of regions and give adequate responses to them**. The precise scope of each of the **European Structural and Investment** Funds should be set out in Funds-specific rules and may be limited to only some of the thematic objectives defined in this Regulation.

Amendment 10

Proposal for a regulation

Recital 14

Text proposed by the Commission

(14) In order to maximise the contribution of the **CSF** Funds and to provide **clear** strategic **direction to** the programming process at the level of Member States and the regions, a Common Strategic Framework should be established. The Common Strategic Framework should facilitate sectoral and territorial coordination of Union intervention under the **CSF** Funds and with other relevant Union policies and instruments.

Amendment

(14) In order to maximise the contribution of the **European Structural and Investment** Funds and to provide strategic **guiding principles to facilitate** the programming process at the level of Member States and the regions, a Common Strategic Framework should be established. The Common Strategic Framework should facilitate **as well the** sectoral and territorial coordination of Union intervention under the **European Structural and Investment** Funds and with other relevant Union policies and instruments **in line with the objectives defined in the Treaty and the targets of the Union strategy for smart, sustainable and inclusive growth, taking into account the key territorial challenges. The Common Strategic Framework should be set out in an annex to this Regulation.**

Amendment 11

Proposal for a regulation

Recital 15

Text proposed by the Commission

(15) The Common Strategic Framework should therefore set out **the means to achieve coherence and consistency with the economic policies of Member States and the Union, coordination mechanisms among the CSF Funds and with other relevant Union policies and instruments, horizontal principles and cross-cutting policy objectives, the arrangements to address territorial challenges, indicative actions of high European added value and corresponding principles for delivery,**

Amendment

(15) The Common Strategic Framework should therefore set out **mechanisms on how the European Structural and Investment Funds will contribute to the objectives and targets of the Union's strategy for smart, sustainable and inclusive growth, the arrangements to address key territorial challenges, the arrangements to promote the integrated use of European Structural and Investment Funds, horizontal principles and cross-cutting policy objectives, and**

and priorities for cooperation.

the means for coordination with other relevant Union policies and cooperation activities.

Amendment 12

Proposal for a regulation Recital 15 a (new)

Text proposed by the Commission

Amendment

(15a) Member States and regions increasingly face challenges that relate to the impact of globalisation, environmental and energy concerns, population ageing and demographic shifts, technological transformation and innovation demands, and social inequality. Due to the complex and interrelated nature of these challenges, the solutions supported by the European Structural and Investment Funds should be integrated, multi-sectoral and multi-dimensional. In this context, and in order to increase the effectiveness and efficiency of the policies, it should be possible for the ESI Funds to be combined into integrated packages which are tailor-made to fit the specific territorial needs.

Amendment 13

Proposal for a regulation Recital 15 b (new)

Text proposed by the Commission

Amendment

(15b) The combination of a shrinking working population and an increasing proportion of retired people in the general population as well as the problems associated with population dispersion, will continue to place strains, inter alia, on Member States' education and social support structures and thus on the Union's economic competitiveness.

Adapting to such demographic changes constitutes one of the core challenges facing Member States and regions in the years to come, and as such should be given a particularly high level of consideration for the regions most affected by demographic change.

Amendment 14

Proposal for a regulation

Recital 16

Text proposed by the Commission

(16) On the basis of the Common Strategic Framework, each Member State should prepare, in cooperation with its partners and in dialogue with the Commission, a Partnership **Contract**. The Partnership **Contract** should translate the elements set out in the Common Strategic Framework into the national context and set out firm commitments to the achievement of Union objectives through the programming of the **CSF** Funds.

Amendment

(16) On the basis of the Common Strategic Framework, each Member State should prepare, in cooperation with its partners *as referred to in Article 5 of this Regulation*, and in dialogue with the Commission, a Partnership **Agreement**. The Partnership **Agreement** should translate the elements set out in the Common Strategic Framework into the national context and set out firm commitments to the achievement of Union objectives through the programming of the **European Structural and Investment** Funds. *The Partnership Agreement should set out arrangements to ensure alignment with the Union strategy for smart, sustainable and inclusive growth as well as the Fund-specific missions pursuant to their Treaty-based objectives, arrangements to ensure effective implementation and arrangements for the partnership principle and an integrated approach to territorial development.*

Amendment 15

Proposal for a regulation Recital 17

Text proposed by the Commission

(17) Member States should concentrate support to ensure a significant contribution to the achievement of Union objectives in line with their specific national and regional development *needs*. Ex ante conditionalities should be defined to ensure that the necessary framework conditions for the effective use of Union support are in place. ***The fulfilment of those ex ante conditionalities should be assessed by the Commission*** in the framework of its assessment of the Partnership *Contract* and programmes. In cases where there is a failure to fulfil an ex ante conditionality, the Commission should have the power to suspend payments to the programme.

Amendment

(17) Member States should concentrate support to ensure a significant contribution to the achievement of Union objectives in line with their specific national and regional ***needs for sustainable*** development. Ex ante conditionalities should be defined to ensure that the necessary framework conditions for the effective use of Union support are in place. ***An ex ante conditionality should be applied only where it has a direct link to and impact on the effective implementation of the European Structural and Investment Funds. The Commission should assess the information provided by Member States on the fulfilment of ex ante conditionalities*** in the framework of its assessment of the Partnership *Agreement* and programmes. In cases where there is a failure to fulfil an ex ante conditionality, the Commission should have the power to suspend payments to the programme, ***in accordance with Fund-specific rules.***

Amendment 16

Proposal for a regulation Recital 18

Text proposed by the Commission

(18) A performance framework should be defined for each programme with a view to monitoring progress towards the objectives and targets set for each programme over the course of the programming period. The Commission should undertake a performance review in cooperation with the Member States in 2017 and 2019. *A*

Amendment

(18) A performance framework should be defined for each programme with a view to monitoring progress towards the objectives and targets set for each programme over the course of the programming period. The Commission should undertake a performance review in cooperation with the Member States in 2017 and 2019. ***In***

performance *reserve should be foreseen and allocated in 2019 where milestones set in the performance framework have been attained. Due to their diversity and multi-country character, there should be no performance reserve for 'European Territorial Cooperation' programmes. In cases where the shortfall in the achievement of milestones or targets is significant*, the Commission should be able to suspend *payments to the programme or, at the end of the programming period, apply financial corrections*, in order to ensure that the Union budget is not used in a wasteful or inefficient way.

cases where, as a result of a performance review, there is evidence that a priority failed to achieve the milestones set out in the performance framework, the Commission should call upon the Member State to propose amendments to the relevant programme and when the Member State fails to respond satisfactorily within 3 months, the Commission should be able to suspend all or part of an interim payment of a priority of a programme, in order to ensure that the Union budget is not used in a wasteful or inefficient way. The suspension should be lifted as soon as the Member State takes the necessary action.

Amendment 17

Proposal for a regulation Recital 18 a (new)

Text proposed by the Commission

Amendment

(18a) Following the conclusions of the European Council of 28 and 29 June 2012, public expenditure of Member States assigned as co-financing for the programmes financed by the European Structural and Investment Funds, should not be taken into consideration in the calculation of the deficit of the Member State concerned.

Amendment 18

Proposal for a regulation Recital 19

Text proposed by the Commission

Amendment

(19) Establishing a closer link between cohesion policy and the economic governance of the Union will ensure that the effectiveness of expenditure under the *CSF* Funds is underpinned by sound

(19) Establishing a closer link between cohesion policy and the economic governance of the Union will ensure that the effectiveness of expenditure under the *European Structural and Investment*

economic policies and that the *CSF* Funds can, if necessary, be redirected to addressing the economic problems a country is facing. ***This process has to be gradual, starting with amendments to the Partnership Contract and to the programmes in support of Council recommendations to address macroeconomic imbalances and social and economic difficulties. Where, despite the enhanced use of CSF Funds, a Member State fails to take effective action in the context of the economic governance process, the Commission should have the right to suspend all or part of the payments and commitments. Decisions on suspensions should be proportionate and effective, taking into account the impact of the individual programmes for addressing the economic and social situation in the relevant Member State and previous amendments to the Partnership Contract. When deciding on suspensions, the Commission should also respect equality of treatment between Member States, taking into account in particular the impact of the suspension on the economy of the Member State concerned. The suspensions should be lifted and funds be made available again to the Member State concerned as soon as the Member State takes the necessary action.***

Amendment 19

Proposal for a regulation

Recital 20

Text proposed by the Commission

(20) In order to ensure focus on the achievement of the Union strategy for smart, sustainable and inclusive growth, common elements should be defined for all programmes. In order to ensure the consistency of programming

Funds is underpinned by sound economic policies and that the ***European Structural and Investment*** Funds can, if necessary, be redirected to addressing the economic problems a country is facing.

Conditionality provisions deriving from the Growth and Stability Pact should apply to the CF in relation to the fulfilment of economic governance conditions. This process has to be gradual, starting with amendments to the Partnership Agreement and to the programmes in support of Council recommendations to address macroeconomic imbalances and social and economic difficulties.

Amendment

(20) The European Structural and Investment Funds should be implemented through programmes covering the programming period in accordance with the Partnership Agreement. Programmes should be drawn up by Member States

arrangements for the CSF Funds, the procedures for adoption and amendment of programmes should be aligned.

Programming should ensure consistency with the Common Strategic Framework and Partnership *Contract*, coordination of *the CSF Funds between themselves* and with the other existing financial instruments and the European Investment Bank.

following transparent procedures, in accordance with the institutional and legal framework of each Member State. Member States and the Commission should cooperate to ensure coordination and consistency of programming arrangements for the European Structural and Investment Funds. As the content of programmes is closely interlinked with that of the Partnership Agreement, the programmes should be submitted, at the latest, within three months of the submission of the Partnership Agreement. A longer deadline should be foreseen for the submission of European territorial cooperation programmes in order to take into account the multi-country character of those programmes. In particular a distinction should be made between the core elements of the Partnership Agreement and programmes which should be subject to a Commission decision and other elements which are not covered by the Commission decision and may be amended under the responsibility of the Member State.

Programming should ensure consistency with the Common Strategic Framework and Partnership *Agreement*, coordination *between the European Structural and Investment Funds* and with the other existing financial instruments and the *input of the* European Investment Bank *if relevant.*

Amendment 20

Proposal for a regulation Recital 20 a (new)

Text proposed by the Commission

Amendment

(20a) In order to optimise the added value from investments funded wholly or in part through the general budget of the Union in the field of research and innovation, synergies will be sought in particular

between the operation of the European Structural and Investment Funds and Horizon 2020 whilst respecting their distinct objectives. Key mechanisms for achieving these synergies will be the recognition of flat rates for eligible costs from Horizon 2020 for a similar operation and beneficiary and the possibility to combine funding from different Union instruments, including European Structural and Investment Funds and Horizon 2020, in the same operation while avoiding double financing. In order to strengthen the research and innovation capacities of national and regional actors and to achieve the goal of building a "Stairway to excellence" in less developed regions, close synergies should be developed between the European Structural and Investment Funds and Horizon 2020 in all relevant programme priorities.

Amendment 21

Proposal for a regulation

Recital 21

Text proposed by the Commission

(21) Territorial cohesion has been added to the goals of economic and social cohesion by the Treaty, and it is necessary to address the role of cities, functional geographies and sub-regional areas facing specific geographical or demographic problems. To this end, to better mobilise potential at a local level, it is necessary to strengthen and facilitate community-led local development by laying down common rules and close coordination for all **CSF** Funds. Responsibility for the implementation of local development strategies should be given to local action groups representing the interests of the community, as an essential principle.

Amendment

(21) Territorial cohesion has been added to the goals of economic and social cohesion by the Treaty, and it is necessary to address the role of cities, functional geographies and sub-regional areas facing specific geographical or demographic problems. To this end, to better mobilise potential at a local level, it is necessary to strengthen and facilitate community-led local development by laying down common rules and close coordination for all **European Structural and Investment** Funds. **Community-led local development should take into account local needs and potential, as well as relevant socio-cultural characteristics.** Responsibility for the implementation of local development strategies should be

given to local action groups representing the interests of the community, as an essential principle.

Amendment 22

Proposal for a regulation Recital 21 a (new)

Text proposed by the Commission

Amendment

(21a) The detailed arrangements concerning the determination of the area and population covered by the strategies should be set out in the relevant programmes in accordance with the fund specific rules.

Amendment 23

Proposal for a regulation Recital 22

Text proposed by the Commission

Amendment

(22) Financial instruments are increasingly important due to their leverage effect on **CSF** Funds, their capacity to combine different forms of public and private resources to support public policy objectives, and ***because revolving forms of finance make such support more sustainable over the longer term.***

(22) Financial instruments are increasingly important due to their leverage effect on ***European Structural and Investment*** Funds, their capacity to combine different forms of public and private resources to support public policy objectives, and ***their ability to guarantee a revolving stream of financial means for strategic investments, supporting long-term, sustainable investments and raising Union's growth potential. The provision of grants should always be retained as an option and it should be the responsibility of those involved on the ground to use the funding mix best suited to regional needs.***

Amendment 24

Proposal for a regulation Recital 23

Text proposed by the Commission

(23) Financial instruments supported by the **CSF** Funds should be used to address specific market needs in a cost effective way, in accordance with the objectives of the programmes, and should not crowd out private financing. The decision to finance support measures through financial instruments should be determined therefore on the basis of an ex ante **analysis**.

Amendment

(23) Financial instruments supported by the **European Structural and Investment** Funds should be used to address specific market needs **and in particular to respond to market failures or sub-optimal investment situations** in a cost effective way, in accordance with the objectives of the programmes, and should not crowd out private financing. The decision to finance support measures through financial instruments should be determined therefore on the basis of an ex ante **assessment**.

Amendment 25

Proposal for a regulation Recital 24

Text proposed by the Commission

(24) Financial instruments should be designed and implemented so as to promote substantial participation by private sector investors and financial institutions on an appropriate risk-sharing basis. To be sufficiently attractive to private sector, financial instruments need to be designed and implemented in a flexible manner. Managing authorities should therefore decide on the most appropriate forms to implement financial instruments to address the specific needs of the target regions, in accordance with the objectives of the relevant programme.

Amendment

(24) Financial instruments should be designed and implemented so as to promote substantial participation by private sector investors and financial institutions on an appropriate risk-sharing basis. To be sufficiently attractive to private sector, financial instruments need to be **simple, catalytic, revolving and** designed and implemented in a flexible manner. Managing authorities should therefore decide on the most appropriate forms to implement financial instruments to address the specific needs of the target regions, in accordance with the objectives of the relevant programme.

Amendment 26

Proposal for a regulation Recital 24 a (new)

Text proposed by the Commission

Amendment

(24 a) In order to take account of the repayable character of support provided through financial instruments and to align with market practices, European Structural and Investment Funds' support provided to final recipients in the form of equity or quasi-equity investments, loans or guarantees, or other risk-sharing instruments may cover the entirety of the investments made by final recipients, without distinction of VAT related costs. Accordingly it will only be in cases where financial instruments are combined with grants that the way in which VAT is taken into account at the level of the final recipient will be relevant for the purposes of determining eligibility of expenditure related to the grant.

Amendment 27

Proposal for a regulation Recital 28

Text proposed by the Commission

Amendment

(28) Member States should monitor programmes in order to review implementation and progress towards achieving the programme's objectives. To this end, monitoring committees should be set up and their composition and functions defined for **CSF** Funds. Joint Monitoring Committees could be set up to facilitate coordination between the **CSF** Funds. In order to ensure effectiveness, monitoring committees should be able to issue recommendations to managing authorities regarding implementation of the programme and should monitor actions

(28) Member States should monitor programmes in order to review implementation and progress towards achieving the programme's objectives. To this end, monitoring committees should be set up and their composition and functions defined for **European Structural and Investment** Funds. Joint Monitoring Committees could be set up to facilitate coordination between the **European Structural and Investment** Funds. In order to ensure effectiveness, monitoring committees should be able to issue recommendations to managing authorities

taken as a result of its recommendations.

regarding implementation of the programme, *as well as ways of reducing the administrative burden on beneficiaries* and should monitor actions taken as a result of its recommendations.

Amendment 28

Proposal for a regulation Recital 31

Text proposed by the Commission

(31) In order for the Commission to monitor progress towards achieving Union objectives, Member States should submit progress reports on the implementation of their Partnership *Contracts*. On the basis of such reports, the Commission should prepare a *strategy* report on progress in 2017 and 2019.

Amendment

(31) In order for the Commission to monitor progress towards achieving *the* Union objectives *of smart, sustainable and inclusive growth as well as towards reducing disparities*, Member States should submit progress reports on the implementation of their Partnership *Agreements*. On the basis of such reports, the Commission should prepare a *strategic* report on progress in 2017 and 2019.

Amendment 29

Proposal for a regulation Recital 32

Text proposed by the Commission

(32) It is necessary to evaluate the effectiveness, efficiency and impact of assistance from the *CSF* Funds in order to improve the quality of implementation and design of programmes, and to determine the impact of programmes in relation to the targets for the Union strategy for smart sustainable and inclusive growth and in relation to GDP and unemployment, where relevant. The responsibilities of Member States and the Commission in this regard should be specified.

Amendment

(32) It is necessary to evaluate the effectiveness, efficiency and impact of assistance from the *European Structural and Investment* Funds in order to improve the quality of implementation and design of programmes, and to determine the impact of programmes in relation to the targets for the Union strategy for smart sustainable and inclusive growth and in relation to GDP, *regional and local needs, climate targets* and unemployment *and gender mainstreaming* where relevant. The responsibilities of Member States and the Commission in this regard should be

specified.

Amendment 30

Proposal for a regulation

Recital 34

Text proposed by the Commission

(34) An evaluation plan should be drawn up by the authority responsible for the preparation of the programme. During the programming period managing authorities should **carry out** evaluations to assess the effectiveness and impact of a programme. The monitoring committee and the Commission should be informed about the results of evaluations to facilitate management decisions.

Amendment

(34) An evaluation plan should be drawn up by the authority responsible for the preparation of the programme. During the programming period managing authorities should **ensure that** evaluations **are carried out** to assess the effectiveness and impact of a programme. The monitoring committee and the Commission should be informed about the results of evaluations to facilitate management decisions.

Amendment 31

Proposal for a regulation

Recital 35

Text proposed by the Commission

(35) Ex post evaluations should be carried out in order to assess the effectiveness and efficiency of the **CSF** Funds and their impact on the overall goals **of the CSF Funds** and the Union strategy for smart, sustainable and inclusive growth.

Amendment

(35) Ex post evaluations should be carried out in order to assess the effectiveness and efficiency of the **European Structural and Investment** Funds and their impact on the overall goals and the Union strategy for smart, sustainable and inclusive growth, **in accordance with the relevant flagships targets, the contribution to addressing regional and local needs, as well as specific requirements established in the Fund-specific rules. For each of the European Structural and Investment Funds, the Commission should prepare a synthesis report outlining the main conclusions of ex-post evaluations.**

Amendment 32

Proposal for a regulation Recital 41

Text proposed by the Commission

(41) To ensure the effectiveness, fairness and sustainable impact of the intervention of the **CSF** Funds, there should be provisions guaranteeing that investments in businesses and infrastructures are long-lasting and prevent the **CSF** Funds from being used to undue advantage.

Experience has shown that a period of five years is an appropriate **minimum** period to be applied, except where State aid rules foresee a different period. It is appropriate to exclude actions supported by the ESF and those not entailing productive investment or investment in infrastructure from the general requirement of durability, unless such requirements are derived from applicable State aid rules, and to exclude contributions to or from financial instruments.

Amendment

(41) To ensure the effectiveness, fairness and sustainable impact of the intervention of the **European Structural and Investment** Funds, there should be provisions guaranteeing that investments in businesses and infrastructures are long-lasting and prevent the **European Structural and Investment** Funds from being used to undue advantage. **It is considered** that a period of five years is an appropriate period to be applied, except where State aid rules foresee a different period. **It is considered as well that it in the case of an operation comprising investment in infrastructure or productive investment, this operation should repay the contribution from the ESI Funds if within 10 years from the final payment to the beneficiary the productive activity is subject to relocation outside the Union.** It is appropriate to exclude actions supported by the ESF and those not entailing productive investment or investment in infrastructure from the general requirement of durability, unless such requirements are derived from applicable State aid rules, and to exclude contributions to or from financial instruments.

Amendment 33

Proposal for a regulation Recital 41 a (new)

Text proposed by the Commission

Amendment

(41a) When appraising major productive investment projects, the Commission should have all necessary information to consider whether the financial

contribution from the Funds does not result in a substantial loss of jobs in existing locations within the Union, in order to ensure that Union funding does not support relocation within the Union.

Amendment 34

Proposal for a regulation Recital 43

Text proposed by the Commission

(43) In accordance with the principles of shared management, Member States should have the primary responsibility, through their management and control systems, for the implementation and control of the operations in programmes. In order to strengthen the effectiveness of the control over the selection and implementation of operations and the functioning of the management and control system, the functions of the managing authority should be specified.

Amendment

(43) In accordance with the principles of shared management, Member States, ***at the appropriate territorial level, in keeping with their institutional, legal and financial framework, and subject to compliance with this Regulation and Fund-specific rules***, should have the primary responsibility, through their management and control systems, for the implementation and control of the operations in programmes. In order to strengthen the effectiveness of the control over the selection and implementation of operations and the functioning of the management and control system, the functions of the managing authority should be specified.

Amendment 35

Proposal for a regulation Recital 44

Text proposed by the Commission

(44) In order to provide assurance ex ante on the set up and design of the main systems of management and control, Member States should designate an accrediting body that is responsible for the accreditation and withdrawal of accreditation of managing and control

Amendment

deleted

bodies.

Amendment 36

Proposal for a regulation

Recital 47

Text proposed by the Commission

(47) The pre-financing payment at the start of programmes ensures that the Member State has the means to provide support to beneficiaries *in* the implementation of the programme *from programme adoption*. Therefore, provisions should be made for initial pre-financing amounts from the *CSF* Funds. Initial pre-financing should be totally cleared at closure of the programme.

Amendment

(47) The pre-financing payment at the start of programmes ensures that the Member State *also* has the means to provide *ex ante* support to beneficiaries *from the start of* the implementation of the programme, *so as to ensure that the beneficiaries have the financial sustainability to make the allocated investments*. Therefore, provisions should be made for initial pre-financing amounts from the *European Structural and Investment* Funds. Initial pre-financing should be totally cleared at closure of the programme.

Amendment 37

Proposal for a regulation

Recital 48

Text proposed by the Commission

(48) In order to safeguard the Union's financial interests, there should be measures limited in time that allow the authorising officer by delegation to interrupt payments where there is evidence to suggest a significant deficiency in the functioning of the management and control system, evidence of irregularities linked to a payment application, or a failure to submit documents for the purpose of *clearance* of accounts.

Amendment

(48) In order to safeguard the Union's financial interests, there should be measures limited in time that allow the authorising officer by delegation to interrupt payments where there is evidence to suggest a significant deficiency in the functioning of the management and control system, evidence of irregularities linked to a payment application, or a failure to submit documents for the purpose of *examination and acceptance* of accounts.

Amendment 38

Proposal for a regulation Recital 48 a (new)

Text proposed by the Commission

Amendment

(48a) It is necessary that the Commission, Member States and regional authorities guarantee fair competition for projects financed by the European Structural and Investment Funds.

Amendment 39

Proposal for a regulation Recital 49

Text proposed by the Commission

Amendment

(49) In order to ensure that expenditure co-financed by the Union budget in any given financial year is used in accordance with the applicable rules, an appropriate framework should be created for the ***annual clearance*** of accounts. Under this framework, the ***accredited*** bodies should submit to the Commission, in respect of each programme, a management declaration of assurance accompanied by the certified ***annual*** accounts, a summary report of controls and an independent audit opinion and control report.

(49) In order to ensure that expenditure co-financed by the Union budget in any given financial year is used in accordance with the applicable rules, an appropriate framework should be created for the ***examination and acceptance*** of accounts. Under this framework, the ***designated*** bodies should submit to the Commission, in respect of each programme, a management declaration of assurance accompanied by the certified accounts, a summary report of controls and an independent audit opinion and control report.

Amendment 40

Proposal for a regulation Recital 52

Text proposed by the Commission

Amendment

(52) Additional general provisions are necessary in relation to the specific functioning of the Funds. In particular, in order to increase their added value, and to

(52) Additional general provisions are necessary in relation to the specific functioning of the Funds. In particular, in order to increase their added value, and to

enhance their contribution to the priorities of the Union strategy for smart, sustainable and inclusive growth, the functioning of these Funds should be simplified and concentrated on the goals of ‘Investment for growth and jobs’ and ‘European territorial cooperation’.

enhance their contribution to the *economic, social and territorial cohesion and to the* priorities of the Union strategy for smart, sustainable and inclusive growth, the functioning of these Funds should be simplified and concentrated on the goals of ‘Investment for growth and jobs’ and ‘European territorial cooperation’.

Amendment 41

Proposal for a regulation Recital 54

Text proposed by the Commission

(54) In order to promote the Treaty objectives of economic, social and territorial cohesion, the ‘Investment for growth and jobs’ goal should support all regions. To provide balanced and gradual support and reflect the level of economic and social development, resources under that goal should be allocated from the ERDF and the ESF among the less developed regions, the transition regions and the more developed regions according to their gross domestic product (GDP) per capita in relation to the EU average. In order to ensure the long-term sustainability of investment from the Structural Funds, regions whose GDP per capita for the 2007-2013 period was less than 75% of the average of the EU-25 for the reference period but whose GDP per capita has grown to more than 75% of the EU-27 average should receive at least two thirds of their 2007-2013 allocation. Member States whose per capita gross national income (GNI) is less than 90 % of that of the Union average should benefit under the ‘Investment for growth and jobs’ goal from the CF.

Amendment

(54) In order to promote the Treaty objectives of economic, social and territorial cohesion, the ‘Investment for growth and jobs’ goal should support all regions. To provide balanced and gradual support and reflect the level of economic and social development, resources under that goal should be allocated from the ERDF and the ESF among the less developed regions, the transition regions and the more developed regions according to their gross domestic product (GDP) per capita in relation to the EU average. In order to ensure the long-term sustainability of investment from the Structural Funds, *to consolidate the development achieved and to encourage the economic growth and social cohesion of the European regions*, regions whose GDP per capita for the 2007-2013 period was less than 75% of the average of the EU-25 for the reference period but whose GDP per capita has grown to more than 75% of the EU-27 average *and regions designated with phasing-out status in the 2007-2013 period* should receive at least two thirds of their 2007-2013 allocation. Member States whose per capita gross national income (GNI) is less than 90 % of that of the Union average should benefit under the ‘Investment for growth and jobs’ goal from

the CF. ***Single region island states eligible for funding from the Cohesion Fund in 2013 and outermost regions falling into the categories of transition and more developed regions should receive at least four fifths of their 2007-2013 allocations under the Funds as defined in Article 1.***

Amendment 42

Proposal for a regulation

Recital 55

Text proposed by the Commission

(55) Objective criteria should be fixed for designating eligible regions and areas for support from the Funds. To this end, the identification of the regions and areas at Union level should be based on the common system of classification of the regions established by Regulation (EC) No 1059/2003 of the European Parliament and the Council of 26 May 2003 on the establishment of a common classification of territorial units for statistics (NUTS)⁵.

Amendment

(55) Objective criteria should be fixed for designating eligible regions and areas for support from the Funds. To this end, the identification of the regions and areas at Union level should be based on the common system of classification of the regions established by Regulation (EC) No 1059/2003 of the European Parliament and the Council of 26 May 2003 on the establishment of a common classification of territorial units for statistics (NUTS) ***Special attention should be paid to regions which suffer from serious and permanent natural or demographic handicaps, such as regions with very low population density and island, cross-border and mountain regions, taking into account the fact that these territorial characteristics do not necessarily correspond to the breakdown currently proposed by the NUTS classification.***

Amendment 43

Proposal for a regulation

Recital 57

Text proposed by the Commission

(57) It is necessary to fix the limits of those resources for the 'Investment for growth

Amendment

(57) It is necessary to fix the limits of those resources for the 'Investment for growth

and jobs' goal and to adopt objective criteria for their allocation to regions and Member States. In order to encourage the necessary acceleration of development of infrastructure in transport and energy as well as information and communication technologies across the Union, a Connecting Europe Facility *should be* created. ***The allocation of the annual appropriations from the Funds and the amounts transferred from the Cohesion Fund to the Connecting Europe Facility to a Member State should be limited to a ceiling that would be fixed taking into account the capacity of that particular Member State to absorb these appropriations.*** In addition, in line with the headline target on poverty reduction, it is necessary to reorient the scheme for food support for the most deprived persons to promote social inclusion and the harmonious development of the Union. A mechanism is envisaged which transfers resources to this instrument and ensures that these will be constituted from ESF allocations through an implicit corresponding decrease of the minimum percentage of the Structural Funds to be allocated to the ESF in each country.

and jobs' goal and to adopt objective criteria for their allocation to regions and Member States. In order to encourage the necessary acceleration of development of infrastructure in transport and energy as well as information and communication technologies across the Union, a Connecting Europe Facility ***(CEF) is*** created. ***Support should be provided from the Cohesion Fund to transport infrastructure projects of European added value among the pre-identified projects listed in Annex I of Regulation (EU) [...] /2012 on establishing the Connecting Europe Facility that will be carried out in each Member State in accordance with article 84(4) of this regulation. The national allocations under the Cohesion Fund should be fully respected until 31 December 2016.*** In addition, in line with the headline target on poverty reduction, it is necessary to reorient the scheme for food support for the most deprived persons to promote social inclusion and the harmonious development of the Union. A mechanism is envisaged which transfers resources to this instrument and ensures that these will be constituted from ESF allocations through an implicit corresponding decrease of the minimum percentage of the Structural Funds to be allocated to the ESF in each country.

Amendment 44

Proposal for a regulation Recital 57 bis

Text proposed by the Commission

(57 bis) Given the urgent priority to address youth unemployment in the Union's most affected regions, a Youth Employment Initiative should be created and funded from a specific allocation and from targeted investment from the European Social Fund. The Youth

Amendment

(57 bis) Given the urgent priority to address youth unemployment in the Union's most affected regions, ***as well as in the Union as a whole,*** a Youth Employment Initiative should be created and funded from a specific allocation and from targeted investment from the

Employment Initiative should aim to support young people not in employment, education or training residing in the eligible regions. The Youth Employment Initiative should be implemented as a part of the Investment for growth and jobs goal.

European Social Fund. The Youth Employment Initiative should aim to support young people not in employment, education or training residing in the eligible regions, ***including those leaving training systems without qualification, by providing a good quality offer of either employment, continued education, an apprenticeship or a traineeship within a period of four months of becoming unemployed or leaving formal education.*** The Youth Employment Initiative should be implemented as a part of the Investment for growth and jobs goal.

Amendment 45

Proposal for a regulation Recital 58

Text proposed by the Commission

(58) In order to strengthen the focus on results and achievement of the Europe 2020 objectives and targets, five per cent of the resources for the ‘Investment for growth and jobs’ goal should be set aside as a performance reserve for each Fund, and category of region in each Member State.

Amendment

deleted

Amendment 46

Proposal for a regulation Recital 59

Text proposed by the Commission

(59) As regards the Funds and with a view to ensuring an appropriate allocation to each category of regions, resources should not be transferred between less developed, transition and more developed regions except in duly justified circumstances linked to the delivery of one or more thematic objectives and for no more than

Amendment

(59) As regards the Funds and with a view to ensuring an appropriate allocation to each category of regions, resources should not be transferred between less developed, transition and more developed regions except in duly justified circumstances linked to the delivery of one or more thematic objectives and for no more than

2 % of the total appropriation for that category of region.

4 % of the total appropriation for that category of region.

Amendment 47

Proposal for a regulation Recital 61

Text proposed by the Commission

(61) It is necessary to lay down additional provisions concerning the programming, management, monitoring and control of operational programmes supported by the Funds. ***Operational programmes should set out priority axes corresponding to thematic objectives, elaborate a consistent intervention logic to tackle the development needs identified, and set out the framework for performance assessment. They should also contain other elements necessary to underpin the effective and efficient implementation of these Funds.***

Amendment

(61) It is necessary to lay down additional provisions concerning the programming, management, monitoring and control of operational programmes supported by the Funds ***in order to strengthen the focus on results. In particular, it is necessary to set out detailed requirements for the content of then operational programmes. This should facilitate the presentation of a consistent intervention logic to tackle the development needs identified, to set out the framework for performance assessment and to underpin the effective and efficient implementation of the Funds. As a general principle a priority axis should cover one thematic objective, one Fund and one category of region. Where appropriate and in order to increase the effectiveness in a thematically coherent integrated approach, a priority axis may concern more than one category of region and combine one or more complementary investment priority from the ERDF, ESF and CF under one or more thematic objective.***

Amendment 48

Proposal for a regulation Recital 61 a (new)

Text proposed by the Commission

Amendment

(61a) In circumstances where a Member State prepares no more than one programme per Fund, resulting in a

situation where programmes and the Partnership Agreement are both prepared at national level, specific arrangements should be set out to ensure the complementarity of these documents.

Amendment 49

Proposal for a regulation Recital 61 b (new)

Text proposed by the Commission

Amendment

(61b) In order to reconcile the need for concise operational programmes setting out clear commitments by the Member State and the need to allow for flexibility for adjustment to changing circumstances, procedures should be provided that allow the modification of certain non-essential elements of the operational programmes at national level without a decision by the Commission.

Amendment 50

Proposal for a regulation Recital 62

Text proposed by the Commission

Amendment

(62) With a view to improving complementarities and simplifying implementation, it should be possible to combine support from the CF and the ERDF with support from the ESF in joint operational programmes under the growth and jobs goal.

(62) With a view to improving complementarities and simplifying implementation, it should be possible to combine support from the CF and the ERDF with support from the ESF in joint operational programmes under the ***‘Investment for growth and jobs’*** goal.

Amendment 51

Proposal for a regulation Recital 63

Text proposed by the Commission

(63) Major projects represent a substantial share of Union spending and are frequently of strategic importance with respect to the achievement of the Union strategy for smart, sustainable and inclusive growth. Therefore it is justified that operations of substantial size continue to be subject to approval by the Commission under this regulation. To ensure clarity, it is appropriate to define the content of a major project for this purpose. The Commission should also have the possibility to refuse support for a major project where the granting of such support is not justified.

Amendment

(63) Major projects represent a substantial share of Union spending and are frequently of strategic importance with respect to the achievement of the Union strategy for smart, sustainable and inclusive growth. Therefore it is justified that operations of substantial size continue to be subject to approval by the Commission under this regulation. To ensure clarity, it is appropriate to define the content of a major project for this purpose. The Commission should also have the possibility to refuse support for a major project where the granting of such support is not justified. ***Specific conditions should be also defined for operations implemented under PPP structures.***

Amendment 52

Proposal for a regulation Recital 64

Text proposed by the Commission

(64) In order to give Member States the option of implementing part of an operational programme using a result-based approach, it is useful to provide for a joint action plan comprising a set of actions to be carried out by a beneficiary to contribute to the objectives of the operational programme. In order to simplify and reinforce the result orientation of the Funds the management of the joint action plan should be exclusively based on jointly agreed milestones, outputs and results as defined in the Commission decision adopting the joint action plan. Control and audit of a joint action plan

Amendment

(64) In order to give Member States the option of implementing part of an operational programme using a result-based approach, it is useful to provide for a joint action plan comprising a ***project or group of projects*** set of actions to be carried out by a beneficiary to contribute to the objectives of the operational programme. In order to simplify and reinforce the result orientation of the Funds the management of the joint action plan should be exclusively based on jointly agreed milestones, outputs and results as defined in the Commission decision adopting the joint action plan. Control and

should also be limited to the achievement of these milestones, outputs and results. Consequently, it is necessary to lay down rules on its preparation, content, adoption, financial management and control of joint action plans.

audit of a joint action plan should also be limited to the achievement of these milestones, outputs and results. Consequently, it is necessary to lay down rules on its preparation, content, adoption, financial management and control of joint action plans.

Amendment 53

Proposal for a regulation

Recital 65

Text proposed by the Commission

(65) Where an urban or territorial development strategy requires an integrated approach because it involves investments under more than one priority axis of one or several operational programmes, action supported by the Funds *should* be carried out as an integrated territorial investment within an operational programme.

Amendment

(65) Where an urban or territorial development strategy requires an integrated approach because it involves investments under more than one priority axis of one or several operational programmes, action supported by the Funds, ***which may be complemented with financial support from the EAFRD or the EMFF, may*** be carried out as an integrated territorial investment within an operational programme.

Amendment 54

Proposal for a regulation

Recital 67

Text proposed by the Commission

(67) To ensure the availability of essential and up to date information on programme implementation, it is necessary that Member States provide the Commission with the key data on a regular basis. In order to avoid an additional burden on Member States, this should be limited to data collected continuously, and the transmission should be performed by way of electronic data exchange.

Amendment

(67) To ensure the availability of essential and up to date information on programme implementation, it is necessary that Member States provide the Commission with the key data on a regular basis. In order to avoid an additional burden on Member States, this should be limited to data collected continuously, and the transmission should be performed by way of electronic data exchange. ***Insofar as these transfers include personal data, the provisions of Directive 95/46/EC and of***

Regulation (EC) 45/2001 should apply.

Amendment 55

Proposal for a regulation

Recital 70

Text proposed by the Commission

(70) It is important to bring the achievements of the Union's Funds to the attention of the general public. Citizens have the right to know how the Union's financial resources are invested. The responsibility to ensure that the appropriate information is communicated to the public should lie with both the managing authorities and the beneficiaries. To ensure more efficiency in communication to the public at large and stronger synergies between the communication activities undertaken at the initiative of the Commission, the resources allocated to communication actions under this Regulation shall also contribute to ***cover the corporate communication of the political priorities of the European Union as far as they are related to the general objectives of this Regulation.***

Amendment

(70) It is important to bring the achievements of the Union's Funds to the attention of the general public. Citizens have the right to know how the Union's financial resources are invested. The responsibility to ensure that the appropriate information is communicated to the public should lie with both the managing authorities and the beneficiaries ***as well as with Union institutions and advisory bodies.*** To ensure more efficiency in communication to the public at large and stronger synergies between the communication activities undertaken at the initiative of the Commission, the resources allocated to communication actions under this Regulation shall also contribute to ***raise awareness about the objectives of cohesion policy and its role as an issue of genuine relevance to the citizens of the Union.***

Amendment 56

Proposal for a regulation

Recital 72

Text proposed by the Commission

(72) With a view to strengthening accessibility and transparency of information about funding opportunities and project beneficiaries, in each Member State a single website or website portal providing information on all the operational programmes, including the lists of operations supported under each

Amendment

(72) With a view to strengthening accessibility and transparency of information about funding opportunities and project beneficiaries, in each Member State a single website or website portal providing ***comprehensible and easily accessible*** information on all the operational programmes, including the lists

operational programme, should be made available.

of operations supported under each operational programme, should be made available.

Amendment 57

Proposal for a regulation Recital 73

Text proposed by the Commission

(73) It is necessary to determine the elements for modulating the co-financing rate from the Funds to operational programmes, in particular, to increase the multiplier effect of Union resources. It is also necessary to establish the maximum rates of co-financing by category of region in order to ensure respect of the principle of co-financing through an appropriate level of national support.

Amendment

(73) It is necessary to determine the elements for modulating the co-financing rate from the Funds to operational programmes, in particular, to increase the multiplier effect of Union resources. It is also necessary to establish the maximum rates of co-financing by category of region in order to ensure respect of the principle of co-financing through an appropriate level of **both public and private** national support.

Amendment 58

Proposal for a regulation Recital 76

Text proposed by the Commission

(76) The certifying authority should draw up and submit to the Commission payment applications. It should draw up the **annual** accounts, certifying the completeness, accuracy and veracity of the **annual** accounts and that the expenditure entered in the accounts complies with applicable Union and national rules. Its responsibilities and functions should be set out.

Amendment

(76) The certifying authority should draw up and submit to the Commission payment applications. It should draw up the accounts, certifying the completeness, accuracy and veracity of the accounts and that the expenditure entered in the accounts complies with applicable Union and national rules. Its responsibilities and functions should be set out.

Amendment 59

Proposal for a regulation Recital 77

Text proposed by the Commission

(77) The audit authority should ensure that audits are carried out on the management and control systems, on an appropriate sample of operations and on the **annual** accounts. Its responsibilities and functions should be set out.

Amendment

(77) The audit authority should ensure that audits are carried out on the management and control systems, on an appropriate sample of operations and on the accounts. Its responsibilities and functions should be set out.

Amendment 60

Proposal for a regulation Recital 78

Text proposed by the Commission

(78) **In** order to take account of the specific organisation of the management and control systems for the ERDF, ESF, CF and EMFF **and the need to ensure a proportionate approach**, specific provisions are required for the **accreditation and withdrawal of accreditation** of the managing authority and the certifying authority.

Amendment

(78) **In accordance with Article 59(3) of the Financial Regulation and in** order to take account of the specific organisation of the management and control systems for the ERDF, ESF, CF and EMFF, specific provisions are required for the **designation and ending of designation** of the managing authority and the certifying authority.

Amendment 61

Proposal for a regulation Recital 80

Text proposed by the Commission

(80) In addition to common rules on financial management, additional provisions are necessary for the ERDF, ESF, CF and the EMFF. In particular, with a view to ensuring reasonable assurance for the Commission **prior to the annual clearance of accounts**, applications for interim payments should be reimbursed at

Amendment

(80) In addition to common rules on financial management, additional provisions are necessary for the ERDF, ESF, CF and the EMFF. In particular, with a view to ensuring reasonable assurance for the Commission, applications for interim payments should be reimbursed at a rate of 90 % of the amount resulting from

a rate of 90 % of the amount resulting from applying the co-financing rate for each priority as laid down in the decision adopting the operational programme to the eligible expenditure for the priority. The outstanding amounts due should be paid to the Member States ***upon annual clearance of accounts***, provided that reasonable assurance has been attained in regard to the eligibility of expenditure ***for the year covered by the clearance procedure***.

applying the co-financing rate for each priority as laid down in the decision adopting the operational programme to the eligible expenditure for the priority. The outstanding amounts due should be paid to the Member States provided that reasonable assurance has been attained in regard to the eligibility of expenditure.

Amendment 62

Proposal for a regulation Recital 81

Text proposed by the Commission

(81) To ensure that beneficiaries receive the support as soon as possible and to reinforce the assurance for the Commission it is appropriate to require that payment applications include only expenditure for which the support has been paid to beneficiaries. Pre-financing each year should be foreseen to ensure that Member State have sufficient means to operate under such arrangements. Such pre-financing should be ***cleared each year*** with the ***clearance of accounts***.

Amendment

(81) To ensure that beneficiaries receive the support as soon as possible and to reinforce the assurance for the Commission it is appropriate to require that payment applications include only expenditure for which the support has been paid to beneficiaries. Pre-financing each year should be foreseen to ensure that Member State have sufficient means to operate under such arrangements. Such pre-financing should be ***in accordance*** with the ***procedures established in this regulation***.

Amendment 63

Proposal for a regulation Recital 83

Text proposed by the Commission

(83) It is necessary to specify the detailed procedure for the ***annual clearance*** of accounts applicable to the Funds to ensure a clear basis and legal certainty for these arrangements. It is important to envisage a limited possibility for the Member State to define a provision in its ***annual*** accounts

Amendment

(83) It is necessary to specify the detailed procedure for the ***examination and acceptance*** of accounts ***by the Commission*** applicable to the Funds to ensure a clear basis and legal certainty for these arrangements. It is important to envisage a limited possibility for the Member State to

for an amount, which is subject to an ongoing procedure with the audit authority.

define a provision in its accounts for an amount, which is subject to an ongoing procedure with the audit authority.

Amendment 64

Proposal for a regulation

Recital 84

Text proposed by the Commission

(84) The process of annual clearance of accounts should be accompanied by an annual closure of completed operations (for the ERDF, the CF and the EMFF) or expenditure (for the ESF). In order to reduce the costs associated with the final closure of operational programmes, to reduce the administrative burden for beneficiaries and to provide legal certainty, annual closure should be obligatory thereby limiting the period during which the supporting documents need to be maintained and during which operations can be audited and financial corrections imposed.

Amendment

deleted

Amendment 65

Proposal for a regulation

Recital 88

Text proposed by the Commission

(88) In order to supplement and amend certain non-essential elements of this Regulation, the power to adopt acts in accordance with Article 290 of the Treaty should be delegated to the Commission in respect of a code of conduct on the objectives and criteria to support the implementation of partnership, the ***adoption of the elements of the Common Strategic Framework related to indicative actions of high European added value and corresponding principles for delivery,***

Amendment

(88) In order to supplement and amend certain non-essential elements of this Regulation, the power to adopt acts in accordance with Article 290 of the Treaty should be delegated to the Commission in respect of a code of conduct on the objectives and criteria to support the implementation of partnership, the ***methodology used to provide information on the support for climate change objectives, the criteria for*** the definition of the area and population covered by the

and priorities for cooperation, additional rules on the allocation of the performance reserve, the definition of the area and population covered by the local development strategies, detailed rules on financial instruments (*ex ante assessment*, combination of support, eligibility, types of activities not supported), the rules on certain types of financial instruments set up at national, regional, transnational or cross-border level, rules concerning funding agreements, transfer and management of assets, **the arrangements for management and control**, the rules on payment requests, and establishment of a system of capitalisation of annual instalments, the definition of the flat rate for revenue generating operations, the definition of the flat rate applied to indirect costs for grants based on existing methods and corresponding rates applicable in Union policies, the responsibilities of Member States concerning the procedure for reporting irregularities and recovery of sums unduly paid, the modalities of exchange of information of operations, the **arrangements for the adequate audit trail**, the conditions of national audits, the **accreditation criteria for managing authorities and certifying authorities, the identification of commonly accepted data carriers**, and the criteria for establishing the level of financial correction to be applied. The Commission should also be empowered to amend, **by means of delegated acts, Annexes I and VI, both of which contain non-essential elements to this Regulation**, in order to address future adaptation needs. It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level.

local development strategies, detailed rules on financial instruments (combination of support, eligibility, types of activities not supported), the rules on certain types of financial instruments set up at national, regional, transnational or cross-border level, rules concerning **the minimum provisions to be included in funding agreements and strategy documents**, transfer and management of assets, management and control, the rules on payment requests, and establishment of a system of capitalisation of annual instalments, the definition of the flat rate **and the method of calculation of current value of the net revenue** for revenue generating operations, the definition of the flat rate applied to indirect costs for grants based on existing methods and corresponding rates applicable in Union policies, **methodology to be used in carrying out the cost-benefit analysis on major projects, decision on the extension of period applied in the case of operations implemented under PPP structures**, the responsibilities of Member States concerning the procedure for reporting irregularities and recovery of sums unduly paid, **detailed rules for establishing a system to record and store data in computerised form on each operation and the modalities of exchange of information of operations, the criteria to assess compliance of authorities relating to the internal control environment, risk management, control activities, information and communication and monitoring systems**, the adequate audit trail, the conditions of national audits, the **identification of accepted data carriers, the rules concerning the use of data collected during audits, detailed rules concerning the cases that are to be regarded as serious deficiencies within the meaning of Article 136** and the criteria for establishing the level of financial correction to be applied. The Commission should also be empowered to amend

Annex V in order to address future adaptation needs. It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level.

Amendment 66

Proposal for a regulation Recital 90

Text proposed by the Commission

(90) *The* Commission should be empowered to adopt, by means of implementing acts, ***as regards all CSF Funds, decisions approving the Partnership Contracts, decisions on the allocation of the performance reserve, decisions suspending payments linked to Member States' economic policies,*** and, in the case of decommitment, decisions to amend decisions adopting programmes; and as regards the Funds, decisions identifying the regions and Member States fulfilling the Investment for growth and jobs criteria, decisions setting out the annual breakdown of commitment appropriations to the Member States, decisions setting out the ***amount to be transferred from each Member State's CF allocation to the Connecting Europe Facility,*** decisions setting out the amount to be transferred from each Member State's Structural Funds allocation for food for deprived people, decisions adopting and amending operational programmes, decisions on major projects, decisions on joint action plans, decisions suspending payments and decisions on financial corrections.

Amendment

(90) ***With regard to all of the European Structural and Investment Funds, the*** Commission should be empowered to adopt, by means of implementing acts, decisions approving the Partnership ***Agreements,*** and, in the case of decommitment, decisions to amend decisions adopting programmes; and as regards the Funds, decisions identifying the regions and Member States fulfilling the Investment for growth and jobs criteria, decisions setting out the annual breakdown of commitment appropriations to the Member States, decisions setting out the ***support to be provided from the Cohesion Fund to transport infrastructure projects of European added value and the pre-identified projects listed in Annex I of Regulation (EU) [...] /2012 on establishing the Connecting Europe Facility that will be carried out in each Member State,*** decisions setting out the amount to be transferred from each Member State's Structural Funds allocation for food for deprived people, decisions adopting and amending operational programmes, decisions on major projects, decisions on joint action plans, decisions suspending payments and decisions on financial corrections, ***decisions on the amount chargeable to the Funds for the accounting year and the annual balance due to the Member State or to be***

recovered.

Amendment 67

Proposal for a regulation

Recital 91

Text proposed by the Commission

(91) In order to ensure uniform conditions for the implementation of this Regulation, the implementing powers relating to ***the methodology concerning climate change objectives***, standard terms and conditions for monitoring of financial instruments, the ***uniform conditions concerning the monitoring and provision of monitoring information for financial instruments, the methodology for the calculation of net revenue for revenue-generating projects***, the electronic data exchange system between the Member State and the Commission, the model of operational programme for the Funds, the nomenclature for the categories of intervention, the format for information on major projects ***and methodology to be used in carrying out the cost-benefit analysis on major projects***, the model for the joint action plan, the model of the annual and final implementation reports, certain technical characteristics of information and publicity measures and related instructions, rules on the exchange of information between beneficiaries and managing authorities, certifying authorities, audit authorities and intermediate bodies, the model of the management declaration, the models for the audit strategy, opinion and annual control report and methodology for the sampling method, ***the rules concerning use of data collected during audits***, and the model for payment applications should be exercised in accordance with Regulation (EU) No 182/2011 of the European Parliament and of the Council of 16 February 2011 laying down the rules and

Amendment

(91) In order to ensure uniform conditions for the implementation of this Regulation, the implementing powers relating to standard terms and conditions for monitoring of financial instruments, the ***models for reporting on financial instruments, the electronic data exchange system between the Member State and the Commission, the model of operational programme for the Funds, the nomenclature for the categories of intervention, the format for information on major projects, the model for the joint action plan, the model of the annual and final implementation reports, certain technical characteristics of information and publicity measures and related instructions, rules on the exchange of information between beneficiaries and managing authorities, certifying authorities, audit authorities and intermediate bodies, the model for the report and opinion of the independent audit body and the model for the description of the management and control system, the model for the accounts, the model of the management declaration, the models for the audit strategy, opinion and annual control report and methodology for the sampling method, and the model for payment applications*** should be exercised in accordance with Regulation (EU) No 182/2011 of the European Parliament and of the Council of 16 February 2011 laying down the rules and general principles concerning mechanisms for control by Member States of the Commission's exercise of

general principles concerning mechanisms for control by Member States of the Commission's exercise of implementing powers.

implementing powers.

Amendment 68

Proposal for a regulation

Recital 93

Text proposed by the Commission

(93) Since the objective of this Regulation, namely to reduce disparities between levels of development of the various regions and the backwardness of the least favoured regions or islands, particular rural areas, areas affected by industrial transition, and regions which suffer from severe and permanent natural or demographic handicaps, cannot be sufficiently achieved by Member States but can be better achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on European Union. In accordance with the principle of proportionality, as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve that objective.

Amendment

(93) Since the objective of this Regulation, namely to reduce disparities between levels of development of the various regions and the backwardness of the least favoured regions or islands, particular rural areas, areas affected by industrial transition, and regions which suffer from severe and permanent natural or demographic handicaps, ***inter alia the northernmost regions with low population density as well as island, border and mountain regions, and the outermost regions, disadvantaged urban areas and remote border cities***, cannot be sufficiently achieved by Member States but can be better achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on European Union. In accordance with the principle of proportionality, as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve that objective.

Amendment 69

Proposal for a regulation Article 1 – paragraph 1

Text proposed by the Commission

This Regulation lays down the common rules applicable to the European Regional Development Fund (ERDF), the European Social Fund (ESF), the Cohesion Fund (CF), the European Agricultural Fund for Rural Development (EAFRD) and the European Maritime and Fisheries Fund (EMFF), which are operating under *the Common Strategic Framework (the '[CSF Funds]')*. It also defines the provisions necessary to ensure the effectiveness of the [CSF Funds] and their coordination with one another and with other Union instruments. The common rules are set out in Part Two.

Amendment

This Regulation lays down the common rules applicable to the European Regional Development Fund (ERDF), the European Social Fund (ESF), the Cohesion Fund (CF), the European Agricultural Fund for Rural Development (EAFRD) and the European Maritime and Fisheries Fund (EMFF), which are operating under *a common framework (hereinafter referred to as the 'European Structural and Investment Funds')*. It also defines the provisions necessary to ensure the effectiveness of the *European Structural and Investment Funds* and their coordination with one another and with other Union instruments. The common rules are set out in Part Two.

Note to translation: The term 'European Structural and Investment Funds' will replace all relevant references of 'CSF Funds' in this Regulation and Fund-specific Regulations; adopting this amendment will necessitate corresponding changes throughout the texts.

Amendment 70

Proposal for a regulation Article 1 – paragraph 4

Text proposed by the Commission

The rules set out in this Regulation apply without prejudice to the provisions laid down in Regulation (EU) No [...]/**2012** of the European Parliament and of the Council on the financing, management and monitoring of the common agriculture policy (hereinafter referred as the 'CAP' Regulation) and to the specific provisions

Amendment

The rules set out in this Regulation apply without prejudice to the provisions laid down in Regulation (EU) No [...]/**2013** of the European Parliament and of the Council on the financing, management and monitoring of the common agriculture policy (hereinafter referred as the 'CAP' Regulation) and to the specific provisions

laid down in the following Regulations:

laid down in the following Regulations *in accordance with the last sub-paragraph of this Article*:

Amendment 71

Proposal for a regulation

Article 1 – paragraph 4 a (new)

Text proposed by the Commission

Amendment

Part Two of this Regulation shall apply to all the European Structural and Investment Funds except when the relevant Fund-specific rules establish special rules, which derogate from the common provisions in which case the special rules shall apply. Any Fund-specific rules falling under the Common Strategic Framework can establish complementary rules to the common provisions. These complementary rules, however, cannot be contradictory to the common provisions. In case of doubt about the application between Part Two of this regulation and the corresponding Fund-specific rules, the common provisions shall apply.

Amendment 72

Proposal for a regulation

Article 2 – paragraph 2

Text proposed by the Commission

Amendment

In addition, the following definitions shall apply:

For the purposes of this Regulation, the following definitions shall apply:

Amendment 73

Proposal for a regulation

Article 2 – paragraph 2 – point 1

Text proposed by the Commission

(1) 'Union strategy for smart, sustainable and inclusive growth' means the targets and shared objectives guiding the action of Member States and the Union set out ***in the Communication of the Commission: Europe 2020: A strategy for smart, sustainable and inclusive growth, and contained*** in the Conclusions adopted by the European Council of 17 June 2010 as Annex I (New European Strategy for Jobs and Growth, EU Headline Targets), Council Recommendation of 13 July 2010 on broad guidelines for the economic policies of the Member States and the Union¹ and Council Decision of 21 October 2010 on guidelines for the employment policies of the Member States², and any revision of such targets and shared objectives;

Amendment

(1) 'Union strategy for smart, sustainable and inclusive growth' means the targets and shared objectives guiding the action of Member States and the Union set out in the Conclusions adopted by the European Council of 17 June 2010 as Annex I (New European Strategy for Jobs and Growth, EU Headline Targets), Council Recommendation of 13 July 2010 on broad guidelines for the economic policies of the Member States and the Union¹ and Council Decision of 21 October 2010 on guidelines for the employment policies of the Member States², and any revision of such targets and shared objectives;

Amendment 74

Proposal for a regulation

Article 2 – paragraph 2 – point 2

Text proposed by the Commission

(2) '***Common Strategic Framework***' means the elements that provide clear strategic direction to the programming process and facilitate sectoral and territorial coordination of Union intervention under the CSF Funds and with other relevant Union policies and instruments in line with the objectives and targets of the Union strategy for smart, sustainable and inclusive growth;

Amendment

deleted

Amendment 75

Proposal for a regulation

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

Text proposed by the Commission

Amendment

(2a) 'A strategic policy framework' consists of a document or several documents at national or regional level, which set out a limited number of coherent priorities established on the basis of evidence and a timeframe for their implementation and which may include a monitoring mechanism;

Amendment 76

Proposal for a regulation

Article 2 – paragraph 2 – point 2 b (new)

Text proposed by the Commission

Amendment

(2b) 'Smart specialisation strategy' means the national or regional innovation strategies which set priorities in order to build competitive advantage by developing and matching research and innovation own strengths with business needs to address emerging opportunities and market developments in a coherent manner, while avoiding duplication and fragmentation of efforts at Union level, and which may take the form of or be included in a national or a regional research and innovation (R&I) strategic policy framework;

Amendment 77

Proposal for a regulation

Article 2 – paragraph 2 – point 3

Text proposed by the Commission

Amendment

(3) 'action' means a type of operation to

deleted

be supported by the CSF Funds to achieve the objectives of a programme;

Amendment 78

Proposal for a regulation

Article 2 – paragraph 2 – point 4

Text proposed by the Commission

(4) 'indicative action' of high European added value' means an action which can be expected to make a significant contribution to the achievement of the targets and objectives of the Union strategy for smart, sustainable and inclusive growth and which shall act as a reference point in the preparation of programmes;

Amendment

deleted

Amendment 79

Proposal for a regulation

Article 2 – paragraph 2 – point 6

Text proposed by the Commission

(6) 'programming' means the process of organisation, decision-making and allocation of financial resources in several stages intended to implement, on a multi-annual basis, the joint action by the Union and the Member States to achieve Union strategy for smart, sustainable and inclusive growth;

Amendment

(6) 'programming' means the process of organisation, decision-making and allocation of financial resources in several stages, ***with the involvement of partners in accordance with Article 5***, intended to implement, on a multi-annual basis, the joint action by the Union and the Member States to achieve ***the objectives of the*** Union strategy for smart, sustainable and inclusive growth;

Amendment 80

Proposal for a regulation

Article 2 – paragraph 2 – point 10

Text proposed by the Commission

(10) 'beneficiary' means a public or private body responsible for initiating or initiating and implementing operations; in the context of State aid, the term 'beneficiary' means the body which receives the aid; in the context of financial instruments, the term 'beneficiary' means the body that implements the financial instrument;

Amendment

(10) 'beneficiary' means a public or private body ***as well as, only for the purposes of the EAFRD and EMFF Regulations, a natural person,*** responsible for initiating or initiating and implementing operations; in the context of State aid ***schemes (as defined in point 12 of Article 2 of this Regulation),*** the term 'beneficiary' means the body which receives the aid; in the context of financial instruments ***under Title IV of Part Two of this Regulation,*** the term 'beneficiary' means the body that implements the financial instrument ***or the fund of funds as applicable;***

Amendment 81

Proposal for a regulation

Article 2 – paragraph 2 – point 10 a (new)

Text proposed by the Commission

Amendment

(10a) 'Financial instruments' the definition of financial instruments as laid down in the Financial Regulation shall apply mutatis mutandis to European Structural and Investment Funds, except where otherwise provided in this Regulation;

Amendment 82

Proposal for a regulation

Article 2 – paragraph 2 – point 14

Text proposed by the Commission

(14) 'public ***support***' means any ***financial support*** to the financing of an ***operation***

Amendment

(14) 'public ***expenditure***' means any ***public contribution*** to the financing of ***operations***

the origin of which is the budget of national, regional or local public authorities, the budget of the Union related to the *CSF* Funds, the budget of public law bodies or the budget of associations of public authorities or public law bodies;

whose origin is the budget of national, regional or local public authorities, the budget of the Union related to the *European Structural and Investment* Funds, the budget of public law bodies or the budget of associations of public authorities or public law bodies;

Amendment 83

Proposal for a regulation Article 2 – paragraph 2 – point 18

Text proposed by the Commission

(18) 'local development strategy' means a coherent set of operations to meet local objectives and needs, which contributes to meeting the Union strategy for smart, sustainable and inclusive growth and which is implemented *in partnership at the appropriate level*;

Amendment

(18) '*community-led* local development strategy' means a coherent set of operations to meet local objectives and needs, which contributes to meeting the Union strategy for smart, sustainable and inclusive growth, and which is *designed and* implemented *by a local action group*;

Amendment 84

Proposal for a regulation Article 2 – paragraph 2 – point 19

Text proposed by the Commission

(19) '*rolling closure*' means closure of operations as a result of the annual clearance of account exercise and before the general closure of the programme;

Amendment

deleted

Amendment 85

Proposal for a regulation Article 2 – paragraph 2 – point 20

Text proposed by the Commission

(20) 'Partnership *Contract*' means the document prepared by the Member State with the involvement of partners in line

Amendment

(20) 'Partnership *Agreement*' means the document prepared by the Member State with the involvement of partners in line

with the multi-level governance approach, which sets out the Member State's strategy, priorities and arrangements for using the **CSF** Funds in an effective and efficient way to pursue the Union strategy for smart, sustainable and inclusive growth, and which is approved by the Commission following assessment and dialogue with the Member State;

with the multi-level governance approach, which sets out the Member State's strategy, priorities and arrangements for using the **European Structural and Investment** Funds in an effective and efficient way to pursue the Union strategy for smart, sustainable and inclusive growth, and which is approved by the Commission following assessment and dialogue with the Member State;

Note to translation: The term 'Partnership Agreement' will replace the term 'Partnership Contract' in this Regulation; adopting this amendment will necessitate corresponding changes throughout the texts.

Amendment 86

Proposal for a regulation

Article 2 – paragraph 2 – point 23 a (new)

Text proposed by the Commission

Amendment

(23a) 'escrow account' means a bank account covered by a written agreement between the managing authority (or an intermediate body) and the body implementing a financial instrument, or in the case of a PPP operation a written agreement between the public body beneficiary and the private partner approved by the managing authority (or an intermediate body), set up specifically to hold funds to be paid out after the eligibility period, exclusively for the purposes foreseen in Article 36(1)(c), Article 36(2), Article 36(2a) and Article 54c of this Regulation, or a bank account set up on terms providing equivalent guarantees on the payments out of the fund;

Amendment 87

Proposal for a regulation

Article 2 – paragraph 2 – point 23 b (new)

Text proposed by the Commission

Amendment

(23b) 'fund of funds' means a fund set up with the objective to contribute support from programme(s) to several bodies implementing financial instruments. Where financial instruments are implemented through a fund of funds, the body implementing the fund of funds shall be considered the only beneficiary in the meaning of point 8 of Article 2;

Amendment 88

Proposal for a regulation

Article 2 – paragraph 2 – point 24

Text proposed by the Commission

Amendment

(24) 'SME' means a micro, small or medium sized enterprise ***in the meaning of*** Commission Recommendation 2003/361/EC, or subsequent amendments thereof;

(22) 'SME' means a micro, small or medium sized enterprise ***as defined in*** Commission Recommendation 2003/361/EC, or subsequent amendments thereof;

Amendment 89

Proposal for a regulation

Article 2 – paragraph 2 – point 25

Text proposed by the Commission

Amendment

(25) 'accounting year, means, for the purposes of Part Three and Part Four, the period from 1 July to 30 June, except for the first accounting year, in respect of which it means the period from the start date for eligibility of expenditure until 30 June 2015. The final accounting year shall be from 1 July **2022** to 30 June **2023**;

(25) 'accounting year' means, for the purposes of Part Three and Part Four, the period from 1 July to 30 June, except for the first accounting year, in respect of which it means the period from the start date for eligibility of expenditure until 30 June 2015. The final accounting year shall be from 1 July **2023** to 30 June **2024**;

Amendment 90

Proposal for a regulation

Article 2 – paragraph 2 – point 26 a (new)

Text proposed by the Commission

Amendment

(26a) 'macroregional strategy' means an integrated framework endorsed by the European Council, which may be supported by the European Structural and Investment Funds among others, to address common challenges faced by a defined geographical area relating to Member States and third countries located in the same geographical area which thereby benefit from strengthened cooperation contributing to achievement of economic, social and territorial cohesion;

Amendment 91

Proposal for a regulation

Article 2 – paragraph 2 – point 26 b (new)

Text proposed by the Commission

Amendment

(26b) 'sea basin strategy' means a structured framework of cooperation in respect to a given geographical area, developed by European Institutions, Member States, their regions and where appropriate third countries sharing a sea basin; the strategy takes into account the geographic, climatic, economic and political specificities of the sea basin;

Amendment 92

Proposal for a regulation

Article 2 – paragraph 2 – point 26 c (new)

Text proposed by the Commission

Amendment

(26c) 'Applicable ex ante conditionality'

means a concrete and precisely pre-defined critical factor, which is a prerequisite for and has a direct and genuine link to and direct impact on the effective and efficient achievement of the specific objective for an investment priority or a Union priority;

Amendment 93

Proposal for a regulation

Article 2 – paragraph 2 – point 26 d (new)

Text proposed by the Commission

Amendment

(26d) 'A specific objective' is the result to which an investment priority or Union priority shall contribute in a specific national or regional context through actions or measures undertaken within a priority;

Amendment 94

Proposal for a regulation

Article 2 – paragraph 2 – point 26 e (new)

Text proposed by the Commission

Amendment

(26e) 'Relevant country-specific recommendations adopted in accordance with Article 121(2)' of the Treaty on the Functioning of the European Union and 'relevant Council recommendations adopted in accordance with article 148(4) of the Treaty on the Functioning of the European Union' mean recommendations relating to structural challenges which it is appropriate to address through multiannual investments that fall directly within the scope of the European Structural and Investment Funds as set out in the Fund-specific Regulations;

Amendment 95

Proposal for a regulation

Article 2 – paragraph 2 – point 26 f (new)

Text proposed by the Commission

Amendment

(26f) 'Public private partnerships' (PPPs) are forms of cooperation between public bodies and the private sector, which aim to improve the delivery of investments in infrastructure projects or other types of operations delivering public services through risk sharing, pooling of private sector expertise or additional sources of capital.

Amendment 96

Proposal for a regulation

Article 2 a (new)

Text proposed by the Commission

Amendment

Article 2a

Time limit for Commission decisions

Where pursuant to Articles 15(2) and (3), 25(3), 26 (2), 92(2), 96(2), and 97(3), a time limit is set for the Commission to adopt or amend a decision, by means of an implementing act, the time limit shall not include the period which starts on the day following the date on which the Commission has sent its observations to the Member State and lasts until the Member State has responded to the observations.

Amendment 97

Proposal for a regulation Article 3

Text proposed by the Commission

Article 3

Scope

The rules set out in this Part shall apply without prejudice to the provisions laid down in Part Three and Part Four.

Amendment

deleted

Amendment 98

Proposal for a regulation Article 4 – paragraph 1

Text proposed by the Commission

1. The **CSF** Funds shall provide support, through multi-annual programmes, which complements national, regional and local intervention, to deliver the Union strategy for smart, sustainable and inclusive growth, taking account of the Integrated Guidelines, the country-specific recommendations *under* Article 121(2) of the Treaty and the relevant Council recommendations adopted *under* 148(4) of the Treaty.

Amendment

1. The **European Structural and Investment** Funds shall provide support, through multi-annual programmes, which complements national, regional and local intervention to deliver the Union strategy for smart, sustainable and inclusive growth ***as well as the Fund-specific missions pursuant to their Treaty-based objectives, including economic, social and territorial cohesion*** taking account of the ***relevant*** Integrated Guidelines ***and the relevant*** country-specific recommendations ***adopted in accordance with*** Article 121(2) of the Treaty ***on the Functioning of the European Union*** and the relevant Council recommendations adopted ***in accordance with article*** 148(4) of the Treaty ***on the Functioning of the European Union and where appropriate at national level, the national reform programme.***

Amendment 99

Proposal for a regulation Article 4 – paragraph 2

Text proposed by the Commission

2. The Commission and the Member States shall ensure that support from the **CSF** Funds is consistent with the policies and priorities of the Union and complementary to other instruments of the Union.

Amendment

2. The Commission and the Member States shall ensure, **taking account of the specific context of each Member State**, that support from the **European Structural and Investment** Funds is consistent with the **relevant** policies, **horizontal principles in accordance with Articles 5, 7 and 8** and priorities of the Union and complementary to other instruments of the Union.

Amendment 100

Proposal for a regulation Article 4 – paragraph 3

Text proposed by the Commission

3. Support from the **CSF** Funds shall be implemented in close cooperation between the Commission and the Member States.

Amendment

3. Support from the **European Structural and Investment** Funds shall be implemented in close cooperation between the Commission and the Member States **in accordance with the principle of subsidiarity**.

Amendment 101

Proposal for a regulation Article 4 – paragraph 4

Text proposed by the Commission

4. Member States and the bodies designated by them for that purpose shall be responsible for implementing programmes and carrying out their tasks **under** this Regulation and the Fund-specific rules **at the appropriate territorial level, in accordance with the institutional, legal and financial framework of the**

Amendment

4. Member States, **at the appropriate territorial level, in accordance with their institutional, legal and financial framework**, and the bodies designated by them for that purpose shall be responsible for **preparing and** implementing programmes and carrying out their tasks, **in partnership with the relevant partners**

Member State and subject to compliance with this Regulation and the Fund-specific rules.

referred to in Article 5, in compliance with this Regulation and the Fund-specific rules.

Amendment 102

Proposal for a regulation Article 4 – paragraph 5

Text proposed by the Commission

5. Arrangements for the implementation and use of the **CSF** Funds, and in particular the financial and administrative resources required for the implementation of the **CSF** Funds, in relation to the reporting, evaluation, management and control shall **take into account** the principle of proportionality having regard to the level of support allocated.

Amendment

5. Arrangements for the implementation and use of the **European Structural and Investment** Funds, and in particular the financial and administrative resources required for the **preparation and implementation** of the **European Structural and Investment** Funds, in relation to the **monitoring**, reporting, evaluation, management and control shall **respect** the principle of proportionality having regard to the level of support allocated **and shall take into account the overall aim of reducing administrative burden for bodies involved in the management and control of the programmes.**

Amendment 103

Proposal for a regulation Article 4 – paragraph 6

Text proposed by the Commission

6. In accordance with their respective responsibilities, the Commission and the Member States shall ensure coordination among the **CSF** Funds, and with other Union policies and instruments, including those in the framework of the Union's external action.

Amendment

6. In accordance with their respective responsibilities, the Commission and the Member States shall ensure coordination among the **European Structural and Investment** Funds, and with other **relevant** Union policies, **strategies** and instruments, including those in the framework of the Union's external action.

Amendment 104

Proposal for a regulation Article 4 – paragraph 7

Text proposed by the Commission

7. The part of the Union budget allocated to the **CSF** Funds shall be implemented within the framework of shared management between the Member States and the Commission, in accordance with Article 53(b) of the Financial Regulation, with the exception of the amount of the CF transferred to the Connecting Europe Facility referred to in Article 84(4) and innovative actions at the initiative of the Commission under Article 9 of the ERDF Regulation, and technical assistance at the initiative of the Commission.

Amendment

7. The part of the Union budget allocated to the **European Structural and Investment** Funds shall be implemented within the framework of shared management between the Member States and the Commission, in accordance with Article 59(b) of the Financial Regulation, with the exception of the amount of the CF transferred to the Connecting Europe Facility referred to in Article 84(4) and innovative actions at the initiative of the Commission under Article 8 (**ex-9**) of the ERDF Regulation, and technical assistance at the initiative of the Commission.

Amendment 105

Proposal for a regulation Article 4 – paragraph 8

Text proposed by the Commission

8. The Commission and the Member States shall apply the principle of sound financial management in accordance with Article 27 of the Financial Regulation.

Amendment

8. The Commission and the Member States shall apply the principle of sound financial management in accordance with Article 30 of the Financial Regulation.

Amendment 106

Proposal for a regulation Article 4 – paragraph 9

Text proposed by the Commission

9. The Commission and the Member States shall ensure the effectiveness of the **CSF** Funds, **in particular through** monitoring, reporting and evaluation.

Amendment

9. The Commission and the Member States shall ensure the effectiveness of the **European Structural and Investment** Funds **during preparation and implementation, in relation to** monitoring,

reporting and evaluation.

Amendment 107

Proposal for a regulation

Article 5 – paragraph 1

Text proposed by the Commission

1. For the Partnership **Contract** and each programme respectively, a Member State shall organise a partnership with the following partners:

Amendment

1. For the Partnership **Agreement** and each programme respectively, a Member State shall ***in accordance with their institutional and legal framework*** organise a partnership with the ***competent regional and local authorities***. ***The partnership shall also include the*** following partners:

Amendment 108

Proposal for a regulation

Article 5 – paragraph 1 – point a

Text proposed by the Commission

(a) competent ***regional, local***, urban and other public authorities;

Amendment

(a) competent urban and other public authorities;

Amendment 109

Proposal for a regulation

Article 5 – paragraph 1 – point c

Text proposed by the Commission

(c) bodies representing civil society, including environmental partners, non-governmental organisations, and bodies responsible for promoting equality and non-discrimination.

Amendment

(c) ***relevant*** bodies representing civil society, including environmental partners, non-governmental organisations, and bodies responsible for promoting ***social inclusion, gender*** equality and non-discrimination.

Amendment 110

Proposal for a regulation Article 5 – paragraph 2

Text proposed by the Commission

2. In accordance with the multi-level governance approach, the partners shall be involved by Member States in the preparation of Partnership **Contracts** and progress reports **and in** the preparation, implementation, **monitoring and evaluation** of programmes. **The partners shall participate** in the monitoring committees for programmes.

Amendment

2. In accordance with the multi-level governance approach, the partners **referred to in paragraph 1** shall be involved by Member States in the preparation of Partnership **Agreements** and progress reports **throughout** the preparation **and** implementation of programmes, **including participation** in the monitoring committees for programmes **in accordance with Article 42.**

Amendment 111

Proposal for a regulation Article 5 – paragraph 3

Text proposed by the Commission

3. The Commission shall be empowered to adopt delegated acts in accordance with Article 142 to provide for a European code of conduct **that lays down objectives and criteria to support** the implementation of partnership **and to facilitate the sharing of information, experience, results and good practices among Member States.**

Amendment

3. The Commission shall be empowered to adopt delegated acts in accordance with Article 142 to provide for a European code of conduct **in order to support and facilitate Member States in the organisation of the partnership in accordance with paragraphs 1 and 2. The code of conduct shall set out the framework, within which the Member States in accordance with their institutional and legal framework as well as their national and regional competences, shall pursue** the implementation of partnership. **The code of conduct, while fully respecting the principles of subsidiarity and proportionality, shall lay down the following elements:**

(a) the main principles for transparent procedures to be followed for the identification of the relevant partners including, where appropriate, their

umbrella organisations in order to facilitate Member States to designate the most representative relevant partners, in accordance with their institutional and legal framework;

(b) the main principles and best practices as regards the involvement of the different categories of relevant partners, as set out in paragraph 1, in the preparation of the Partnership Agreement and programmes, the information to be provided on their involvement, as well as at the various stages of implementation;

(c) the best practices as regards the formulation of the rules of membership and internal procedures of monitoring committees to be decided, as appropriate, by the Member States or the monitoring committees of programmes in accordance with the relevant provisions of this Regulation and the fund-specific rules;

(d) the main objectives and best practices in cases where the managing authority involves the relevant partners in the preparation of calls for proposals and in particular the best practices to avoid potential conflicts of interest in cases where relevant partners may be potential beneficiaries, and for the involvement of the relevant partners in the preparation of progress reports and in relation to monitoring and evaluation of programmes in accordance with the relevant provisions of this Regulation and the fund-specific rules;

(e) the indicative areas, themes and best practices in order that the competent authorities of the Member States may use the European Structural and Investment Funds including technical assistance in strengthening the institutional capacity of relevant partners in accordance with the relevant provisions of this Regulation and the fund-specific rules;

(f) the role of the Commission in the dissemination of good practices;

(g) the main principles and best practices that will facilitate the Member States' assessment of the implementation of partnership and its added value.

The provisions of the code of conduct shall not in any way contradict the relevant provisions of this Regulation or the Fund specific rules.

Amendment 112

Proposal for a regulation Article 5 – paragraph 3 a (new)

Text proposed by the Commission

Amendment

3a. The Commission shall notify the delegated act on the European code of conduct on Partnership, adopted in accordance with article 142 and as set out in paragraph 3, simultaneously to the European Parliament and to the Council within four months of the adoption of this Regulation. The delegated act cannot specify an earlier day for its entry into force than the day of its adoption after the entry into force of this Regulation.

Amendment 113

Proposal for a regulation Article 5 – paragraph 3 b (new)

Text proposed by the Commission

Amendment

3b. In the application of this Article, an infringement of any obligation imposed on Member States either by this Article of the Regulation or by the delegated act, adopted in accordance with Article 5(3), cannot constitute an irregularity leading to a financial correction pursuant to

Article 77 of this Regulation.

Amendment 114

Proposal for a regulation
Article 5 – paragraph 4

Text proposed by the Commission

4. At least once a year, for each **CSF** Fund, the Commission shall consult the organisations which represent the partners at Union level on the implementation of support from the **CSF** Funds.

Amendment

4. At least once a year, for each **European Structural and Investment** Fund, the Commission shall consult the organisations which represent the partners at Union level on the implementation of support from the **European Structural and Investment Funds** **and shall report to the European Parliament and the Council on the outcome.**

Amendment 115

Proposal for a regulation
Article 7 – paragraph 1

Text proposed by the Commission

The Member States and the Commission shall ensure that equality between men and women and the integration of gender perspective **is** promoted **in** the preparation and implementation of programmes.

Amendment

The Member States and the Commission shall ensure that equality between men and women and the integration of gender perspective **are taken into account and** promoted **throughout** the preparation and implementation, **in relation to monitoring, reporting and evaluation** of programmes.

Amendment 116

Proposal for a regulation
Article 7 – paragraph 2

Text proposed by the Commission

The Member States and the Commission shall take appropriate steps to prevent any discrimination based on sex, racial or ethnic origin, religion or belief, disability,

Amendment

The Member States and the Commission shall take appropriate steps to prevent any discrimination based on sex, racial or ethnic origin, religion or belief, disability,

age or sexual orientation during the preparation and implementation of programmes.

age or sexual orientation during the preparation and implementation of programmes. ***In particular, accessibility for persons with disabilities shall be taken into account throughout the preparation and implementation of programmes.***

Amendment 117

Proposal for a regulation Article 8 – paragraph 1

Text proposed by the Commission

The objectives of the **CSF** Funds shall be pursued in the framework of sustainable development and the Union's promotion of the aim of protecting and improving the environment, as set out in Article 11 of the Treaty, taking into account the polluter pays principle.

Amendment

The objectives of the **European Structural and Investment** Funds shall be pursued in the framework of sustainable development and the Union's promotion of the aim of ***preserving***, protecting and improving the environment, as set out in Article 11 ***and Article 191(1)*** of the Treaty, taking into account the polluter pays principle.

Amendment 118

Proposal for a regulation Article 8 – paragraph 2

Text proposed by the Commission

The Member States and the Commission shall ensure that environmental protection requirements, resource efficiency, climate change mitigation and adaptation, disaster resilience and risk prevention and management are promoted in the preparation and implementation of Partnership **Contracts** and programmes. Member States shall provide information on the support for climate change objectives using the methodology adopted by the Commission. The Commission shall ***adopt*** this methodology by means of ***an*** implementing ***act***. The implementing act shall be adopted in accordance with the examination procedure referred to in

Amendment

The Member States and the Commission shall ensure that environmental protection requirements, resource efficiency, climate change mitigation and adaptation, ***biodiversity and ecosystem protection***, disaster resilience and risk prevention and management are promoted in the preparation and implementation of Partnership ***Agreements*** and programmes. Member States shall provide information on the support for climate change objectives using the methodology ***based on the categories of intervention or measures*** adopted by the Commission. ***This methodology shall consist of attaching weights to expenditure under the***

Article 143(3).

European Structural and Investment Funds at an appropriate level to reflect the contribution to climate change mitigation and adaptation goals. The Commission shall ***lay down uniform conditions on the implementation of*** this methodology ***to each of the European Structural and Investment Funds*** by means of implementing ***acts***. The implementing act shall be adopted in accordance with the examination procedure referred to in Article 143(3).

Amendment 119

Proposal for a regulation Article 9

Text proposed by the Commission

Each ***CSF*** Fund ***shall support the following thematic objectives in accordance with its mission*** in order to contribute to the Union strategy for smart, sustainable and inclusive growth:

- (1) strengthening research, technological development and innovation;
- (2) enhancing access to, and use and quality of, information and communication technologies;
- (3) enhancing the competitiveness of small and medium-sized enterprises, the agricultural sector (for the EAFRD) and the fisheries and aquaculture sector (for the EMFF);
- (4) supporting the shift towards a low-carbon economy in all sectors;
- (5) promoting climate change adaptation, risk prevention and management;
- (6) protecting the environment and promoting resource efficiency;

Amendment

Each ***European Structural and Investment*** Fund, in order to contribute to the Union strategy for smart, sustainable and inclusive growth ***as well as the Fund-specific missions pursuant to their Treaty-based objectives, including economic, social and territorial cohesion shall support the following thematic objectives:***

- (1) strengthening research, technological development and innovation;
- (2) enhancing access to, and use and quality of, information and communication technologies;
- (3) enhancing the competitiveness of small and medium-sized enterprises, the agricultural sector (for the EAFRD) and the fisheries and aquaculture sector (for the EMFF);
- (4) supporting the shift towards a low-carbon economy in all sectors;
- (5) promoting climate change adaptation, risk prevention and management;
- (6) ***preserving and*** protecting the environment and promoting resource

- (7) promoting sustainable transport and removing bottlenecks in key network infrastructures;
- (8) promoting employment and supporting labour mobility;
- (9) promoting social inclusion *and* combating poverty;
- (10) investing in education, skills and lifelong learning;
- (11) enhancing institutional capacity and an efficient public administration.

Thematic objectives shall be translated into priorities specific to each *CSF* Fund and set out in the Fund-specific rules.

Amendment 120

Proposal for a regulation Article 10

Text proposed by the Commission

In order to promote the harmonious, balanced and sustainable development of the Union, a Common Strategic Framework shall *provide clear* strategic *direction to* the programming process and *facilitate* sectoral and territorial coordination of Union intervention under the *CSF* Funds and with other relevant Union policies and instruments in line with the objectives and targets of the Union strategy for smart, sustainable and inclusive growth.

efficiency;

- (7) promoting sustainable transport and removing bottlenecks in key network infrastructures;
- (8) promoting *sustainable and quality* employment and supporting labour mobility;
- (9) promoting social inclusion, combating poverty *and any discrimination*;
- (10) investing in education, *training and vocational training for* skills and lifelong learning;
- (11) enhancing institutional capacity *of public authorities and stakeholders* and an efficient public administration.

Thematic objectives shall be translated into priorities specific to each *of the European Structural and Investment* Funds and set out in the Fund-specific rules.

Amendment

1. In order to promote the harmonious, balanced and sustainable development of the Union, a Common Strategic Framework shall *establish* strategic *guiding principles* to *facilitate* the programming process and *the* sectoral and territorial coordination of Union intervention under the *European Structural and Investment* Funds and with other relevant Union policies and instruments in line with the objectives and targets of the Union strategy for smart, sustainable and inclusive growth *taking into account the key territorial challenges for different types of territories*.

1a. The strategic guiding principles as set out in the Common Strategic Framework shall be established within the purpose and the scope of the assistance provided by each European Structural and Investment Fund, as well as the rules governing the operation of each European Structural and Investment Fund, as defined in this Regulation and the Fund-specific rules. It shall also not impose additional obligations to Member States beyond those set out within the framework of the relevant sectoral Union policies.

1b. The Common Strategic Framework shall facilitate the preparation of the Partnership Agreement and programmes in accordance with the principles of proportionality and subsidiarity and taking into account the national and regional competences to decide on the specific and adequate policy and coordination measures.

Amendment 121

Proposal for a regulation Article 11

Text proposed by the Commission

The Common Strategic Framework shall establish:

(a) ***means to achieve*** coherence and consistency of the programming of the ***CSF*** Funds with the country-specific recommendations ***under*** Article 121(2) of the Treaty and the relevant Council recommendations adopted ***under*** 148(4) of the Treaty;

Amendment

The Common Strategic Framework shall establish:

(a) ***mechanisms for ensuring the contribution of the European Structural and Investment Funds to the Union's Strategy for smart, sustainable and inclusive growth and*** coherence and consistency of the programming of the ***European Structural and Investment*** Funds with the ***relevant*** country-specific recommendations ***adopted in accordance with*** Article 121(2) of the Treaty ***on the Functioning of the European Union*** and the relevant Council recommendations adopted ***in accordance with*** 148(4) of the

(b) coordination *mechanisms among* the **CSF** Funds, and with other relevant Union policies and instruments, including external instruments for cooperation;

(c) horizontal principles and cross-cutting policy objectives for the implementation of the **CSF** Funds;

(d) arrangements to address territorial challenges *and the steps to be taken to encourage an integrated approach that reflects the role of* urban, rural, coastal and fisheries areas, *as well as the specific challenges for areas with particular territorial features* referred to in *Articles 174 and 349* of the Treaty;

(e) for each thematic objective, the indicative actions of high European added value to be supported by each CSF Fund and the corresponding principles for delivery;

(f) *priorities* for cooperation for the **CSF** Funds, where appropriate, taking account of macro-regional and sea basin strategies.

Treaty *on the Functioning of the European Union and where appropriate at national level, the national reform programmes;*

(aa) arrangements to promote the integrated use of the European Structural and Investment Funds;

(b) *the arrangements for* coordination *between* the **European Structural and Investment** Funds and other relevant Union policies and instruments, including external instruments for cooperation;

(c) horizontal principles and cross-cutting policy objectives for the implementation of the **European Structural and Investment** Funds;

(d) *the* arrangements to address *the key* territorial challenges *for* urban, rural, coastal and fisheries areas, the *demographic challenges of regions or specific needs of geographical areas which suffer by severe and permanent natural or demographic handicaps* as referred to in *Article 174 of the Treaty on the Functioning of the European Union*, and *the specific challenges of outermost regions as defined in Article 349* of the Treaty *on the Functioning of the European Union;*

(f) *priority areas* for cooperation *activities* for the **European Structural and Investment** Funds, where appropriate, taking account of macro-regional and sea basin strategies.

Amendment 122

Proposal for a regulation Article 12

Text proposed by the Commission

The *elements of the Common Strategic Framework related to coherence and consistency with the economic policies of Member States and the Union, the coordination mechanisms among the CSF Funds and with other relevant Union policies and instruments, the horizontal principles and cross-cutting policy objectives and the arrangements to address territorial challenges are laid down* in Annex I.

The Commission shall be empowered to adopt delegated acts in accordance with Article 142 laying down the specific elements of the Common Strategic Framework related to the establishment of indicative actions of high European added value and corresponding principles for delivery for each thematic objective and of priorities for cooperation.

Where there are major changes in the Union strategy for smart, sustainable and inclusive growth, the Commission *shall* review the Common Strategic Framework *and, where appropriate, adopt by means of delegated acts* in accordance with *Article 142, amendments to Annex I.*

Within 6 months of adoption of a revision to the Common Strategic Framework, Member States shall propose amendments, where necessary, to their Partnership Contract and programmes to ensure their consistency with the revised Common Strategic Framework.

Amendment

The Common Strategic Framework *is set out* in Annex I *to this Regulation.*

Where there are major changes in the *social and economic situation in the Union or* in the Union strategy for smart, sustainable and inclusive growth, the Commission *may submit a proposal to* review the Common Strategic Framework, *or the European Parliament or the Council, acting* in accordance with *Articles 225 or 241 of the Treaty on the Functioning of the European Union respectively, may request the Commission to submit such a proposal.*

The Commission shall be empowered to adopt delegated acts in accordance with Article 142 in order to supplement or amend Sections 4 (Coordination and synergies between European Structural and Investment Funds and other Union policies and instruments) and 7 (Cooperation activities) of the Common

Strategic Framework set out in Annex I where it is necessary to take account of changes in the Union policies or instruments referred to in Section 4 or changes in the cooperation activities referred to in Section 7, or to take account of the introduction of new Union policies, instruments or cooperation activities.

Amendment 123

Proposal for a regulation Article 12 a (new)

Text proposed by the Commission

Amendment

Article 12a

Guide for beneficiaries

- 1. The Commission shall prepare a detailed practical guide on how to effectively access and use the Funds covered by the CPR, and how to exploit complementarities with other instruments of relevant Union policies.**
- 2. The guide shall be drawn up by 30 June 2014 and shall provide for each thematic objective an overview of the available relevant instruments at Union level with detailed sources of information, examples of good practices to combine available funding instruments within and across policy areas, a description of relevant authorities and bodies involved in the management of each instrument, a checklist for potential beneficiaries to help them to identify the best funding resources.**
- 3. The guide shall be made public on the website of the relevant Directorate Generals of the Commission. The Commission and managing authorities acting in accordance with Article 105, in cooperation with the Committee of the Regions, shall ensure dissemination of the guide to potential beneficiaries.**

Amendment 124

Proposal for a regulation Article 13

Text proposed by the Commission

Preparation of the Partnership **Contract**

1. Each Member State shall prepare a Partnership **Contract** for the period from 1 January 2014 to 31 December 2020.
2. The Partnership **Contract** shall be drawn up by Member States in cooperation with the partners referred to in Article 5. The Partnership **Contract** shall be prepared in dialogue with the Commission.
3. The Partnership **Contract** shall cover all support from the **CSF** Funds in the Member State concerned.
4. Each Member State shall transmit its Partnership **Contract** to the Commission within 3 months of the **adoption of the Common Strategic Framework**.

Amendment 125

Proposal for a regulation Article 14 – introductory part

Text proposed by the Commission

Content of the Partnership **Contract**

The Partnership **Contract** shall set out:

Amendment

Preparation of the Partnership **Agreement**

1. Each Member State shall prepare a Partnership **Agreement** for the period from 1 January 2014 to 31 December 2020.
2. The Partnership **Agreement** shall be drawn up by Member States in cooperation with the partners referred to in Article 5. The Partnership **Agreement** shall be prepared in dialogue with the Commission. ***The Member States shall draw up the Partnership Agreement following transparent procedures in relation to the public, in accordance with their institutional and legal framework.***
3. The Partnership **Agreement** shall cover all support from the **European Structural and Investment** Funds in the Member State concerned.
4. Each Member State shall transmit its Partnership **Agreement** to the Commission within 4 months of the **entry into force of this Regulation**.

Content of the Partnership **Agreement**

1. The Partnership **Agreement** shall set out:

Amendment 126

Proposal for a regulation

Article 14 – paragraph 1 – point a

Text proposed by the Commission

(a) arrangements to ensure alignment with the Union strategy for smart, sustainable and inclusive growth, including:

(i) an analysis of disparities *and* development needs with reference to the thematic objectives, *the Common Strategic Framework and the targets set in the country-specific recommendations under Article 121(2) of the Treaty and the relevant Council recommendations adopted under Article 148(4) of the Treaty;*

(ii) a summary *analysis* of the *ex ante* evaluations of the programmes *justifying the selection of the thematic objectives and the indicative allocations of the CSF Funds;*

(iii) *for each* thematic objective, a summary of the main results expected for each of the *CSF* Funds;

(iv) the indicative allocation of support by the Union by thematic objective at national level for each of the *CSF* Funds, as well as the total indicative amount of support foreseen for climate change objectives;

(v) the main priority areas for cooperation, taking account, where appropriate, of macro-regional and sea

Amendment

(a) arrangements to ensure alignment with the Union strategy for smart, sustainable and inclusive growth *as well as the Fund specific missions pursuant to their Treaty-based objectives, including economic, social and territorial cohesion*, including:

(i) an analysis of disparities, development needs, *and growth potentials* with reference to the thematic objectives *and the territorial challenges and taking account of the national reform programme, where appropriate, and relevant* country-specific recommendations *adopted in accordance with Article 121(2) of the Treaty on the Functioning of the European Union* and relevant Council recommendations adopted *in accordance with Article 148(4) of the Treaty on the Functioning of the European Union;*

(ii) a summary of the *ex ante* evaluations of the programmes *or key findings of the ex ante evaluations of the Partnership Agreement where undertaken by the Member State at its own initiative;*

(iii) *selected* thematic objectives, *and for each of the selected thematic objectives* a summary of the main results expected for each of the *European Structural and Investment* Funds;

(iv) the indicative allocation of support by the Union by thematic objective at national level for each of the *European Structural and Investment* Funds, as well as the total indicative amount of support foreseen for climate change objectives;

basin strategies;

(vi) horizontal principles and policy objectives for the implementation of the ***CSF*** Funds;

(vii) the list of the programmes under the ERDF, the ESF and the CF, except those under the European territorial cooperation goal, and of the programmes of the EAFRD and the EMFF, with the respective indicative allocations by ***CSF*** Fund and by year;

(vi) ***the application of*** horizontal principles and policy objectives for the implementation of the ***European Structural and Investment*** Funds;

(vii) the list of the programmes under the ERDF, the ESF and the CF, except those under the European territorial cooperation goal, and of the programmes of the EAFRD and the EMFF, with the respective indicative allocations by ***European Structural and Investment*** Fund and by year;

Amendment 127

Proposal for a regulation

Article 14 – paragraph 1 – point b

Text proposed by the Commission

(b) an integrated approach to territorial development supported by the CSF Funds setting out:

(i) the mechanisms at national and regional level that ensure coordination between the ***CSF*** Funds and other Union and national funding instruments and with the EIB;

(ii) the arrangements to ensure an integrated approach to the use of the CSF Funds for the territorial development of urban, rural, coastal and fisheries areas and areas with particular territorial features, in particular the implementation arrangements for Articles 28, 29 and 99 accompanied, where appropriate, by a list of the cities to participate in the urban development platform referred to in Article 8 of the ERDF Regulation;

Amendment

(b) arrangements to ensure effective implementation of the European Structural and Investment Funds, including:

(i) the arrangements, in line with the institutional framework of the Member States, that ensure coordination between the ***European Structural and Investment*** Funds and other Union and national funding instruments and with the EIB;

(ii) the information required for ex ante verification of compliance with the rules on additionality as they are defined in Part Three of this Regulation;

(iia) a summary of the assessment of the fulfilment of applicable ex ante conditionalities in accordance with Article

17 and Annex (xx) at national level and of the actions to be taken, the responsible bodies and the timetable for their implementation, where ex ante conditionalities are not fulfilled;

(iib) the methodology and mechanisms to ensure consistency in the functioning of the performance framework in accordance with Article 19;

(iic) an assessment of whether there is a need to reinforce the administrative capacity of the authorities involved in the management and control of the programmes and, where appropriate, beneficiaries as well as, where necessary, a summary of actions to be taken for this purpose;

(iic) a summary of the actions planned in the programmes, including indicative timetable to achieve a reduction in the administrative burden for beneficiaries.

Amendment 128

Proposal for a regulation Article 14 – paragraph 1 – point c

Text proposed by the Commission

(c) an integrated approach to address the specific needs of geographical areas most affected by poverty or of target groups at highest risk of discrimination or exclusion, with special regard to marginalised communities, where appropriate, including the indicative financial allocation for the relevant CSF Funds;

Amendment

(c) arrangements for the partnership principle as referred in Article 5;

An indicative list of partners and a summary of the actions taken to involve those partners as referred to in Article 5 and their role in the preparation of the Partnership Agreement and the progress report as defined in Article 46 of this Regulation.

Amendment 129

Proposal for a regulation Article 14 – paragraph 1 – point d

Text proposed by the Commission

Amendment

(d) arrangements to ensure effective implementation, including: *deleted*

(i) a consolidated table of milestones and targets established in programmes for the performance framework referred to in Article 19(1), together with the methodology and mechanism to ensure consistency across programmes and CSF Funds;

(ii) a summary of the assessment of the fulfilment of ex ante conditionalities and of the actions to be taken at national and regional level, and the timetable for their implementation, where ex ante conditionalities are not fulfilled;

(iii) the information required for ex ante verification of compliance with the rules on additionality as they are defined in Part Three of this Regulation;

(iv) the actions taken to involve the partners and their role in the preparation of the Partnership Contract and the progress report as defined in Article 46 of this Regulation;

Amendment 130

Proposal for a regulation Article 14 – paragraph 1 – point e

Text proposed by the Commission

Amendment

(e) arrangements to ensure efficient implementation of the CSF Funds, including: *deleted*

(i) an assessment of whether there is a

need to reinforce the administrative capacity of the authorities and, where appropriate, beneficiaries, and actions to be taken for this purpose;

(ii) a summary of the actions planned and corresponding targets in the programmes to achieve a reduction in the administrative burden for beneficiaries;

(iii) an assessment of the existing systems for electronic data exchange, and the actions planned to permit all exchanges of information between beneficiaries and authorities responsible for management and control of programmes to be carried out solely by electronic data exchange.

Amendment 131

Proposal for a regulation Article 14 – paragraph 1a (new)

Text proposed by the Commission

Amendment

1a. The Partnership Agreement shall also indicate:

(a) an integrated approach to territorial development supported by the European Structural and Investment Funds or a summary of the integrated approaches to territorial development based on the content of the programmes, setting out:

(i) the arrangements to ensure an integrated approach to the use of the European Structural and Investment Funds for the territorial development of specific sub-regional areas, in particular the implementation arrangements for Articles 28, 29 and 99 accompanied, by the principles for identifying the urban areas where integrated actions for sustainable urban development are to be implemented;

(ii) the main priority areas for cooperation under the European Structural and Investment Funds, taking

account, where appropriate, of macro-regional strategies and sea basin strategies;

(iii) where appropriate, an integrated approach to address the specific needs of geographical areas most affected by poverty or of target groups at highest risk of discrimination or social exclusion, with special regard to marginalised communities, persons with disabilities, long term unemployed and young people not in employment, education or training;

(iv) where appropriate, an integrated approach, to address demographic challenges of regions or specific needs of geographical areas which suffer by severe and permanent natural or demographic handicaps, as defined in Article 174 TFEU.

(b) arrangements to ensure efficient implementation of the European Structural and Investment Funds, including:

An assessment of the existing systems for electronic data exchange, and a summary of the actions planned to gradually permit all exchanges of information between beneficiaries and authorities responsible for management and control of programmes to be carried out by electronic data exchange.

Amendment 132

Proposal for a regulation Article 15 – paragraph 1

Text proposed by the Commission

1. The Commission shall assess the consistency of the Partnership Contract with this Regulation, ***with the Common Strategic Framework, and the country-specific recommendations under Article 121(2) of the Treaty and the Council***

Amendment

1. The Commission shall assess the consistency of the Partnership ***Agreement*** with this Regulation ***taking account of the national reform programme, where appropriate, and the relevant country-specific recommendations adopted in***

recommendations adopted *under* 148(4) of the Treaty, *taking account of* the *ex ante* evaluations of the programmes, and shall make observations within three months of the date of submission of the Partnership *Contract*. The Member State shall provide all necessary additional information and, where appropriate, shall revise the Partnership *Contract*.

accordance with Article 121(2) of the Treaty *on the Functioning of the European Union* and *relevant* Council recommendations adopted *in accordance with article* 148 (4) of the Treaty *on the Functioning of the European Union, as well as of* the *ex-ante* evaluations of the programmes, and shall make observations within three months of the date of submission *by the Member State* of the Partnership *Agreement*. The Member State shall provide all necessary additional information and, where appropriate, shall revise the Partnership *Agreement*.

Amendment 133

Proposal for a regulation Article 15 – paragraph 2

Text proposed by the Commission

2. The Commission shall adopt a decision, by means of implementing acts, approving the Partnership *Contract* no later than *six* months after its submission by the Member State, provided that any observations made by the Commission have been *satisfactorily* taken into account. The Partnership *Contract* shall not enter into force before 1 January 2014.

Amendment

2. The Commission shall adopt a decision, by means of implementing acts, approving the *elements of the Partnership Agreement falling under paragraph 1 of Article 14 and under paragraph 2 of Article 14 in cases where a Member State has made use of the provisions of Article 87(5b), for the elements requiring a Commission decision under Article 87(5e)* no later than *four* months after its submission by the Member State, provided that any observations made by the Commission have been *adequately* taken into account. The Partnership *Agreement* shall not enter into force before 1 January 2014.

Amendment 134

Proposal for a regulation Article 15 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2a. The Commission shall prepare a Report on the outcome of the negotiations concerning the Partnership Agreements and the programmes, including an overview of the key issues, for each Member State, by 31 December 2015. This Report shall be submitted to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions simultaneously.

Amendment 135

Proposal for a regulation Article 15 – paragraph 3

Text proposed by the Commission

Amendment

3. Where a Member State proposes an amendment to the Partnership ***Contract***, the Commission shall carry out an assessment in accordance with paragraph 1 and, where appropriate, shall adopt a decision, by means of implementing acts, approving the amendment.

3. Where a Member State proposes an amendment to ***the elements of the Partnership Agreement covered by the Commission's decision as referred to in paragraph 2***, the Commission shall carry out an assessment in accordance with paragraph 1 and, where appropriate, shall adopt a decision, by means of implementing acts, approving the amendment ***within three months of its submission by the Member State.***

Amendment 136

Proposal for a regulation Article 15 – paragraph 3 a (new)

Text proposed by the Commission

Amendment

3a. Where a Member State amends elements of the Partnership Agreement

not covered by the Commission decision as referred to in paragraph 2, it shall notify the Commission thereof within one month of the date of the decision of the amendment.

Amendment 137

Proposal for a regulation Article 16

Text proposed by the Commission

Member States shall concentrate support, in accordance with the Fund-specific rules, on **actions** bringing the greatest added value in relation to the Union strategy for smart, sustainable and inclusive growth, **addressing** the challenges identified in the country-specific recommendations under Article 121(2) of the Treaty and the relevant Council recommendations adopted under 148(4) of the Treaty, **and taking into account national and regional needs.**

Amendment

Member States shall concentrate support, in accordance with the Fund-specific rules, on **interventions** bringing the greatest added value in relation to the Union strategy for smart, sustainable and inclusive growth **taking into account the key territorial challenges for different types of territories in line with the CSF**, the challenges identified in the **national reform programme, where appropriate, and relevant** country-specific recommendations under Article 121(2) of the Treaty **on the Functioning of the European Union** and the relevant Council recommendations adopted under **Article 148(4) of the Treaty on the Functioning of the European Union. Provisions on thematic concentration under the fund-specific rules do not apply to technical assistance.**

Amendment 138

Proposal for a regulation Article 17

Text proposed by the Commission

1. Ex ante conditionalities shall be defined for each CSF Fund in the Fund-specific rules.

Amendment

deleted

2. Member States shall assess whether the applicable ex ante conditionalities are fulfilled.

2. Member States shall assess *in accordance with their institutional and legal framework and in the context of the establishment of the Partnership Agreement and programmes* whether the *ex ante conditionalities laid down in the respective fund-specific rules and the general ex-ante conditionalities set out in Annex V are applicable to the specific objectives pursued within the priorities of their programmes and* whether the applicable ex ante conditionalities are fulfilled.

Ex ante conditionalities shall apply only to the extent and provided that the definition laid down in Article 2 is complied with regarding the specific objectives pursued under the priorities of the programme. The assessment of fulfilment shall be limited to the criteria laid down in the fund-specific rules.

3. *Where* ex ante conditionalities are not fulfilled at the date of transmission of the Partnership Contract, Member States shall set out in the Partnership Contract a summary of the actions to be taken at national or regional level and the timetable *for their implementation, to ensure their fulfilment not later than two years after the adoption of the Partnership Contract or by 31 December 2016, whichever is earlier.*

3. *The Partnership Agreement shall set out a summary of the assessment of the fulfilment of the applicable* ex ante conditionalities at national level or regional level *and for those which, pursuant to the assessment referred to in paragraph 2, are not fulfilled at the date of submission of the Partnership Agreement, the priorities affected, the responsible bodies, actions to be taken to fulfil the ex ante conditionality, and the timetable for such actions. Each programme shall, in accordance with the Fund-specific rules, indicate the applicable ex ante conditionalities which, pursuant to the assessment referred to in paragraph 2, are not fulfilled at the date of submission of the Partnership Agreement. Member States shall fulfil these ex ante conditionalities not later than 31 December 2016 and report on their fulfilment not later than in the annual implementation report in 2017 or the progress report in 2017.*

4. *Member States shall set out the detailed actions relating to the fulfilment of ex ante conditionalities, including the*

timetable for their implementation, in the relevant programmes.

5. The Commission shall assess the information provided on the fulfilment of ex ante conditionalities in the framework of its assessment of the Partnership **Contract** and programmes.

It may decide, when adopting a programme, to suspend all or part of interim payments to the programme pending the satisfactory completion of actions **to fulfil an ex ante conditionality**. The failure to complete actions to fulfil an ex ante conditionality by the deadline set out in the programme shall constitute a basis for suspending payments by the Commission.

5. The Commission shall assess the **consistency and the adequacy of the** information provided **by the Member State** on the fulfilment **of applicable** ex ante conditionalities in the framework of its assessment of the Partnership **Agreement** and/or programmes.

This assessment of fulfilment shall be limited to the criteria laid down in the fund-specific rules and shall respect national and regional competences to decide on the specific and adequate policy measures including the content of strategies.

The Commission may decide, when adopting a programme, to suspend all or part of interim payments to the **relevant priority of this** programme pending the satisfactory completion of actions **referred to in paragraph 3 where necessary to avoid significant prejudice to the effectiveness and efficiency of the achievement of the specific objectives of the priority concerned**. The failure to complete actions to fulfil an **applicable** ex ante conditionality **which has not been fulfilled at the date of submission of the respective programme**, by the deadline set out in **paragraph 3**, shall constitute a basis for suspending **interim** payments by the Commission.

5a. The Commission shall without delay lift the suspension of interim payments for a priority where a Member State has completed actions relating to the fulfilment of ex ante conditionalities applicable to that programme and which had not been fulfilled at the time of the decision of the Commission on the suspension. It shall also without delay lift the suspension where following an amendment of the programme related to the priority concerned the ex ante conditionality concerned is no longer

6. Paragraphs 1 to 5 shall not apply to programmes under the European territorial cooperation goal.

applicable.

6. Paragraphs 1 to **5a** shall not apply to programmes under the European territorial cooperation goal.

Amendment 139

Proposal for a regulation Article 18

Text proposed by the Commission

Amendment

Article 18

deleted

Performance reserve

5% of the resources allocated to each CSF Fund and Member State, with the exception of resources allocated to the European territorial cooperation goal, to the Youth Employment Initiative, and to Title V of the EMFF Regulation, shall constitute a performance reserve to be allocated in accordance with Article 20.

Amendment 140

Proposal for a regulation Article 19 – paragraph 1

Text proposed by the Commission

Amendment

1. The Commission, in cooperation with the Member States, shall undertake a review of the performance of the programmes in each Member State in **2017 and** 2019, with reference to the performance framework set out in the respective **Partnership Contract and** programmes. The method for establishing the performance framework is set out in Annex II.

1. The Commission, in cooperation with the Member States, shall undertake a review of the performance of the programmes in each Member State in 2019, with reference to the performance framework set out in the respective programmes. The method for establishing the performance framework is set out in Annex II.

Amendment 141

Proposal for a regulation Article 20

Text proposed by the Commission

Allocation of performance reserve

1. Where the review of performance undertaken in 2017 reveals that a priority within a programme has not attained its milestones set for the year 2016, the Commission shall make recommendations to the Member State concerned.

2. On the basis of the review undertaken in 2019, the Commission shall adopt a decision, by means of implementing acts, to determine for each **CSF** Fund and Member State the programmes and priorities which have attained their milestones. **The Member State shall propose the attribution of the performance reserve for the programmes and priorities set out in that Commission decision. The Commission shall approve the amendment of the programmes concerned in accordance with Article 26. Where a Member State fails to submit the information in accordance with Article 46(2) and (3), the performance reserve for the programmes or the priorities concerned shall not be allocated.**

3. Where there is evidence resulting from a performance review that a priority **has failed to achieve** the milestones set out in the performance framework, the Commission may suspend all or part of an interim payment of a priority of a programme in accordance with the procedure laid down in Fund-specific rules.

Amendment

Application of the performance framework

2. On the basis of the review undertaken in 2019, the Commission shall adopt a decision, by means of implementing acts, to determine for each **European Structural and Investment** Fund and Member State the programmes and priorities which have attained their milestones.

3. Where there is evidence, resulting from a performance review, that **there has been a serious failure with regards to a priority achieving** the milestones **relating only to the financial and output indicators and key implementation steps** set out in the performance framework **and that that failure is due to clearly identified implementation weaknesses, which the Commission has previously communicated pursuant to Article 44 (7) following close consultations with the Member State concerned, and that Member State has failed to take the necessary corrective action to address**

such weaknesses, the Commission may, **not earlier than four months of such communication**, suspend all or part of an interim payment of a priority of a programme in accordance with the procedure laid down in Fund-specific rules.

The Commission shall without delay lift the suspension of interim payments when the Member State has taken the necessary corrective action. Where the corrective action concerns the transfer of financial allocations to other programmes or priorities, which have attained their milestones, the Commission shall approve, by means of an implementing act, the necessary amendment of the programmes concerned in accordance with Article 26(2). By way of derogation, in such case the Commission shall decide on the amendment no later than two months of the submission of the Member State request.

4. Where the Commission, based on the examination of the final implementation report of the programme, establishes a serious failure to achieve the targets set out in the performance framework, **it** may apply financial corrections in respect of the priorities concerned in accordance with Fund-specific rules. ***The Commission shall be empowered to adopt delegated acts in accordance with Article 142 to establish criteria and the methodology for determining the level of financial correction to be applied.***

4. Where the Commission, based on the examination of the final implementation report of the programme, establishes a serious failure to achieve the targets ***relating only to financial indicators, output indicators and key implementation steps*** set out in the performance framework ***due to clearly identified implementation weaknesses, which the Commission has previously communicated pursuant to Article 44(7) following close consultations with the Member State concerned, and the Member State has failed to take the necessary corrective action to address such weaknesses, the Commission*** may ***notwithstanding Article 77*** apply financial corrections in respect of the priorities concerned in accordance with Fund-specific rules.

When applying financial corrections, the Commission shall take into account - with due respect to the principle of

proportionality - the absorption level, and external factors contributing to the failure.

Financial corrections shall not be applied where the failure to achieve targets is because of the impact of socio-economic or environmental factors, significant changes in the economic or environmental conditions in a Member State or because of reasons of force majeure seriously affecting implementation of the priorities concerned.

The Commission shall be empowered to adopt delegated acts in accordance with Article 142 to establish detailed rules on criteria for determining the level of financial correction to be applied.

5. Paragraph 2 shall not apply to programmes under the European territorial cooperation goal and to Title V of the EMFF Regulation.

5. Paragraph 2 shall not apply to programmes under the European territorial cooperation goal and to Title V of the EMFF Regulation.

Amendment 142

Proposal for a regulation Article 21

Text proposed by the Commission

Amendment

Article 21

deleted

Conditionality linked to the coordination of Member States' economic policies

1. The Commission may request a Member State to review and propose amendments to its Partnership Contract and the relevant programmes, where this is necessary:

(a) to support the implementation of a Council recommendation, addressed to the Member State concerned and adopted in accordance with Articles 121(2) and/or 148(4) of the Treaty, or to support the implementation of measures addressed to

the Member State concerned and adopted in accordance with Article 136(1) of the Treaty;

(b) to support the implementation of a Council recommendation addressed to the Member State concerned and adopted in accordance with Article 126(7) of the Treaty;

(c) to support the implementation of a Council recommendation addressed to the Member State concerned and adopted in accordance with Article 7(2) of Regulation (EU) No .../2011 [on the prevention and correction of macroeconomic imbalances], provided that these amendments are deemed necessary to help correct the macroeconomic imbalances; or

(d) to maximise the growth and competitiveness impact of the available CSF Funds pursuant to paragraph 4, if a Member State meets one of the following conditions:

(i) Union financial assistance is made available to it under Council Regulation (EU) No 407/2010;

(ii) medium-term financial assistance is made available to it in accordance with Council Regulation (EC) No 332/2002¹;

(iii) financial assistance in the form of an ESM loan is made available to it in accordance with the Treaty establishing the European Stability Mechanism.

2. The Member State shall submit a proposal for amending the Partnership Contract and the relevant programmes within one month. If necessary, the Commission shall make observations within one month from the submission of the amendments, in which case the Member State shall re-submit its proposal within one month.

3. Where the Commission has not made observations or where its observations

have been satisfactorily taken into account, the Commission shall adopt a decision approving the amendments to the Partnership Contract and the relevant programmes without undue delay.

4. By derogation to paragraph 1, where financial assistance is made available to a Member State in accordance with paragraph 1(d) and is linked to an adjustment programme, the Commission may without any proposal from the Member State amend the Partnership Contract and the programmes with a view to maximising the growth and competitiveness impact of the available CSF Funds. To ensure effective implementation of the Partnership Contract and the relevant programmes, the Commission shall become involved in their management as detailed in the adjustment programme or the Memorandum of Understanding signed with the Member State concerned.

5. Where the Member State fails to respond to the Commission's request referred to in paragraph 1 or does not reply satisfactorily within one month to the observations of the Commission referred to in paragraph 2, the Commission may, within three months following its observations, adopt a decision, by means of implementing acts, suspending part or all of the payments for the programmes concerned.

6. The Commission shall suspend, by means of implementing acts, part or all of the payments and commitments for the programmes concerned where:

(a) the Council decides that the Member State does not comply with the specific measures set out by the Council in accordance with Article 136(1) of the Treaty;

(b) the Council decides in accordance with Article 126(8) or Article 126(11) of the Treaty that the Member State

concerned has not taken effective action to correct its excessive deficit;

(c) the Council concludes in accordance with Article 8(3) of Regulation (EU) No [...] /2011 [on the prevention and correction of macroeconomic imbalances] that, on two successive instances, the Member State has not submitted a sufficient corrective action plan or the Council adopts a decision declaring non-compliance in accordance with Article 10(4) of that Regulation;

(d) the Commission concludes that the Member State has not taken measures to implement the adjustment programme referred to in Council Regulation (EU) No 407/2010 or Council Regulation (EC) No 332/2002 and as a consequence decides not to authorise the disbursement of the financial assistance granted to this Member State; or

(e) the Board of Directors of the European stability mechanism concludes that the conditionality attached to an ESM financial assistance in the form of an ESM loan to the concerned Member State was not met and as a consequence decides not to disburse the stability support granted to it.

7. When deciding to suspend part or all of the payments or commitments in accordance with paragraphs 5 and 6 respectively, the Commission shall ensure that the suspension is proportionate and effective, taking into account the economic and social circumstances of the Member State concerned, and respects equality of treatment between Member States, in particular with regard to the impact of the suspension on the economy of the Member State concerned.

8. The Commission shall without delay lift the suspension of payments and commitments where the Member State has proposed amendments to the Partnership Contract and the relevant programmes as

requested by the Commission, which the Commission has approved and, where applicable:

(a) the Council has decided that the Member State complies with the specific measures set out by the Council in accordance with Article 136(1) of the Treaty;

(b) the excessive deficit procedure is held in abeyance in accordance with Article 9 of Regulation (EC) No 1467/97 or the Council has decided in accordance with Article 126(12) of the Treaty to abrogate the decision on the existence of an excessive deficit;

(c) the Council has endorsed the corrective action plan submitted by the concerned Member State in accordance with Article 8(2) of Regulation (EU) No [...] [EIP Regulation] or the excessive imbalance procedure is placed in a position of abeyance in accordance with Article 10(5) of that Regulation or the Council has closed the excessive imbalance procedure in accordance with Article 11 of that Regulation;

(d) the Commission has concluded that the Member State has taken measures to implement the adjustment programme referred to in Council Regulation (EU) No 407/2010 or Council Regulation (EC) No 332/2002 and as a consequence has authorised the disbursement of the financial assistance granted to this Member State; or

(e) the Board of Directors of the European stability mechanism has concluded that the conditionality attached to a financial assistance in the form of an ESM loan to the concerned Member State is met and as a consequence has decided to disburse the stability support granted to it.

At the same time, the Council shall decide, on a proposal from the

Commission, to re-budget the suspended commitments in accordance with Article 8 of Council Regulation (EU) No [...] laying down the multiannual financial framework for the years 2014 to 2020.

Amendment 143

Proposal for a regulation

Article 22 – paragraph 1 – subparagraph 1 – point a

Text proposed by the Commission

(a) where the Member State concerned *has adopted the euro, it receives macro-financial assistance* from the Union under Council Regulation (EU) No 407/2010;

Amendment

(a) where the Member State concerned receives *a loan* from the Union under Council Regulation (EU) No 407/2010;

Amendment 144

Proposal for a regulation

Article 22 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2a. The increased interim payments shall be made available as soon as possible to the managing authority, ensuring fully transparent use thereof for making payments for the implementation of the programme.

Amendment 145

Proposal for a regulation

Article 23 – paragraph 2

Text proposed by the Commission

2. Programmes shall be drawn up by Member States or any authority designated by them, in cooperation with the partners.

Amendment

2. Programmes shall be drawn up by Member States or any authority designated by them, in cooperation with the partners *referred to in Article 5. Member States shall draw up the programmes following transparent procedures in relation to the*

public, in accordance with their institutional and legal framework.

Amendment 146

Proposal for a regulation Article 23 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2a. The Member States and the Commission shall cooperate to ensure effective coordination in the preparation and implementation of programmes for the different European Structural and Investment Funds, including, where appropriate, multi-fund programmes for the Funds covered by Part Three of this Regulation, taking account of the proportionality principle.

Amendment 147

Proposal for a regulation Article 23 – paragraph 3

Text proposed by the Commission

Amendment

3. Programmes shall be submitted by the Member States at the ***same time as*** the Partnership ***Contract, with the exception of*** European territorial cooperation programmes, ***which*** shall be submitted within ***six*** months of the ***approval of the Common Strategic Framework***. All programmes shall be accompanied by the *ex ante* evaluation as set out in Article 48.

3. Programmes shall be submitted by the Member States at the ***latest three months following the submission of*** the Partnership ***Agreement***. European territorial cooperation programmes shall be submitted within ***nine*** months of the ***entry into force of this Regulation***. All programmes shall be accompanied by the *ex ante* evaluation as set out in Article 48.

Amendment 148

Proposal for a regulation Article 24 – paragraph 1

Text proposed by the Commission

1. Each programme shall set out a strategy for the programme's contribution to the Union strategy for smart, sustainable and inclusive growth consistent with the ***Common Strategic Framework*** and Partnership ***Contract***.

Each programme shall include the arrangements to ensure effective, efficient and coordinated implementation of the ***CSF*** Funds and actions to achieve a reduction of administrative burden for beneficiaries.

Amendment 149

Proposal for a regulation Article 24 – paragraph 2

Text proposed by the Commission

2. Each programme shall define priorities setting out specific objectives, financial appropriations of support from the ***CSF*** Funds and corresponding national co-financing.

Amendment 150

Proposal for a regulation Article 24 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

1. Each programme shall set out a strategy for the programme's contribution to the Union strategy for smart, sustainable and inclusive growth consistent with the ***provisions set out in this Regulation, the Fund-specific rules, and with the content of the Partnership Agreement***.

Each programme shall include the arrangements to ensure effective, efficient and coordinated implementation of the ***European Structural and Investment*** Funds and actions to achieve a reduction of administrative burden for beneficiaries.

Amendment

2. Each programme shall define priorities setting out specific objectives, financial appropriations of support from the ***European Structural and Investment*** Funds and corresponding national co-financing, ***which may be public or private in accordance with Fund-specific rules***.

Amendment

2a. Where Member States and regions participate in macro-regional strategies or sea basin strategies, the relevant

programme, in accordance with the needs of the programmes area as identified by the Member State, shall set out the contribution of the planned interventions to those strategies.

Amendment 151

Proposal for a regulation

Article 24 – paragraph 3 – introductory part

Text proposed by the Commission

3. Each priority shall set out indicators to assess progress of programme implementation towards achievement of objectives as the basis for monitoring, evaluation and review of performance. These shall include:

Amendment

3. Each priority shall set out indicators *and corresponding targets expressed in qualitative or quantitative terms, in accordance with Fund-specific rules*, to assess progress of programme implementation towards achievement of objectives as the basis for monitoring, evaluation and review of performance. These shall include:

Amendment 152

Proposal for a regulation

Article 24 – paragraph 3 – subparagraph 2

Text proposed by the Commission

For each *CSF* Fund, the Fund-specific rules shall set out common indicators and may *provide for* programme-specific indicators.

Amendment

For each *European Structural and Investment* Fund, the Fund-specific rules shall set out common indicators and may *set out provisions related to* programme-specific indicators.

Amendment 153

Proposal for a regulation

Article 24 – paragraph 4

Text proposed by the Commission

4. Each programme, except those which cover exclusively technical assistance,

Amendment

4. Each programme, except those which cover exclusively technical assistance,

shall include a description of the actions to take into account the principles set out in Articles 7 and 8.

shall include a description of the actions *in accordance with the Fund-specific rules* to take into account the principles set out in Articles 5, 7 and 8.

Amendment 154

Proposal for a regulation Article 24 – paragraph 5

Text proposed by the Commission

5. Each programme, except those where technical assistance is undertaken under a specific programme, shall set out the indicative amount of support to be used for climate change objectives.

Amendment

5. Each programme, except those where technical assistance is undertaken under a specific programme, shall set out the indicative amount of support to be used for climate change objectives, *based on the methodology referred to in Article 8.*

Amendment 155

Proposal for a regulation Article 25 – paragraph 1

Text proposed by the Commission

1. The Commission shall assess the consistency of programmes with this Regulation, the Fund-specific rules, their effective contribution to the thematic objectives and the Union priorities specific to each *CSF* Fund, *the Common Strategic Framework*, the Partnership *Contract*, the country-specific recommendations *under* Article 121(2) of the Treaty and *the* Council recommendations adopted *under* 148(4) of the Treaty, *taking account* of the *ex ante* evaluation. The assessment shall address, in particular, the adequacy of the programme strategy, the corresponding objectives, indicators, targets and the allocation of budgetary resources.

Amendment

1. The Commission shall assess the consistency of programmes with this Regulation *and with* the Fund-specific rules, their effective contribution to the *selected* thematic objectives and *to* the Union priorities specific to each *European Structural and Investment* Fund, *and also* the Partnership *Agreement, taking account of* the *relevant* country-specific recommendations *adopted in accordance with* Article 121(2) of the Treaty *on the Functioning of the European Union* and *relevant* Council recommendations adopted *in accordance with article* 148(4) of the Treaty *on the Functioning of the European Union as well as* of the *ex ante* evaluation. The assessment shall address, in particular, the adequacy of the programme strategy, the corresponding objectives, indicators, targets and the

allocation of budgetary resources.

Amendment 156

Proposal for a regulation

Article 25 – paragraph 3

Text proposed by the Commission

3. In accordance with the Fund-specific rules, the Commission shall approve each programme no later than six months following its formal submission by the Member State(s), provided that any observations made by the Commission have been **satisfactorily** taken into account, but not before 1 January 2014 or before adoption by the Commission of a decision approving the Partnership **Contract**.

Amendment

3. In accordance with the Fund-specific rules, the Commission shall approve each programme no later than six months following its formal submission by the Member State(s), provided that any observations made by the Commission have been **adequately** taken into account, but not before 1 January 2014 or before adoption by the Commission of a decision approving the Partnership **Agreement**. **By derogation to the above, programmes under the European territorial cooperation goal may be approved by the Commission before the adoption of the decision approving the Partnership Agreement.**

Amendment 157

Proposal for a regulation

Article 26 – paragraph 1 – subparagraph 1

Text proposed by the Commission

1. Requests for amendment of programmes submitted by a Member State shall be duly substantiated and shall in particular set out the expected impact of the changes to the programme on achieving the Union strategy for smart, sustainable and inclusive growth and the specific objectives defined in the programme, taking account of **the Common Strategic Framework** and the Partnership **Contract**. They shall be accompanied by the revised programme **and, where appropriate, a**

Amendment

1. Requests for amendment of programmes submitted by a Member State shall be duly substantiated and shall in particular set out the expected impact of the changes to the programme on achieving the Union strategy for smart, sustainable and inclusive growth and the specific objectives defined in the programme, taking account of **this Regulation and Fund-specific rules, the horizontal principles, in accordance with Articles 5, 7 and 8 as well as** the Partnership **Agreement**. They shall be accompanied by

revised Partnership Contract.

the revised programme.

Amendment 158

Proposal for a regulation

Article 26 – paragraph 1 – subparagraph 2

Text proposed by the Commission

Amendment

In the case of amendment of programmes under the European territorial cooperation goal, the relevant Partnership Contract shall not be amended.

deleted

Amendment 159

Proposal for a regulation

Article 26 – paragraph 2

Text proposed by the Commission

Amendment

2. The Commission shall assess the information provided in accordance with paragraph 1, taking account of the justification provided by the Member State. The Commission may make observations and the Member State shall provide to the Commission all necessary additional information. In accordance with Fund-specific rules, the Commission shall approve requests for amendment of a programme no later than ***five*** months after their formal submission by the Member State provided that any observations made by the Commission have been ***satisfactorily*** taken into account. ***The Commission shall, where necessary, amend at the same time the decision approving the Partnership Contract in accordance with Article 15(3).***

2. The Commission shall assess the information provided in accordance with paragraph 1, taking account of the justification provided by the Member State. The Commission may make observations ***within one month following the formal submission of the revised programme*** and the Member State shall provide to the Commission all necessary additional information. In accordance with Fund-specific rules, the Commission shall approve requests for amendment of a programme ***as soon as possible but*** no later than ***three*** months after their formal submission by the Member State provided that any observations made by the Commission have been ***adequately*** taken into account.

Where the amendment of a programme affects the information provided in the Partnership Agreement in accordance with Article 14(1)(a)(iii),(iv) and (vi), the approval of the amendment of the programme by the Commission shall at the same time constitute an approval for the consequential revision of the information in the Partnership Agreement.

Amendment 160

Proposal for a regulation Article 27 – paragraph 3

Text proposed by the Commission

3. The Commission may request the EIB to examine the technical quality and economic **and** financial viability of major projects and to assist it as regards the financial instruments to be implemented or developed.

Amendment

3. The Commission may request the EIB to examine the technical quality and economic, financial viability **and sustainability** of major projects and to assist it as regards the financial instruments to be implemented or developed.

Amendment 161

Proposal for a regulation Article 28

Text proposed by the Commission

1. Community-led local development, which *is* designated as LEADER local development ***in relation to the EAFRD, shall be:***

(a) focused on specific sub-regional territories;

(b) community-led, by local action groups composed of representatives of public and

Amendment

1. Community-led local development ***shall be supported by the EAFRD, which shall be*** designated as LEADER local development ***and may be supported by the ERDF, ESF or EMFF. These Funds are hereinafter referred to as the “concerned European Structural and Investment Funds”.***

private local socio-economic interests, where at the decision-making level neither the public sector nor any single interest group shall represent more than 49 % of the voting rights;

(c) carried out through integrated and multi-sectoral area-based local development strategies;

(d) designed taking into consideration local needs and potential, and include innovative features in the local context, networking and, where appropriate, cooperation.

1a. Community-led local development shall be:

(a) focused on specific sub-regional areas;

(b) community-led, by local action groups composed of representatives of public and private local socio-economic interests, where, at the decision-making level neither public authorities, as defined in accordance with national rules, nor any single interest group shall represent more than 49 % of the voting rights;

(c) carried out through integrated and multi-sectoral area-based local development strategies;

(d) designed taking into consideration local needs and potential, and include innovative features in the local context, networking and, where appropriate, cooperation.

2. Support from the **CSF** Funds to local development shall be consistent and coordinated between the **CSF** Funds. This shall be ensured inter alia through coordinated capacity-building, selection, approval and funding of local development strategies and local development groups.

3. Where the selection committee for the

2. Support from the **concerned European Structural and Investment** Funds to **community-led** local development shall be consistent and coordinated between the **concerned European Structural and Investment** Funds. This shall be ensured inter alia through coordinated capacity-building, selection, approval and funding of **community-led** local development strategies and local development groups.

3. Where the selection committee for the

local development strategies set up under Article 29(3) determines that the implementation of the local development strategy selected requires support from more than one Fund, a lead Fund **may be designated**.

4. Where a lead Fund is designated, the running costs, animation and networking activities for the local development strategy shall be financed from the lead Fund only.

5. Local development supported by the **CSF** Funds shall be carried out under one or more priorities of the **programme**.

community-led local development strategies set up under Article 29(3) determines that the implementation of the **community-led** local development strategy selected requires support from more than one Fund, **it may designate in accordance with national rules and procedures**, a lead Fund **to support all running and animation costs under Article 31 paragraphs (d) and (e) for the community-led local development strategy**.

5. **Community-led** local development supported by the **concerned European Structural and Investment** Funds shall be carried out under one or more priorities of the **relevant programme(s) in accordance with the concerned European Structural and Investment Funds specific rules**.

Amendment 162

Proposal for a regulation Article 29 – title

Text proposed by the Commission

Local development strategies

Amendment

Community-led local development strategies

Amendment 163

Proposal for a regulation Article 29 – paragraph 1 – introductory part

Text proposed by the Commission

1. A local development strategy shall contain at least the following elements:

Amendment

1. A **community-led** local development strategy shall contain at least the following

elements:

Amendment 164

Proposal for a regulation

Article 29 – paragraph 1 – point c

Text proposed by the Commission

(c) a description of the strategy and its objectives, a description of the integrated and innovative character of the strategy and a hierarchy of objectives, including **clear and** measurable targets for outputs or results. The strategy shall be **coherent** with the relevant programmes of all the **CSF** Funds involved;

Amendment

(c) a description of the strategy and its objectives, a description of the integrated and innovative character of the strategy and a hierarchy of objectives, including measurable targets for outputs or results. **For results targets may be expressed in quantitative or qualitative terms.** The strategy shall be **consistent** with the relevant programmes of all the **concerned European Structural and Investment** Funds involved;

Amendment 165

Proposal for a regulation

Article 29 – paragraph 1 – point g

Text proposed by the Commission

(g) the financial plan of the strategy, including the planned allocation of each of the **CSF** Funds.

Amendment

(g) the financial plan of the strategy, including the planned allocation of each of the **concerned European Structural and Investment** Funds.

Amendment 166

Proposal for a regulation

Article 29 – paragraph 2

Text proposed by the Commission

2. Member States shall define criteria for the selection of local development strategies. **The Fund-specific rules may set out selection criteria.**

Amendment

2. Member States shall define criteria for the selection of **community-led** local development strategies.

Amendment 167

Proposal for a regulation Article 29 – paragraph 3

Text proposed by the Commission

3. **Local** development strategies shall be selected by a committee set up for this purpose by the **relevant** managing authorities **of the programmes**.

Amendment

3. **Community-led local** development strategies shall be selected by a committee set up for this purpose by the **responsible** managing **authority or authorities and approved by the responsible managing authority or authorities**.

Amendment 168

Proposal for a regulation Article 29 – paragraph 4

Text proposed by the Commission

4. The selection **and approval** of **all** local development strategies shall be completed **by 31 December 2015** at the latest.

Amendment

4. The **first round of** selection of **community-led** local development strategies shall be completed **within two years from the date of the approval of the Partnership Agreement** at the latest. **Member States may select additional community-led local development strategies after that date but no later than by 31 December 2017.**

Amendment 169

Proposal for a regulation Article 29 – paragraph 5

Text proposed by the Commission

5. The decision **to approve** a local development strategy **by the managing authority** shall set out the allocations of each **CSF Fund**. **It shall also set out the roles of the authorities responsible for the implementation of the relevant**

Amendment

5. The decision **approving** a **community-led** local development strategy shall set out the allocations of each **of the concerned European Structural and Investment Funds**. **The decision** shall also set out the **responsibilities for the management and**

programmes for all implementation tasks relating to the strategy.

control tasks under the programme or programmes in relation to the local development strategy.

Amendment 170

Proposal for a regulation Article 29 – paragraph 6

Text proposed by the Commission

6. The Commission shall be empowered to adopt delegated acts in accordance with Article 142 concerning the definition of the area and population covered by the strategy referred in paragraph 1(a).

Amendment

6. The population of the area referred to in paragraph 1(a) above shall be not less than 10 000 and not more than 150 000 inhabitants. By way of derogation, the Commission may adopt or amend these population limits for a Member State in the Partnership Agreement, in accordance with the procedures foreseen in articles 15(2) and 15(3), in duly justified cases, on the basis of a proposal by a Member State in order to take account of sparsely or densely populated areas or in order to ensure the territorial coherence of areas covered by the local development strategies.

Amendment 171

Proposal for a regulation Article 30

Text proposed by the Commission

1. Local action groups shall design and implement the local development strategies.

Member States shall define the respective roles of the local action group and the authorities responsible for the implementation of the relevant programmes, for all implementation tasks relating to the strategy.

2. The managing authority shall ensure that the local action groups either select one

Amendment

1. Local action groups shall design and implement the **community-led** local development strategies.

Member States shall define the respective roles of the local action group and the authorities responsible for the implementation of the relevant programmes, for all implementation tasks relating to the strategy.

2. The **responsible** managing authority **or authorities** shall ensure that the local

partner within the group as a lead partner in administrative and financial matters, or come together in a legally constituted common structure.

3. The tasks of local action groups shall include the following:

(a) building the capacity of local actors to develop and implement operations;

(b) drawing up a non-discriminatory and transparent selection procedure and criteria for the selection of operations, which avoid conflicts of interest, that shall ensure that at least 50% of the votes in selection decisions are *from the non public sector* partners, *providing for the possibility of appeal against selection decisions* and *allowing* selection by written procedure;

(c) ensuring coherence with the local development strategy when selecting operations, by prioritising them according to their contribution to meeting the strategies' objectives and targets;

(d) preparing and publishing calls for proposals or an ongoing project submission procedure, including definition of selection criteria;

(e) receiving applications for support and assessing them;

(f) selecting operations and fixing the amount of support and, where relevant, presenting the proposals to the responsible body for final verification of eligibility before approval;

(g) monitoring the implementation of the local development strategy and the operations supported and carrying out specific evaluation activities linked to the local development strategy.

action groups either select one partner within the group as a lead partner in administrative and financial matters, or come together in a legally constituted common structure.

3. The tasks of local action groups shall include the following:

(a) building the capacity of local actors to develop and implement operations *including fostering their project management capabilities*;

(b) drawing up a non-discriminatory and transparent selection procedure and *objective* criteria for the selection of operations, which avoid conflicts of interest, that shall ensure that at least 50% of the votes in selection decisions are partners *which are not public authorities* and *shall allow* selection by written procedure;

(c) ensuring coherence with the *community-led* local development strategy when selecting operations, by prioritising them according to their contribution to meeting the strategies' objectives and targets;

(d) preparing and publishing calls for proposals or an ongoing project submission procedure, including definition of selection criteria;

(e) receiving applications for support and assessing them;

(f) selecting operations and fixing the amount of support and, where relevant, presenting the proposals to the responsible body for final verification of eligibility before approval;

(g) monitoring the implementation of the *community-led* local development strategy and the operations supported and carrying out specific evaluation activities linked to the *community-led* local development strategy.

3a. Without prejudice to paragraph 3b, the local action group may be a beneficiary and implement operations in accordance with the community-led local development strategy.

3b. In case of cooperation activities of local action groups as referred to in Article 31(1)(c), the tasks set out in Article 30 (3)(f) may be carried out by the responsible managing authority.

Amendment 172

Proposal for a regulation Article 31

Text proposed by the Commission

Support from the **CSF** Funds for local development

Support for local development shall include:

(a) the costs of preparatory support;

Amendment

Support from the **European Structural and Investment** Funds for **community-led** local development

1. Support for **community-led** local development shall include:

(a) the costs of preparatory support **consisting of capacity building, training and networking with a view to preparing and implementing a local development strategy.**

The costs may cover one or more of the following elements:

(i) training actions for local stakeholders;

(ii) studies of the area concerned;

(iii) costs related to the elaboration of the local development strategy, including consultancy costs and costs for actions related to consultations of stakeholders in view of preparation of the strategy;

(iv) administrative costs (operating and personnel costs) of an organisation that is applying for preparatory support during the preparation phase;

(v) support for small pilot projects.

Such preparatory support shall be eligible regardless of whether the local development strategy designed by the local action group benefitting from the support will be selected for funding by the selection committee set up under Article 29(3).

(b) implementation of operations under the local development strategy;

(c) preparation and implementation of cooperation activities of the local action group;

(d) running costs *and animation of the local development strategy up to the limit of 25 % of the total public expenditure incurred within the local development strategy.*

(b) implementation of operations under the *community-led* local development strategy;

(c) preparation and implementation of cooperation activities of the local action group;

(d) running costs *linked to the management of the implementation of the strategy consisting of operating costs, personnel costs, training cost, costs linked to public relations, financial costs as well as the costs linked to monitoring and evaluation of the strategy as referred to in Article 30(3)(g);*

(da) animation of the community-led local development strategy in order to facilitate exchange between stakeholders to provide information and to promote the strategy and to support potential beneficiaries to develop operations and prepare applications.

1a. Support for running costs and animation shall not exceed 25 % of the total public expenditure incurred within the local development strategy.

Amendment 173

Proposal for a regulation Article 32 – paragraph 1

Text proposed by the Commission

1. The **CSF** Funds may be used to support financial instruments under a programme, including when organised through funds of funds, in order to contribute to the achievement of specific objectives set out

Amendment

1. The **European Structural and Investment** Funds may be used to support financial instruments under one or more programmes, including when organised through funds of funds, in order to

under a priority, *based on an ex ante assessment which has identified market failures or sub-optimal investment situations, and investment needs.*

Financial instruments *may be combined with grants, interest rate subsidies and guarantee fee subsidies. In this case, separate records must be maintained for each form of financing.*

The Commission shall be empowered to adopt delegated acts in accordance with Article 142 laying down detailed rules concerning the ex ante assessment of financial instruments, the combination of support provided to final recipients through grants, interest rate subsidies, guarantee fee subsidies and financial instruments, additional specific rules on eligibility of expenditure and rules specifying the types of activities which shall not be supported through financial instruments.

Amendment 174

Proposal for a regulation Article 32 – paragraph 1 a (new)

Text proposed by the Commission

contribute to the achievement of specific objectives set out under a priority.

Financial instruments *shall be implemented to support investments which are expected to be financially viable and do not give rise to sufficient funding from market sources. When applying this title, the managing authority, the fund of funds, and the bodies implementing the financial instrument shall comply with applicable Union and national law, in particular on state aid and public procurement.*

Amendment

1a. Support of financial instruments shall be based on an ex-ante assessment which has established evidence of market failures or sub-optimal investment situations, and the estimated level and scope of public investment needs, including types of financial instruments to be supported. Such ex ante assessment shall include:

(a) an analysis of market failures, suboptimal investment situations, and investment needs for policy areas and thematic objectives or investment priorities to be addressed with a view to contribute to the achievement of specific objectives set out under a priority or measure and to be supported through financial instruments. This analysis shall be based on available good practice methodology;

(b) an assessment of the value added of the financial instruments considered to be supported by the European Structural and Investment Funds, consistency with other forms of public intervention addressing the same market, possible state aid implications, the proportionality of the envisaged intervention and measures to minimise market distortion;

(c) an estimate of additional public and private resources to be potentially raised by the financial instrument down to the level of the final recipient (expected leverage effect), including as appropriate an assessment of the need for, and level of, preferential remuneration to attract counterpart resources from private investors and/or a description of the mechanisms which will be used to establish the need for, and extent of, such preferential remuneration, such as a competitive or appropriately independent assessment process;

(d) an assessment of lessons learnt from similar instruments and ex ante assessments carried out by the Member State in the past, and how these lessons will be applied going forward;

(e) the proposed investment strategy, including an examination of options for implementation arrangements within the meaning of Article 33, financial products to be offered, final recipients targeted, envisaged combination with grant support as appropriate;

(f) a specification of the expected results and how the financial instrument concerned is expected to contribute to the achievement of the specific objectives set out under the relevant priority or measure including indicators for this contribution;

(g) provisions allowing for the ex ante assessment to be reviewed and updated as required during the implementation of any financial instrument which has been implemented based upon such assessment, where during the implementation phase, the managing authority considers that the ex ante assessment may no longer accurately represent the market conditions existing at the time of implementation.

Amendment 175

Proposal for a regulation Article 32 – paragraph 1 b (new)

Text proposed by the Commission

Amendment

1b. The ex ante assessment may be performed in stages. It shall, in any event, be completed before the managing authority decides to make programme contributions to a financial instrument.

The summary findings and conclusions of ex-ante assessments in relation to financial instruments shall be published within three months from their date of finalisation.

The ex-ante assessment shall be submitted to the monitoring committee for information purposes in accordance with Fund-specific rules.

Amendment 176

Proposal for a regulation Article 32 – paragraph 2

Text proposed by the Commission

Amendment

2. Final recipients supported by financial instruments may also receive grants or other assistance from a programme or from another instrument supported by the budget of the Union. In this case, separate records must be maintained for each source of financing. *deleted*

Amendment 177

Proposal for a regulation Article 32 – paragraph 3

Text proposed by the Commission

Amendment

3. Contributions in kind are not eligible expenditure in respect of financial instruments, except for contributions of land or real estate in respect of investments with the objective of supporting urban development or urban regeneration, where the land or real estate forms part of the investment. Such contributions of land or real estate shall be eligible provided that the conditions in Article 59 are met. *deleted*

Amendment 178

Proposal for a regulation Article 32 – paragraph 3 a (new)

Text proposed by the Commission

Amendment

3a. Where financial instruments support financing to enterprises, including SMEs, such support shall target the establishment of new enterprises, early stage-capital, i.e., seed capital and start-

up capital, expansion capital, capital for the strengthening of the general activities of an enterprise, or the realization of new projects, penetration of new markets or new developments by existing enterprises, without prejudice to applicable EU State aid rules and in accordance with Fund-specific rules. Support may include investment in both tangible and intangible assets as well as working capital within the limits of applicable EU State aid rules and with a view to stimulate the private sector as a supplier of funding to enterprises. It may also include the costs of transfer of proprietary rights in enterprises provided that such transfer takes place between independent investors.

Amendment 179

Proposal for a regulation Article 32 – paragraph 3 b (new)

Text proposed by the Commission

Amendment

3b. Financial instruments may be combined with grants, interest rate subsidies and guarantee fee subsidies. Where support from European Structural and Investment Funds is provided by means of financial instruments and combined in a single operation, with other forms of support directly related to financial instruments targeting the same final recipients, including technical support, interest rate subsidies and guarantee fee subsidies, the provisions applicable to financial instruments shall apply to all forms of support within that operation. In such cases, applicable Union State aid rules shall be respected and separate records shall be maintained for each form of support.

Amendment 180

Proposal for a regulation

Article 32 – paragraph 3 c (new)

Text proposed by the Commission

Amendment

3c. Final recipients supported by an European Structural and Investment Fund financial instrument may also receive assistance from another European Structural and Investment Funds priority or programme or from another instrument supported by the budget of the Union in accordance with applicable Union State aid rules. In this case, separate records must be maintained for each source of assistance and the European Structural and Investment Funds financial instrument support shall be part of an operation with eligible expenditure distinct from the other sources of assistance.

Amendment 181

Proposal for a regulation

Article 32 – paragraph 3 d (new)

Text proposed by the Commission

Amendment

3d. The combination of support provided through grants and financial instruments as referred to under paragraphs 5 and 6 may cover the same expenditure item provided that the sum of all forms of support combined does not exceed the total amount of the expenditure item concerned and subject to applicable Union State aid rules. Grants shall not be used to reimburse support received from financial instruments. Financial instruments shall not be used to pre-finance grants.

Amendment 182

Proposal for a regulation

Article 32 – paragraph 3 e (new)

Text proposed by the Commission

Amendment

3e. Contributions in kind are not eligible expenditure in respect of financial instruments, except for contributions of land or real estate in respect of investments with the objective of supporting rural development, urban development or urban regeneration, where the land or real estate forms part of the investment. Such contributions of land or real estate shall be eligible provided that the conditions in Article 59(1) are met.

Amendment 183

Proposal for a regulation

Article 32 – paragraph 3 f (new)

Text proposed by the Commission

Amendment

3f. VAT shall not constitute eligible expenditure of an operation, except in the case of VAT which is non-recoverable under national VAT legislation. The treatment of VAT at the 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 paragraph 5 and paragraph 6, the provisions of Article 59(3) shall apply to the grant.

Amendment 184

Proposal for a regulation Article 32 – paragraph 3 g (new)

Text proposed by the Commission

Amendment

3g. For the purposes of the application of this article the applicable state aid rules shall be those in force at the time when the managing authority or the fund of funds contractually commit programme contributions to a financial instrument, or when the financial instrument contractually commits programme contributions to final recipients, as applicable.

Amendment 185

Proposal for a regulation Article 32 – paragraph 3 h (new)

Text proposed by the Commission

Amendment

3h. The Commission shall be empowered to adopt delegated acts in accordance with Article 142 laying down additional specific rules on purchase of land and on combination of technical support with financial instruments.

Amendment 186

Proposal for a regulation Article 33

Text proposed by the Commission

Amendment

Implementation of financial instruments

1. In implementing Article 32, managing authorities may provide a financial contribution to the following financial instruments:

(a) financial instruments set up at Union

Implementation of financial instruments

1. In implementing Article 32, managing authorities may provide a financial contribution to the following financial instruments:

(a) financial instruments set up at Union

level, managed directly or indirectly by the Commission;

(b) financial instruments set up at national, regional, transnational or cross-border level, managed by or under the responsibility of the managing authority.

2. Title [VIII] of the Financial Regulation shall apply to financial instruments referred to in paragraph 1(a).

Contributions from the *CSF* Funds to financial instruments under paragraph 1(a) shall be placed in separate accounts and used, in accordance with the objectives of the respective *CSF* Funds, to support actions and final recipients consistent with the programme or programmes from which such contributions are made.

3. For financial instruments under paragraph 1(b), the managing authority may provide a financial contribution to the following financial instruments:

(a) financial instruments complying with the standard terms and conditions laid down by the Commission, by means of implementing acts in accordance with the examination procedure referred to in Article 143(3);

(b) already existing or newly created financial instruments which are specifically designed to achieve the *intended purpose and which respect the applicable Union and national rules*.

The Commission shall adopt delegated acts in accordance with Article 142 laying down the specific rules regarding certain types of financial instruments referred to in point (b), as well as the products that

level, managed directly or indirectly by the Commission;

(b) financial instruments set up at national, regional, transnational or cross-border level, managed by or under the responsibility of the managing authority.

2. Contributions from the *European Structural and Investment* Funds to financial instruments under paragraph 1(a) shall be placed in separate accounts and used, in accordance with the objectives of the respective *European Structural and Investment Funds*, to support actions and final recipients consistent with the programme or programmes from which such contributions are made. *Contributions to such financial instruments are subject to the provisions of this Regulation unless exceptions are expressly provided for. This is without prejudice to the rules governing the set up and functioning of the financial instruments under the Financial Regulation, unless they conflict with the rules of this Regulation, in which case the latter prevail.*

3. For financial instruments under paragraph 1(b), the managing authority may provide a financial contribution to the following financial instruments:

(a) financial instruments complying with the standard terms and conditions laid down by the Commission, by means of implementing acts in accordance with the examination procedure referred to in Article 143(3);

(b) already existing or newly created financial instruments which are specifically designed to achieve the *specific objectives set out under the relevant priority*.

may be delivered through such instruments.

4. When supporting financial instruments referred to in paragraph 1(b) the managing authority may:

(a) invest in the capital of existing or newly created legal entities, including those financed from other ***CSF*** Funds, dedicated to implementing financial instruments consistent with the objectives of the respective ***CSF*** Funds, which will undertake ***implementations*** tasks; the support to such ***investments*** shall be limited to the amounts necessary to implement new ***financial instruments*** consistent with the objectives of this Regulation; or

(b) entrust implementation tasks to:

(i) the European Investment Bank;

(ii) international financial institutions in which a Member State is a shareholder, or financial institutions established in a Member State aiming at the achievement of public interest under the control of a public authority, ***selected in accordance with applicable Union and national rules***;

(iii) a body governed by public or private law ***selected in accordance with applicable Union and national rules***.

(c) undertake implementation tasks directly, in the case of financial instruments consisting solely of loans or guarantees.

4. When supporting financial instruments referred to in paragraph 1(b) the managing authority may:

(a) invest in the capital of existing or newly created legal entities, including those financed from other ***European Structural and Investment*** Funds, dedicated to implementing financial instruments consistent with the objectives of the respective ***European Structural and Investment*** Funds, which will undertake ***implementation*** tasks; the support to such ***entities*** shall be limited to the amounts necessary to implement ***new investments in accordance with the provisions under Article 32 and*** consistent with the objectives of this Regulation; or

(b) entrust implementation tasks to:

(i) the European Investment Bank;

(ii) international financial institutions in which a Member State is a shareholder, or financial institutions established in a Member State aiming at the achievement of public interest under the control of a public authority;

(iii) a body governed by public or private law.

(c) undertake implementation tasks directly, in the case of financial instruments consisting solely of loans or guarantees. ***In this case the managing authority is considered to be the beneficiary in the meaning of point (8) of Article 2.***

When implementing the financial instrument, the bodies referred to in points a), b) and c) shall ensure compliance with applicable Union and national law, including rules covering

European Structural and Investment Funds, state aid, public procurement and relevant standards and applicable legislation on the prevention of money laundering, the fight against terrorism and tax fraud. They shall not be established and shall not maintain business relations with entities incorporated in territories, whose jurisdictions do not cooperate with the Union in relation to the application of the internationally agreed tax standards and shall transpose such requirements in their contracts with the selected financial intermediaries.

The Commission shall be empowered to adopt delegated acts in accordance with Article 142 laying down rules concerning funding agreements, the role and responsibility of the entities to which the implementation tasks are entrusted, as well as management costs and fees.

4a. Where a financial instrument is implemented under points a and b of paragraph 4, subject to the implementation structure of the financial instrument, the terms and conditions for contributions from programmes to financial instruments shall be set out in funding agreements in accordance with ANNEX X at the following levels:

(a) where applicable, between the duly mandated representatives of the managing authority and the body that implements the fund of funds, and

(b) between the duly mandated representatives of the managing authority, or where applicable, the body that implements the fund of funds, and the body that implements the financial instrument.

4b. For financial instruments implemented under point (c) of paragraph 4, the terms and conditions for contributions from programmes to financial instruments shall be set out in a

strategy document in accordance with ANNEX X to be examined by the monitoring committee.

The Commission shall be empowered to adopt delegated acts in accordance with Article 142 laying down additional specific rules on the role, liabilities and responsibility of bodies implementing financial instruments, related selection criteria and products that may be delivered through financial instruments in accordance with the provisions under Article 32. The Commission shall notify the delegated acts, adopted in accordance with Article 142, simultaneously to the European Parliament and the Council within four months of the adoption of this Regulation.

5. The *entities* referred to in paragraph 4(b)(i) and (ii), when implementing *financial instruments through* funds of funds, may further entrust part of the implementation to financial intermediaries provided that these entities ensure under their responsibility that the financial intermediaries satisfy the criteria laid down in *[Articles 57 and 131 (1), (1a) and (3)]* of the Financial Regulation. Financial intermediaries shall be selected on the basis of open, transparent, proportionate and non-discriminatory procedures, avoiding conflicts of interests.

6. The *entities* referred to in paragraph 4(b) to which implementation tasks have been entrusted shall open fiduciary accounts in their name and on behalf of the managing authority. The assets held on *such* fiduciary accounts shall be managed in accordance with the principle of sound financial management following appropriate prudential rules and shall have appropriate liquidity.

5. The *bodies* referred to in paragraph 4 *points a and b*, when implementing funds of funds may further entrust part of the implementation to financial intermediaries provided that these entities ensure under their responsibility that the financial intermediaries satisfy the criteria laid down in *Article 140(1), (2) and (4)* of the Financial Regulation. Financial intermediaries shall be selected on the basis of open, transparent, proportionate and non-discriminatory procedures, avoiding conflicts of interests.

6. The *bodies* referred to in paragraph 4(b) to which implementation tasks have been entrusted shall open fiduciary accounts in their name and on behalf of the managing authority, *or set up the financial instrument as a separate block of finance within a financial institution. In case of a separate block of finance, separate accounting shall distinguish programme resources invested in the financial instrument from the other resources available in the financial institution.* The assets held on fiduciary accounts *and such separate blocks of finance* shall be

managed in accordance with the principle of sound financial management following appropriate prudential rules and shall have appropriate liquidity.

6a. National public and private contributions, including where relevant in-kind contributions as referred to under Article 32(8), may be provided at the level of the fund of funds, at the level of the financial instrument or at the level of final recipients, in accordance with Fund-specific rules.

7. The Commission shall be empowered to adopt delegated acts in accordance with Article 142 laying down detailed rules concerning specific requirements regarding the transfer and management of assets managed by the entities to which implementation tasks are entrusted, as well as conversion of assets between euro and national currencies.

7. The Commission shall be empowered to adopt delegated acts in accordance with Article 142 laying down detailed rules concerning specific requirements regarding the transfer and management of assets managed by the entities to which implementation tasks are entrusted, as well as conversion of assets between euro and national currencies.

Amendment 187

Proposal for a regulation Article 34 – title

Text proposed by the Commission

Implementation of certain financial instruments

Amendment

Management and control of financial instruments

Amendment 188

Proposal for a regulation Article 34 – paragraph 1

Text proposed by the Commission

1. **The bodies accredited** in accordance with Article 64 shall not carry out on-the-spot verifications of operations comprising financial instruments implemented under Article 33(1)(a). They shall receive regular

Amendment

1. **Bodies designated** in accordance with Article 113a for ERDF, CF, ESF, EMFF and with Article 72 of the RDR for the EAFRD shall not carry out on-the spot verifications of operations comprising

control reports from the bodies entrusted with the implementation of these financial instruments.

financial instruments implemented under Article 33(1)(a). They shall receive regular control reports from the bodies entrusted with the implementation of these financial instruments.

Amendment 189

Proposal for a regulation

Article 34 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

3. The bodies responsible for the audit of programmes shall conduct audits at the level of final recipients only when one or more of the following situation occur:

(a) supporting documents are not available at the level of the financial instrument or the managing authority;

(b) there is evidence of inadequate monitoring by the bodies that implement financial instruments regarding support provided to final recipients;

(c) there is evidence that the documents available at the level of the managing authority or at the level of the bodies that implement financial instruments do not reflect the reality of the support provided.

Amendment 190

Proposal for a regulation

Article 34 – paragraph 3

Text proposed by the Commission

Amendment

3. The Commission shall be empowered to adopt delegated acts in accordance with Article 142 ***concerning the arrangements for*** management and control of financial instruments implemented under ***Articles*** 33(1)(a) and 33(4)(b)(***i***), (***ii***) and (***iii***).

3. The Commission shall be empowered to adopt delegated acts, in accordance with Article 142, ***laying down detailed rules on*** the management and control of financial instruments implemented under Article 33(1)(a) and ***subpoints (i), (ii) and (iii) of*** Article 33(4)(b).

Amendment 191

Proposal for a regulation Article 35 – paragraph 1

Text proposed by the Commission

1. As regards financial instruments referred to in Article 33(1)(a), ***the request for payment shall include and separately disclose the total amount of support*** paid to the financial instrument.

Amendment

1. As regards financial instruments referred to in Article 33(1)(a) ***and financial instruments referred to in Article 33(1)(b) implemented in accordance with Article 33(4)(a) and (b), phased applications for interim payments shall be made for programme contributions*** paid to the financial instrument ***during the period of eligibility in accordance with the following conditions:***

(a) the amount of the programme contribution paid to the financial instrument included in each application for interim payment submitted during the eligibility period indicated in Article 55(2) shall not exceed 25 % of the total amount of programme contributions committed to the financial instrument under the relevant funding agreement, corresponding to expenditure in the meaning of Article 36(1)(a), (b) and (d) expected to be paid during the eligibility period indicated in Article 55(2). Applications for interim payment submitted after the eligibility period indicated in Article 55(2) shall include the total amount of eligible expenditure in the meaning of Article 36;

(b) each application for interim payment referred to in paragraph (a) may include up to 25 per cent of the total amount of the national co-financing as referred to in Article 33 (8) expected to be paid to the financial instrument, or at the level of final recipients for expenditure in the meaning of Article 36 (1) (a), (b) and (d), within the eligibility period indicated in Article 55(2);

(c) subsequent applications for interim payment submitted during the eligibility period indicated in Article 55(2) shall only be made:

(i) for the second application for interim payment, when at least 60 per cent of the amount included in the first application for interim payments has been spent as eligible expenditure in the meaning of Article 36(1)(a), (b) and (d);

(ii) for the third and subsequent applications for interim payment, when at least 85 per cent of the amounts included in the previous applications for interim payments have been spent as eligible expenditure in the meaning of Article 36(1)(a), (b) and (d);

(d) each application for interim payment, which includes expenditure related to financial instruments, shall separately disclose the total amount of programme contributions paid to the financial instrument and the amounts paid as eligible expenditure in the meaning of Article 36(1)(a), (b) and (d).

At closure, the application for payment of the final balance shall include the total amount of eligible expenditure as referred to in Article 36.

Amendment 192

Proposal for a regulation Article 35 – paragraph 2

Text proposed by the Commission

2. As regards financial instruments referred to in Article 33(1)(b) implemented in accordance with Article 33(4)(a) and (b), ***the total eligible expenditure presented in the request for payment shall include and separately disclose the total amount of support paid or expected to be paid to the financial instrument*** for investments in

Amendment

2. As regards financial instruments referred to in Article 33(1)(b) implemented in accordance with Article 33(4)(c), ***the applications for interim payments, and payment of the final balance shall include the total amount of the payments effected by the managing authority for investments in final recipients as referred to in Article***

final recipients *to be made over a pre-defined period of maximum two years, including management costs or fees.*

36(1) points (a) and (b).

Amendment 193

Proposal for a regulation Article 35 – paragraph 3

Text proposed by the Commission

Amendment

3. The amount determined in accordance with paragraph 2 shall be adjusted in subsequent requests for payment, to take account of the difference between the amount of support previously paid to the financial instrument concerned, and the amounts effectively invested in final recipients, plus management costs and fees paid. These amounts shall be separately disclosed in the payment request.

deleted

Amendment 194

Proposal for a regulation Article 35 – paragraph 4

Text proposed by the Commission

Amendment

4. As regards financial instruments referred to in Article 33(1)(b) implemented in accordance with Article 33(4)(c), the request for payment shall include the total amount of the payments effected by the managing authority for investments in final recipients. These amounts shall be separately disclosed in the payment request.

deleted

Amendment 195

Proposal for a regulation

Article 36 – paragraph 1 – introductory part

Text proposed by the Commission

1. At closure of a programme, the eligible expenditure of the financial instrument shall be the total amount effectively paid or, in the case of *guarantee funds* committed, by the financial instrument within the eligibility period indicated in Article 55(2), corresponding to:

Amendment

1. At closure of a programme, the eligible expenditure of the financial instrument shall be the total amount *of programme contributions* effectively paid or, in the case of *guarantees* committed, by the financial instrument within the eligibility period indicated in Article 55(2), corresponding to:

Amendment 196

Proposal for a regulation

Article 36 – paragraph 1 – point a

Text proposed by the Commission

(a) payments to final recipients;

Amendment

(a) payments to final recipients, *and in the cases referred to under Article 32(5) payments to the benefit of final recipients;*

Amendment 197

Proposal for a regulation

Article 36 – paragraph 2

Text proposed by the Commission

2. In the case of equity-based instruments and micro-credit, capitalised management costs or fees due to be paid for a period not exceeding 5 years after the eligibility period laid down in Article 55(2), in respect of investments in final recipients which occurred within that eligibility period *and* which cannot be covered by Articles 37 *and* 38, may be considered as eligible expenditure when paid into an escrow account specifically set up for that

Amendment

2. In the case of equity-based instruments and micro-credit, capitalised management costs or fees due to be paid for a period not exceeding 5 years after the eligibility period laid down in Article 55(2), in respect of investments in final recipients which occurred within that eligibility period, which cannot be covered by Articles 38 *or* 39, may be considered as eligible expenditure when paid into an escrow account specifically set up for that

purpose.

purpose.

Amendment 198

Proposal for a regulation Article 36 – paragraph 3

Text proposed by the Commission

3. The eligible expenditure ***determined*** in accordance with paragraphs 1 and 2 shall not exceed the sum of the:

(i) total amount of the support from the ***CSF*** Funds paid ***to the financial instrument***; and

(ii) corresponding national co-financing.

Amendment

3. The eligible expenditure ***disclosed*** in accordance with paragraphs 1 and 2 shall not exceed the sum of the:

(i) total amount of the support from the ***European Structural and Investment Funds*** paid ***for the purposes of paragraphs 1 and 2***; and

(ii) corresponding national co-financing.

Amendment 199

Proposal for a regulation Article 36 – paragraph 4

Text proposed by the Commission

4. The Commission shall be empowered to adopt delegated acts in accordance with Article 142 concerning the establishment of a system of capitalisation of annual instalments for interest rate subsidies and guarantee fee subsidies.

Amendment

4. The Commission shall be empowered to adopt delegated acts in accordance with Article 142 ***laying down the specific rules*** concerning the establishment of a system of capitalisation of annual instalments for interest rate subsidies and guarantee fee subsidies.

Amendment 200

Proposal for a regulation Article 36 – paragraph 4 a (new)

Text proposed by the Commission

Amendment

4a. Management cost and fees as referred to in paragraphs (1)(d) and (2) may be charged by the body implementing the fund of funds or bodies implementing financial instruments pursuant to Articles 33(4)(a) and (b) and shall not exceed the thresholds defined in the delegated act referred to in this paragraph. Whereas management costs shall comprise direct or indirect cost items reimbursed against evidence of expenditure, management fees shall refer to an agreed price for services rendered established via a competitive market process, where applicable. Management costs and fees shall be based on a performance based calculation methodology.

Management costs and fees may comprise arrangement fees. Where arrangement fees, or any part thereof, are charged to final recipients, they shall not be declared as eligible expenditure.

Management costs and fees, including those incurred for preparatory work in relation to the financial instrument before the signature of the relevant funding agreement, are eligible as from the date of signature of the relevant funding agreement.

The Commission shall be empowered to adopt, by means of delegated acts in accordance with Article 142, the rules for calculating management costs and fees and on the reimbursement of capitalised management costs and fees for equity-based instruments and micro-credit.

Amendment 201

Proposal for a regulation Article 37

Text proposed by the Commission

Interest and other gains generated by support from the CSF Funds to financial instruments

1. Support from the **CSF** Funds paid to financial instruments shall be placed in **interest-bearing** accounts domiciled within financial institutions in Member States **or** invested on a temporary basis **according to** the **principle** of sound financial management.

2. Interest and other gains attributable to support from the **CSF** Funds paid to financial instruments shall be used for the same purposes as the initial support from the **CSF** Funds within the same financial instrument.

3. The managing authority shall ensure that adequate records of the use of interest and other gains are maintained.

Amendment

Interest and other gains generated by support from the **European Structural and Investment** Funds to financial instruments

1. Support from the **European Structural and Investment** Funds paid to financial instruments shall be placed in accounts domiciled within financial institutions in Member States **and be** invested on a temporary basis **in accordance with** the **principles** of sound financial management.

2. Interest and other gains attributable to support from the **European Structural and Investment** Funds paid to financial instruments shall be used for the same purposes, **including the reimbursement of management costs incurred or payment of management fees of the financial instrument in accordance with Article 36(1)(d), and expenditure paid in line with Article 36(2),** as the initial support from the **European Structural and Investment** Funds **either** within the same financial instrument, **or following the winding up of the financial instrument, in other financial instruments or forms of support in accordance with the specific objectives set out under a priority or measure, until the end of the eligibility period.**

3. The managing authority shall ensure that adequate records of the use of interest and other gains are maintained.

Amendment 202

Proposal for a regulation Article 38 – title

Text proposed by the Commission

Re-use of resources attributable to the support from the *CSF* Funds until *closure of the programme*

Amendment

Re-use of resources attributable to the support from the *European Structural and Investment* Funds until *the end of the eligibility period*

Amendment 203

Proposal for a regulation Article 38 – paragraph 1

Text proposed by the Commission

1. *Capital resources* paid back to financial instruments from investments or from the release of resources committed for guarantee contracts, which are attributable to the support from the *CSF* Funds, shall be re-used for *further investments through the same or other financial instruments, in accordance with the aims of the programme or programmes.*

Amendment

1. *Resources* paid back to financial instruments from investments or from the release of resources committed for guarantee contracts, *including capital repayments and gains and other earnings or yields, such as interest, guarantee fees, dividends, capital gains or any other income generated by investments*, which are attributable to the support from the *European Structural and Investment* Funds, shall be re-used for *the following purposes, up to the amounts necessary and in the order agreed in the relevant funding agreements.*

Amendment 204

Proposal for a regulation Article 38 – paragraph 2 – introductory part

Text proposed by the Commission

2. *Gains and other earnings or yields, including interest, guarantee fees, dividends, capital gains or any other income receipts generated by investments, attributable to the support from the CSF*

Amendment

deleted

Funds to the financial instrument, shall be used for the following purposes, where applicable, up to the amounts necessary:

Amendment 205

Proposal for a regulation

Article 38 – paragraph 2 – point a

Text proposed by the Commission

(a) reimbursement of management costs incurred and payment of management fees of the financial instrument;

(Note: this point (a) should become a point (c) under paragraph 38 of Article 1 of Parliament's amendment.)

Amendment

(a) **where applicable**, reimbursement of management costs incurred and payment of management fees of the financial instrument;

Amendment 206

Proposal for a regulation

Article 38 – paragraph 2 – point b

Text proposed by the Commission

(b) preferential remuneration of investors operating under the market economy investor principle, who provide counterpart resources to the support from the **CSF** Funds to the financial instrument or who co-invest at the level of final recipients;

Amendment

(b) **where applicable**, preferential remuneration of **private** investors, **or public investors** operating under the market economy principle, who provide counterpart resources to the support from the **European Structural and Investment** Funds to the financial instrument or who co-invest at the level of final recipients;

The need and the level for preferential remuneration pursuant to point (b) shall be established in the ex ante assessment. The preferential remuneration shall not exceed what is necessary to create the incentives for attracting private counterpart resources and shall not over compensate private investors, or public investors operating under the market economy principle. The alignment of interest shall be ensured through an appropriate sharing of risk and profit and

must be carried out on a normal commercial basis and be compatible with Union State aid rules.

(Note: this point (b) will become a point (d) under paragraph 38 of Article 1 of Parliament's amendment.)

Amendment 207

Proposal for a regulation Article 38 – paragraph 2 – point c

Text proposed by the Commission

(c) further investments through the same or other financial instruments, in accordance with the aims of the programme or programmes.

(Note: this point (c) will become a point (a) under Article 1 of paragraph 38 of Parliament's amendment.)

Amendment

(c) further investments through the same or other financial instruments, in accordance with the ***specific objectives set out under a priority***;

Amendment 208

Proposal for a regulation Article 39

Text proposed by the Commission

Use of ***legacy*** resources after ***closure of the programme***

Member States shall adopt the necessary measures to ensure that ***the capital*** resources and gains and other earnings or yields attributable to the support from the ***CSF*** Funds to financial instruments are used in accordance with the aims of the programme ***for a period of at least 10 years after the closure of the programme.***

Amendment

Use of resources after ***the end of the eligibility period***

Member States shall adopt the necessary measures to ensure that resources ***paid back to financial instruments, including capital repayments*** and gains and other earnings or yields ***generated during a period of at least 10 years after the end of the eligibility period, which are*** attributable to the support from the ***European Structural and Investment*** Funds to financial instruments ***pursuant to***

Article 32, are used in accordance with the aims of the programme *or programmes*, *either within the same financial instrument or, following the exit of these resources from the financial instrument, in other financial instruments in both cases provided that an assessment of market conditions demonstrates a continuing need for such investment or in other forms of support.*

Amendment 209

Proposal for a regulation Article 40

Text proposed by the Commission

Report on Implementation of Financial Instruments

1. The managing authority shall send to the Commission a specific report covering the operations comprising financial instruments as an annex to the annual implementation report.

2. The report referred to in paragraph 1 shall include, for each financial instrument, the following information:

(a) identification of the programme and of the priority from which support from the *CSF* Funds is provided;

(b) description of the financial instrument and implementation arrangements;

(c) identification of the *bodies to whom implementation tasks have been entrusted*;

(d) total amount of *support by* programme *and* priority or measure to the financial instrument *included in requests for*

Amendment

Report on Implementation of Financial Instruments

1. The managing authority shall send to the Commission a specific report covering the operations comprising financial instruments as an annex to the annual implementation report.

2. The report referred to in paragraph 1 shall include, for each financial instrument, the following information:

(a) identification of the programme and of the priority *or measure* from which support from the *European Structural and Investment* Funds is provided;

(b) description of the financial instrument and implementation arrangements;

(c) identification of the bodies *implementing financial instruments, and the bodies implementing funds of funds where applicable, as referred to under Articles 33(1)(a), 33(4)(a), (b) and (c), and the financial intermediaries referred to under Article 33(6)*;

(d) total amount of programme *contributions by* priority or measure *paid* to the financial instrument;

payment submitted to the Commission;

(e) total amount of support paid or committed in guarantee contracts by the financial ***instrument to the final recipients*** by programme and priority or measure ***included in requests for payment submitted to the Commission;***

(f) ***revenues of, and repayments to,*** the financial instrument;

(g) multiplier effect of investments made by the financial instrument and value of investments and participations;

(h) contribution of the financial instrument to the achievement of the indicators ***of the programme and*** of the priority concerned.

(e) total amount of support paid ***to the final recipients or to the benefit of final recipients***, or committed in guarantee contracts by the financial instrument ***for investments in final recipients, as well as management costs incurred or management fees paid,*** by programme and priority or measure;

(f) ***the performance of*** the financial instrument ***including progress in its set-up and in selection of bodies implementing the financial instrument (including the body implementing a fund of funds);***

(fa) interest and other gains generated by support from the European Structural and Investment Funds to the financial instrument, cumulative amounts of programme resources paid back to financial instruments from investments or from the release of resources committed, including capital repayments and gains and other earnings or yields, such as interest, guarantee fees, dividends, capital gains or any other income generated by investments;

(g) ***progress in achieving the expected leverage*** effect of investments made by the financial instrument and value of investments and participations;

(ga) the value of equity investments, with respect to previous years;

(h) contribution of the financial instrument to the achievement of the indicators of the priority ***or measure*** concerned.

The information in points (g) and (h) may be included only in the annex to the annual implementation reports submitted in 2017 and 2019 as well as in the final report. The monitoring obligations as set out in points (a) and (h) shall not be applied at the level of final.

2a. The Commission shall adopt, by means of implementing act in accordance

with the examination procedure laid down in Article 143(3), arrangements for uniform conditions concerning the models to be used when monitoring and reporting on financial instruments and on the reporting of monitoring information to the Commission.

2b. Each year, starting in 2016, the Commission shall within 6 months of the deadline for the submission of the annual implementation reports referred to in Article 101(1) for the ERDF, ESF and the CF, Article 82 of the EAFRD regulation for the EAFRD, and the relevant provisions of Funds-specific rules for the EMFF provide summaries of the data on the progress made in financing and implementing the financial instruments, sent by the managing authorities in accordance with this Article. These summaries shall be transmitted to the European Parliament and the Council and shall be made public.

3. The Commission shall **adopt**, by means of implementing **act**, in accordance with the examination procedure *referred to* in Article 143(3), the **uniform conditions concerning the monitoring and provision of monitoring information to the Commission, including in respect of financial instruments referred to in Article 33(1)(a).**

3. The Commission shall **ensure uniform conditions for the implementation of this Article by adopting**, by means of implementing **acts**, in accordance with the examination procedure *laid down* in Article 143(3), the **models to be used when reporting on financial instruments to the Commission.**

Amendment 210

Proposal for a regulation Article 41 – paragraph 1

Text proposed by the Commission

1. Within three months of the date of notification to the Member State of the decision adopting a programme, the Member State shall set up a committee to monitor implementation of the programme,

Amendment

1. Within three months of the date of notification to the Member State of the decision adopting a programme, the Member State shall set up a committee, **in accordance with the institutional, legal and financial framework of the Member**

in agreement with the managing authority.

State concerned, to monitor implementation of the programme, in agreement with the managing authority.

A Member State may set up a single monitoring committee for ***programmes*** co-financed by the ***CSF*** Funds.

A Member State may set up a single monitoring committee for ***more than one programme*** co-financed by the ***European Structural and Investment*** Funds.

Amendment 211

Proposal for a regulation Article 41 – paragraph 2

Text proposed by the Commission

Amendment

2. Each monitoring committee shall draw up and adopt its rules of procedure.

2. Each monitoring committee shall draw up and adopt its rules of procedure ***within the institutional, legal and financial framework of the Member State concerned.***

Amendment 212

Proposal for a regulation Article 41 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2a. The Monitoring Committee of a programme under the European territorial cooperation goal shall be set up by the Member States participating in the cooperation programme and third countries, when they have accepted the invitation to participate in the cooperation programme, in agreement with the managing authority within three months of the date of notification of the decision adopting the programme to the Member States. It shall draw up and adopt its rules of procedure.

Amendment 213

Proposal for a regulation Article 42 – paragraph 1

Text proposed by the Commission

1. The monitoring committee **shall be** composed of **representatives of the managing authority** and intermediate bodies and of representatives of the partners. Each member of the monitoring committee **shall** have a voting right.

The monitoring committee of a programme under the European territorial cooperation goal shall also include representatives of any third country participating in that programme.

Amendment

1. The **composition of the monitoring committee shall be decided by the Member State, provided that the** monitoring committee **is** composed of **the relevant Member State authorities** and intermediate bodies and of representatives of the partners **referred to in Article 5. Representatives of the partners shall be delegated to be part of the monitoring committee by the respective partners through transparent processes. The Monitoring Committee may decide that each** member of the monitoring committee **may** have a voting right.

The monitoring committee of a programme under the European territorial cooperation goal shall also include representatives of any third country participating in that programme. **The Monitoring Committee may include representatives of the EGTC carrying out activities related to the programme within the programme area.**

The composition of the Monitoring Committee of a programme under the European territorial goal shall be agreed by the Member States participating in the programme and third countries, when they have accepted the invitation to participate in the cooperation programme. It shall include relevant representatives of Member States and of any third country referred to in the preceding sentence.

Amendment 214

Proposal for a regulation Article 42 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

1a. The list of members of the monitoring committee shall be published.

Amendment 215

Proposal for a regulation Article 43

Text proposed by the Commission

Amendment

1. The monitoring committee shall meet at least once a year and shall review implementation of the programme and progress towards achieving its objectives. In doing so, it shall have regard to the financial data, common and programme-specific indicators, including changes in result indicators and progress towards quantified target values, and the milestones defined in the performance framework.

2. The monitoring committee shall examine ***in detail*** all issues that affect the performance of the programme.

3. The monitoring committee shall be consulted ***and issue an opinion*** on any amendment of the programme proposed by the managing authority.

4. The monitoring committee may ***issue recommendations*** to the managing authority regarding implementation of the programme and its evaluation. It shall monitor actions taken as a result of its

1. The monitoring committee shall meet at least once a year and shall review implementation of the programme and progress towards achieving its objectives. In doing so, it shall have regard to the financial data, common and programme-specific indicators, including changes in ***the value of*** result indicators and progress towards quantified target values, and the milestones defined in the performance framework ***referred to in Article 19(1), and, where relevant, the results of qualitative analyses.***

2. The monitoring committee shall examine all issues that affect the performance of the programme, ***including the conclusions of the performance reviews.***

3. The monitoring committee shall be consulted ***and shall, if it considers appropriate, give an opinion*** on any amendment of the programme proposed by the managing authority.

4. The monitoring committee may ***make observations*** to the managing authority regarding implementation of the programme and its evaluation ***including actions related to the reduction of***

recommendations.

administrative burden on beneficiaries. It shall monitor actions taken as a result of its *observations.*

Amendment 216

Proposal for a regulation

Article 44 – paragraph 1 - second subparagraph

Text proposed by the Commission

Amendment

The Member State shall submit a final report on implementation of the programme by **30 September 2023** for the ERDF, ESF and Cohesion Fund and an annual implementation report for the EAFRD and EMFF.

The Member State shall submit a final report on implementation of the programme by **31 December 2023** for the ERDF, ESF and Cohesion Fund and an annual implementation report for the EAFRD and EMFF.

(Note: subject to further horizontal adjustment for N+3.)

Amendment 217

Proposal for a regulation

Article 44 – paragraph 2

Text proposed by the Commission

Amendment

2. Annual implementation reports shall set out information on implementation of the programme and its priorities by reference to the financial data, common and programme-specific indicators and quantified target values, including changes in result indicators, and the milestones defined in the performance framework. The data transmitted shall relate to values for indicators for fully implemented operations and also for selected operations. They shall also set out ***actions taken to fulfil the ex ante conditionalities and*** any issues which affect the performance of the programme, and the ***corrective*** measures taken.

2. Annual implementation reports shall set out ***key*** information on implementation of the programme and its priorities by reference to the financial data, common and programme-specific indicators and quantified target values, including changes in ***the values of*** result indicators ***where appropriate, and beginning from the report submitted in 2017*** the milestones defined in the performance framework. The data transmitted shall relate to values for indicators for fully implemented operations and also, ***where possible, having regard to the stage of implementation,*** for selected operations. They shall also set out ***a synthesis of the findings of all evaluations of the programme that have become available during the previous financial year,*** any

issues which affect the performance of the programme, and the measures taken. ***The annual implementation report submitted in 2016 may also set out, where relevant, actions taken to fulfil ex-ante conditionalities.***

Amendment 218

Proposal for a regulation Article 44 – paragraph 3

Text proposed by the Commission

3. The annual implementation report submitted in 2017 shall set out and assess the information set out in paragraph 2 and progress towards achieving the objectives of the programme, including the contribution of the **CSF** Funds to changes in result indicators, when evidence is available from evaluations. It shall also assess the implementation of actions to take into account the principles set out in Articles 6, 7 and 8 and report on support used for climate change targets.

Amendment

3. The annual implementation report submitted in 2017 shall set out and assess the information set out in paragraph 2 and progress towards achieving the objectives of the programme, including the contribution of the **European Structural and Investment** Funds to changes in **the value of** result indicators, when evidence is available from evaluations. ***It shall set out actions taken to fulfil the ex- ante conditionalities not fulfilled at the time of adoption of the programmes.*** It shall also assess the implementation of actions to take into account the principles set out in Articles 7 and 8, ***the role of the partners referred to in Article 5 in the implementation of the programme*** and report on support used for climate change targets.

Amendment 219

Proposal for a regulation Article 44 – paragraph 6

Text proposed by the Commission

6. The Commission shall examine the annual implementation report and inform the Member State of its observations within two months of the receipt of the annual implementation report and within 5

Amendment

6. The Commission shall examine the annual ***and final*** implementation report and inform the Member State of its observations within two months of the receipt of the annual implementation report

months of receipt of the final report. Where the Commission does not provide observations within these deadlines, the reports shall be deemed to be accepted.

and within 5 months of receipt of the final **implementation** report. Where the Commission does not provide observations within these deadlines, the reports shall be deemed to be accepted.

Amendment 220

Proposal for a regulation Article 44 – paragraph 7

Text proposed by the Commission

7. The Commission may **issue recommendations to address any** issues which affect the implementation of the programme. Where such **recommendations** are made, the managing authority shall inform the Commission within three months of **the corrective** measures taken.

Amendment

7. The Commission may **make observations to the managing authority concerning** issues which **significantly** affect the implementation of the programme. 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.

Amendment 221

Proposal for a regulation Article 44 – paragraph 8

Text proposed by the Commission

8. **A citizen's summary of the contents of the** annual and the final implementation reports shall be made public

Amendment

8. **The** annual and the final implementation reports, **as well as a summary for citizens of their content** shall be made public.

Amendment 222

Proposal for a regulation Article 45 – paragraph 4

Text proposed by the Commission

4. The annual review meeting shall be chaired by the Commission.

Amendment

4. 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.

Amendment 223

Proposal for a regulation Article 45 – paragraph 5

Text proposed by the Commission

5. The Member State shall ensure that appropriate follow-up is given to **any** comments of the Commission following the meeting.

Amendment

5. The Member State shall ensure that appropriate follow-up is given to comments of the Commission following the meeting **concerning issues, which significantly affect the implementation of the programme and where appropriate, inform the Commission within three months of measures taken.**

Amendment 224

Proposal for a regulation Article 46 – title

Text proposed by the Commission

Progress report

Amendment

Progress report **and strategic report**

Amendment 225

Proposal for a regulation Article 46 – paragraph 1

Text proposed by the Commission

1. By **30 June** 2017 and by **30 June** 2019, the Member State shall submit to the Commission a progress report on implementation of the Partnership **Contract** as at 31 December 2016 and 31 December 2018 respectively.

Amendment

1. By **31 August** 2017 and by **31 August** 2019, the Member State shall submit to the Commission a progress report on implementation of the Partnership **Agreement** as at 31 December 2016 and 31 December 2018 respectively.

Amendment 226

Proposal for a regulation Article 46 – paragraph 2

Text proposed by the Commission

2. The progress report shall set out information on and assess:
- (a) changes in the development needs in the Member State since the adoption of the Partnership **Contract**;
 - (b) progress towards achievement of the Union strategy for smart, sustainable and inclusive growth, in particular in respect of the milestones set out **for each programme** in the performance framework and the support used for climate change objectives;
 - (c) whether the actions taken to fulfil *ex ante* conditionalities not fulfilled at the date of adoption of the Partnership **Contract** have been implemented in accordance with the timetable established;
 - (d) implementation of mechanisms to ensure coordination between the **CSF** Funds and other Union and national funding instruments and with the EIB;
 - (e) progress towards achievement of priority areas established for cooperation;
 - (f) actions taken to reinforce the capacity of the Member State authorities and, **where**

Amendment

2. The progress report shall set out information on and assess:
- (a) changes in the development needs in the Member State since the adoption of the Partnership **Agreement**;
 - (b) progress towards achievement of the Union strategy for smart, sustainable and inclusive growth, **as well as of the Fund-specific missions referred to in Article 4.1, through the contribution of the European Structural and Investment Funds to the thematic objectives selected, and** in particular in respect **to** the milestones set out in the performance framework **for each programme**, and **to** the support used for climate change objectives;
 - (c) whether the actions taken to fulfil **the applicable ex ante** conditionalities **set out in the Partnership Agreement** not fulfilled at the date of adoption of the Partnership **Agreement** have been implemented in accordance with the timetable established. **This only applies to the 2017 progress report**;
 - (d) implementation of mechanisms to ensure coordination between the **European Structural and Investment** Funds and other Union and national funding instruments and with the EIB;
 - (e) **implementation of the integrated approach to territorial development, or a summary of the implementation of the integrated approaches based on the programmes, including** progress towards achievement of priority areas established for cooperation;
 - (f) **where appropriate**, actions taken to reinforce the capacity of the Member State

appropriate, beneficiaries to administer and use the *CSF* Funds;

(g) actions *planned* and *corresponding targets in the programmes to achieve* a reduction in the administrative burden for beneficiaries;

(h) the role of the partners referred in Article 5 in the implementation of the Partnership *Contract*.

authorities and beneficiaries to administer and use the *European Structural and Investment* Funds;

(g) actions *taken* and *progress achieved towards* a reduction in the administrative burden for beneficiaries;

(h) the role of the partners referred *to* in Article 5 in the implementation of the Partnership *Agreement*;

(ha) a summary of the actions taken in relation to the application of horizontal principles and policy objectives for the implementation of the European Structural and Investment Funds.

Amendment 227

Proposal for a regulation Article 46 – paragraph 3

Text proposed by the Commission

3. Where the Commission determines, within *three* months of the date of submission of the progress report that the information submitted is incomplete or unclear, it may request additional information from the Member State. The Member State shall provide to the Commission the information requested within three months and, where appropriate, shall revise the progress report accordingly.

Amendment

3. Where the Commission determines, within *two* months of the date of submission of the progress report that the information submitted is incomplete or unclear *in a manner which significantly affect the quality and reliability of the assessment concerned*, it may *without causing unjustified delays and providing reasons for the alleged lack of quality and reliability* request additional information from the Member State. The Member State shall provide to the Commission the information requested within three months and, where appropriate, shall revise the progress report accordingly.

Amendment 228

Proposal for a regulation Article 46 – paragraph 4

Text proposed by the Commission

Amendment

4. In 2017 and 2019, the Commission shall prepare a strategic report summarising the progress reports of the Member States, which it shall submit to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions. *deleted*

Amendment 229

Proposal for a regulation Article 46 – paragraph 5

Text proposed by the Commission

Amendment

5. In 2018 and 2020, the Commission shall include in its Annual Progress Report to the spring meeting of the European Council a section summarising the strategic report, in particular with regard to progress made towards Union strategy for smart, sustainable and inclusive growth. *deleted*

Amendment 230

Proposal for a regulation Article 46 – paragraph - 5 a (new)

Text proposed by the Commission

Amendment

5a. The Commission shall adopt, by means of implementing act in accordance with the advisory procedure laid down in Article 143(2), uniform conditions concerning the model to be used when submitting the progress report.

Amendment 231

Proposal for a regulation Article 46 a (new)

Text proposed by the Commission

Amendment

Article 46a

Reporting by the Commission and debate on the European Structural and Investment Funds

- 1. The Commission shall transmit each year from 2016 to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions, a summary report in relation to European Structural and Investment Fund programmes based on the annual implementation reports of the Member States submitted under Article 44 as well as a synthesis of the findings of the available evaluations of programmes. In 2017 and 2019 this report shall form a part of the strategic report referred to in paragraph 2.***
- 2. In 2017 and 2019, the Commission shall prepare a strategic report summarising the progress reports of the Member States, which by 31 December 2017 and 31 December 2019, respectively, it shall submit to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions and these institutions shall be invited to hold a debate on it.***
- 3. The Council shall debate the strategic report in particular with regard to the contribution of the European Structural and Investment Funds to the achievement of the Union strategy for smart, sustainable and inclusive growth and shall be invited to provide input to the spring meeting of the European Council.***
- 4. Every two years from 2018, the Commission shall include in its Annual***

Progress Report to the spring meeting of the European Council a section summarising the most recent of the reports referred to in paragraphs 1 and 2, in particular with regard to the contribution of the European Structural and Investment Funds to progress made towards the Union strategy for smart, sustainable and inclusive growth.

Amendment 232

Proposal for a regulation Article 47

Text proposed by the Commission

1. Evaluations shall be carried out to improve the quality of the design and implementation of programmes, as well as to assess their effectiveness, efficiency and impact. Impact of programmes shall be evaluated in accordance with the mission of the respective **CSF** Funds in relation to the targets for the Union strategy for smart, sustainable and inclusive growth¹ **as well as** in relation to Gross Domestic Product (GDP) and unemployment, where appropriate.

2. Member States shall provide the resources necessary for carrying out evaluations, and shall ensure that procedures are in place to produce and collect the data necessary for evaluations, including data related to common and where appropriate programme-specific indicators.

3. Evaluations shall be carried out by experts that are functionally independent of the authorities responsible for programme implementation. The Commission shall provide guidance on how to carry out

Amendment

1. Evaluations shall be carried out to improve the quality of the design and implementation of programmes, as well as to assess their effectiveness, efficiency and impact. Impact of programmes shall be evaluated in accordance with the mission of the respective **European Structural and Investment** Funds in relation to the targets for the Union strategy for smart, sustainable and inclusive growth¹ **and having regard to the size of the programme** in relation to Gross Domestic Product (GDP) and unemployment **of the programme area concerned**, where appropriate.

2. Member States shall provide the resources necessary for carrying out evaluations, and shall ensure that procedures are in place to produce and collect the data necessary for evaluations, including data related to common and where appropriate programme-specific indicators.

3. Evaluations shall be carried out by **internal or external** experts that are functionally independent of the authorities responsible for programme implementation. The Commission shall provide guidance on how to carry out

evaluations.

4. All evaluations shall be made public *in their entirety*.

Amendment 233

Proposal for a regulation Article 48 – paragraph 3

Text proposed by the Commission

3. *Ex ante* evaluations shall appraise:
- (a) the contribution to the Union strategy for smart, sustainable and inclusive growth, having regard to the selected thematic objectives and priorities, taking into account national and regional needs;
 - (b) the internal coherence of the proposed programme or activity and its relation with other relevant instruments;
 - (c) the consistency of the allocation of budgetary resources with the objectives of the programme;
 - (d) the consistency of the selected thematic objectives, the priorities and corresponding objectives of the programmes with the Common Strategic Framework, the Partnership **Contract** and the country-specific recommendations **under** Article 121(2) of the Treaty **and the Council recommendations adopted under Article 148(4) of the Treaty**;
 - (e) the relevance and clarity of the proposed programme indicators;
 - (f) how the expected outputs will contribute to results;

evaluations, *immediately following the entry into force of this Regulation*.

4. All evaluations shall be made public.

Amendment

3. *Ex ante* evaluations shall appraise:
- (a) the contribution to the Union strategy for smart, sustainable and inclusive growth, having regard to the selected thematic objectives and priorities, taking into account national and regional needs **and potential for development as well as lessons drawn from previous programming periods**;
 - (b) the internal coherence of the proposed programme or activity and its relation with other relevant instruments;
 - (c) the consistency of the allocation of budgetary resources with the objectives of the programme;
 - (d) the consistency of the selected thematic objectives, the priorities and corresponding objectives of the programmes with the Common Strategic Framework, the Partnership **Agreement** and the **relevant country specific recommendations adopted in accordance with** Article 121(2) of the Treaty **on the Functioning of the European Union and where appropriate at national level, the national reform programme**.
 - (e) the relevance and clarity of the proposed programme indicators;
 - (f) how the expected outputs will contribute to results;

(g) whether the quantified target values for indicators are realistic, having regard to the support from the *CSF* Funds envisaged;

(h) the rationale for the form of support proposed;

(i) the adequacy of human resources and administrative capacity for management of the programme;

(j) the suitability of the procedures for monitoring the programme and for collecting the data necessary to carry out evaluations;

(k) the suitability of the milestones selected for the performance framework;

(l) the adequacy of planned measures to promote equal opportunities between men and women and to prevent discrimination;

(m) the adequacy of planned measures to promote sustainable development.

(g) whether the quantified target values for indicators are realistic, having regard to the support from the *European Structural and Investment* Funds envisaged;

(h) the rationale for the form of support proposed;

(i) the adequacy of human resources and administrative capacity for management of the programme;

(j) the suitability of the procedures for monitoring the programme and for collecting the data necessary to carry out evaluations;

(k) the suitability of the milestones selected for the performance framework;

(l) the adequacy of planned measures to promote equal opportunities between men and women and to prevent *any* discrimination; *in particular as regards the accessibility for persons with disabilities*;

(m) the adequacy of planned measures to promote sustainable development;

(ma) measures planned to reduce the administrative burden of beneficiaries.

Amendment 234

Proposal for a regulation Article 48 – paragraph 4

Text proposed by the Commission

4. *The ex ante evaluation* shall incorporate, where appropriate, the requirements for Strategic Environmental Assessment set out in implementation of Directive 2001/42/EC of the European Parliament and of the Council of 27 June 2001 on the assessment of the effects of certain plans and programmes on the environment¹.

Amendment

4. *Ex ante evaluations* shall incorporate, where appropriate, the requirements for Strategic Environmental Assessment set out in implementation of Directive 2001/42/EC of the European Parliament and of the Council of 27 June 2001 on the assessment of the effects of certain plans and programmes on the environment, *taking into account climate change mitigation needs*¹.

Amendment 235

Proposal for a regulation Article 49

Text proposed by the Commission

1. An evaluation plan shall be drawn up by the managing authority **for each** programme **and** submitted in accordance with the Fund-specific rules.
2. Member States shall ensure that appropriate evaluation capacity is available.
3. During the programming period, managing **authorities** shall **carry out** evaluations including evaluations to assess effectiveness, efficiency and impact, for each programme on the basis of the evaluation plan. **At least once during the programming period, an evaluation shall assess how support from the CSF Funds has contributed to the objectives for each priority. All evaluations shall be examined by the monitoring committee and sent to the Commission.**
4. The Commission may carry out, at its own initiative, evaluations of programmes.

Amendment

1. An evaluation plan shall be drawn up by the managing authority **or Member State and may cover more than one** programme. **It shall be** submitted in accordance with the Fund-specific rules.
2. Member States shall ensure that appropriate evaluation capacity is available.
3. During the programming period, **the** managing **authority** shall **ensure that** evaluations **are carried out**, including evaluations to assess effectiveness, efficiency and impact, for each programme on the basis of the evaluation plan **and that they are subject to appropriate follow up in accordance to the Fund-specific rules.**
4. The Commission may carry out, at its own initiative, evaluations of programmes. **It shall inform the Managing Authority and the results shall be sent to the Managing Authority and provided to the monitoring committee concerned.**

Amendment 236

Proposal for a regulation Article 50

Text proposed by the Commission

The *ex post* evaluations shall be carried out by the Commission or by the Member States, in close cooperation. *Ex post* evaluations shall examine the effectiveness and efficiency of the **CSF** Funds and their contribution to the Union strategy for smart, sustainable and inclusive growth in accordance with specific requirements established in the Fund-specific rules. *Ex post* evaluations shall be completed by 31 December 2023.

Amendment

The *ex post* evaluations shall be carried out by the Commission or by the Member States, in close cooperation **with the Commission**. *Ex post* evaluations shall examine the effectiveness and efficiency of the **European Structural and Investment** Funds and their contribution to the Union strategy for smart, sustainable and inclusive growth **taking account of the targets established for the Union strategy and** in accordance with specific requirements established in the Fund-specific rules. *Ex post* evaluations shall be completed by 31 December 2023.

For each of the European Structural and Investment Funds, the Commission shall prepare, by 31 December 2024, a synthesis report outlining the main conclusions of ex-post evaluations.

Amendment 237

Proposal for a regulation Article 51

Text proposed by the Commission

Technical assistance at the **initiative** of the Commission

1. At the initiative **of, or on behalf** of the Commission, the **CSF** Funds may support the preparatory, monitoring, administrative and technical assistance, evaluation, audit and control measures necessary for implementing this Regulation.

Amendment

Technical assistance at the **Initiative** of the Commission

1. At the initiative of the Commission, the **European Structural and Investment** Funds may support the preparatory, monitoring, administrative and technical assistance, evaluation, audit and control measures necessary for implementing this Regulation.

Such measures may be implemented:

Those measures may include **but not limited to**:

- (a) assistance for project preparation and appraisal, including with the EIB;
- (b) support for institutional strengthening and administrative capacity-building for the effective management of the **CSF** Funds;
- (c) studies linked to the Commission's reporting on the **CSF** Funds and the cohesion report;
- (d) measures related to the analysis, management, monitoring, information exchange and implementation of the **CSF** Funds, as well as measures relating to the implementation of control systems and technical and administrative assistance;
- (e) evaluations, expert reports, statistics and studies, including those of a general nature, concerning the current and future operation of the **CSF** Funds, which may be carried out where appropriate by the EIB;
- (f) actions to disseminate information, support networking, carry out communication activities, raise awareness and promote cooperation and exchange of experience, including with third countries. To bring about greater efficiency in communication to the public at large and stronger synergies between the communication activities undertaken at the initiative of the Commission, the resources allocated to communication actions under this Regulation shall also contribute to the corporate communication of the political priorities of the European Union as far as they are related to the general objectives of

(a) directly by the Commission; or

(b) indirectly, by entities and persons other than Member States in accordance with Article 60 of the Financial Regulation.

Those measures may include **in particular**:

- (a) assistance for project preparation and appraisal, including with the EIB;
- (b) support for institutional strengthening and administrative capacity-building for the effective management of the **European Structural and Investment** Funds;
- (c) studies linked to the Commission's reporting on the **European Structural and Investment** Funds and the cohesion report;
- (d) measures related to the analysis, management, monitoring, information exchange and implementation of the **European Structural and Investment** Funds, as well as measures relating to the implementation of control systems and technical and administrative assistance;
- (e) evaluations, expert reports, statistics and studies, including those of a general nature, concerning the current and future operation of the **European Structural and Investment** Funds, which may be carried out where appropriate by the EIB;
- (f) actions to disseminate information, support networking, carry out communication activities, raise awareness and promote cooperation and exchange of experience, including with third countries. To bring about greater efficiency in communication to the public at large and stronger synergies between the communication activities undertaken at the initiative of the Commission, the resources allocated to communication actions under this Regulation shall also contribute to the corporate communication of the political priorities of the European Union as far as they are related to the general objectives of

this Regulation;

(g) the installation, operation and interconnection of computerised systems for management, monitoring, audit, control and evaluation;

(h) actions to improve evaluation methods and the exchange of information on evaluation practices;

(i) actions related to audit;

(j) the strengthening of national and regional capacity regarding investment planning, needs assessment, preparation, design and implementation of financial instruments, joint action plans and major projects, including joint initiatives with the EIB.

this Regulation;

(g) the installation, operation and interconnection of computerised systems for management, monitoring, audit, control and evaluation;

(h) actions to improve evaluation methods and the exchange of information on evaluation practices;

(i) actions related to audit;

(j) the strengthening of national and regional capacity regarding investment planning, needs assessment, preparation, design and implementation of financial instruments, joint action plans and major projects, including joint initiatives with the EIB;

(ja) the dissemination of good practices in order to assist Member States to strengthen the capacity of the relevant partners referred to in Article 5 and their umbrella organisations.

Amendment 238

Proposal for a regulation Article 52

Text proposed by the Commission

Technical **assistance** of the Member States

1. At the initiative of a Member State, the **CSF** Funds may support actions for preparation, management, monitoring, evaluation, information and communication, networking, complaint resolution, and control and audit. The **CSF** Funds may be used by the Member State to support actions for the reduction of administrative burden for beneficiaries, including electronic data exchange systems, **and** actions to reinforce the capacity of Member State authorities and beneficiaries to administer and use **the CSF** Funds. These actions may concern

Amendment

Technical **Assistance** of the Member States

1. At the initiative of a Member State, the **European Structural and Investment** Funds may support actions for preparation, management, monitoring, evaluation, information and communication, networking, complaint resolution, and control and audit. The **European Structural and Investment Funds** may be used by the Member State to support actions for the reduction of administrative burden for beneficiaries, including electronic data exchange systems, actions to reinforce the capacity of Member State authorities and

preceding and subsequent programming periods.

2. The Fund-specific rules may add or exclude actions which may be financed by the technical assistance of each **CSF** Fund.

Amendment 239

Proposal for a regulation Chapter I a new– title

Text proposed by the Commission

beneficiaries to administer and use *these* Funds, *as well as actions to reinforce the capacity of, and exchange best practices between, relevant partners in line with Article 5(3)(e)*. These actions may concern preceding and subsequent programming periods.

2. The Fund-specific rules may add or exclude actions which may be financed by the technical assistance of each **European Structural and Investment** Fund.

Amendment

Special rules on support from the European Social and Investment Funds to public private partnerships

Amendment 240

Proposal for a regulation Article 54

Text proposed by the Commission

Revenue-generating operations

1. Net revenue *generated* after completion of an operation over a specific reference period shall be determined in advance by one of the following methods:

Amendment

Operations generating net revenue after completion

1. ***This article shall apply to operations which generate net revenue after their completion. For the purposes of this article 'net revenue' shall mean cash inflows directly paid by users for the goods or services provided by the operation, such as charges borne directly by users for the use of infrastructure, sale or rent of land or buildings, or payments for services less any operating costs and replacement costs of short-life equipment incurred during the corresponding period.***

Operating cost-savings generated by the operation shall be included in the net revenue unless they are offset by an equal reduction in operating subsidies.

Where not all the investment cost is eligible for co-financing, the net revenue shall be allocated pro rata to the eligible and non-eligible parts of the investment cost.

(a) application of a flat rate revenue percentage for the type of operation concerned;

(b) calculation of the current value of the net revenue of the operation, taking into account the application of the polluter-pays principle and, if appropriate, considerations of equity linked to the relative prosperity of the Member State concerned.

The eligible expenditure of the operation to be co-financed shall not exceed the current value of the investment cost of the operation less the current value of the net revenue, determined according to one of these methods.

The Commission shall be empowered to adopt delegated acts in accordance with Article 142 concerning the definition of the flat rate referred to in point (a) above.

The Commission shall adopt the methodology under point (b) by means of implementing acts in accordance with the examination procedure referred to in Article 143(3).

2. Where it is objectively not possible to determine the revenue in advance according to the methods set out in paragraph 1, the net revenue generated within three years of the completion of an operation or by 30 September 2023, whichever is earlier, shall be deducted from the expenditure declared to the Commission.

2. The eligible expenditure of the operation to be co-financed from the Funds shall be reduced in advance taking into account the potential of the operation to generate net revenue over a specific reference period that covers both implementation of the operation and the period after completion.

2a. The potential net revenue of the

operation shall be determined in advance by one of the following methods chosen by the managing authority for a sector, subsector or type of operation:

(a) application of a flat rate net revenue percentage for the sector or subsector applicable to the operation as defined in Annex IIb or in any of the delegated acts hereinafter referred to.

The Commission shall be empowered to adopt delegated acts in accordance with Article 142 in duly justified cases to amend the Annex by adjusting the flat rates established in Annex IIb taking into account historic data and the potential for cost recovery and the polluter-pays principle where applicable.

The Commission shall be empowered to adopt delegated acts in accordance with Article 142 establishing flat rates for sectors or subsectors within the fields of ICT, research, development and innovation and energy efficiency. The Commission shall notify the delegated acts to the European Parliament and the Council not later than 30 June 2015.

In addition, the Commission shall be empowered to adopt delegated acts in accordance with Article 142 in duly justified cases for additional sectors or subsectors including subsectors for sectors in the Annex IIb falling under the thematic objectives defined in Article 9 and supported by the ESI Funds.

Where this method is applied, all the net revenue generated during implementation and after completion of the operation is considered to be taken into account by the application of the flat rate and is therefore not deducted subsequently from the eligible expenditure of the operation.

(b) calculation of discounted net revenue of the operation, taking into account the reference period appropriate to the sector or subsector applicable to the operation,

the profitability normally expected of the category of investment concerned, application of the polluter-pays principle and, if appropriate, considerations of equity linked to the relative prosperity of the Member State or region concerned.

When a flat rate for a new sector or subsector has been established by the adoption of a delegated act, a managing authority may choose to apply the method set out in point (a) for new operations in relation to the sector or subsector concerned.

The Commission shall be empowered to adopt delegated acts, in accordance with Article 142, laying down the method referred to in point (b).

Where this method is applied, the net revenue generated during implementation of the operation, resulting from sources of revenue not taken into account in determining the potential net revenue of the operation, is deducted from the eligible expenditure of the operation, no later than at the final payment claim submitted by the beneficiary.

3. Paragraphs 1 and 2 shall apply only to operations whose total cost exceeds EUR 1 000 000.

3. The method by which the net revenue shall be deducted from the expenditure of the operation included in the payment request submitted to the Commission shall be determined in accordance with national rules.

4. This Article shall not apply to the ESF.

4a. As an alternative to the application of the methods laid down in paragraph 2a, the maximum co-financing rate referred to in Article 53(1) may at the request of a Member State be decreased at the moment of adoption of a programme for a priority or measure under which all operations to be supported under that priority or measure could apply a uniform flat rate in accordance with paragraph 3. The decrease shall be not less than the amount calculated by multiplying the maximum

Union co-financing rate applicable under the Fund-specific rules by the relevant flat rate referred to in paragraph 3.

Where this method is applied, all the net revenue generated during implementation and after completion of the operation is considered to be taken into account by application of the decreased co-financing rate and is therefore not deducted subsequently from the eligible expenditure of the operations.

4b. Where it is objectively not possible to determine the revenue in advance according to one of the methods set out in paragraphs 2a or 4a, the net revenue generated within three years of the completion of an operation or by 30 September 2023, whichever is earlier, shall be deducted from the expenditure declared to the Commission.

4c. Paragraphs 1 to 4b shall not apply to:

(a) operations or parts of operations supported solely by the ESF;

(b) operations whose total eligible cost before application of paragraphs 1 to 4b does not exceed EUR 1 000 000;

(c) repayable assistance subject to an obligation for full repayment and prizes;

(d) technical assistance;

(e) support to or from financial instruments;

(f) operations for which public support take the form of lump sums or standard scale unit costs;

(g) operations implemented under a joint action plan;

(h) operations for which amounts or rates of support are defined in Annex I to EAFRD Regulation.

Notwithstanding point (b), where a Member State applies paragraph 4a, it can include in the relevant priority or measure the operations whose total

eligible cost before application of paragraphs 1 to 4b does not exceed EUR 1 000 000.

5. Paragraphs 1 and 2 shall not apply to operations subject to the rules on State aid or to support to or from financial instruments.

Amendment 241

Proposal for a regulation Article 54 a (new)

Text proposed by the Commission

Amendment

Article 54a

Public private partnerships (PPPs)

The European Structural and Investment Funds may be used to support operations which are implemented or intended to be implemented under a PPP structure ("PPP operation"). Such PPP operations shall comply with applicable Union and national law, in particular on State aid and public procurement.

Amendment 242

Proposal for a regulation Article 54 b (new)

Text proposed by the Commission

Amendment

Article 54b

Beneficiary under PPP operations

1. In relation to a PPP operation, and by way of derogation from Article 2(8), the beneficiary may be either:

(a) the public law body initiating the operation, or

(b) a body governed by private law of a Member State (the "private partner") selected or to be selected for the

implementation of the operation).

2. The public law body initiating the operation may propose that the private partner to be selected after approval of the operation shall be the beneficiary for the purposes of the support by the European Structural and Investment Funds. In this case, the approval decision shall be conditional on the managing authority satisfying itself that the selected private partner fulfils and assumes all the corresponding obligations of a beneficiary under this Regulation.

3. The private partner selected to implement the operation may be replaced as beneficiary during implementation where this is required under the terms and conditions of the PPP or the financing agreement between the private partner and the financial institution co-financing the operation. In this case the replacement private partner or public law body shall become the beneficiary provided that the managing authority satisfies itself that the replacement partner fulfils and assumes all the corresponding obligations of a beneficiary under this Regulation.

4. The Commission shall be empowered to adopt delegated acts in accordance with Article 142 laying down additional rules on the change in beneficiary and the related responsibilities.

5. A change of the beneficiary that respects the applicable conditions set out in paragraph 3 and the delegated act adopted pursuant to paragraph 4 shall not be considered a change in ownership within the meaning of Article 61(1)(b).

Amendment 243

Proposal for a regulation Article 54 c (new)

Text proposed by the Commission

Amendment

Article 54c

Support for PPP operations

1. In the case of a PPP operation where the beneficiary is a public body, expenditure under a PPP operation which has been incurred and paid by the private partner may, by way of derogation from Article 55(2), be considered as incurred and paid by a beneficiary and included in a request for payment to the Commission provided that the following conditions are met:

(a) the beneficiary has entered into a PPP agreement with a private partner;

(b) the managing authority has verified that the expenditure declared by the beneficiary has been paid by the private partner and that the operation complies with applicable Union and national law, the programme and the conditions for support of the operation.

2. Payments to beneficiaries made in respect of expenditure included in a request for payment in accordance with paragraph 1 shall be paid into an escrow account set up for that purpose in the name of the beneficiary.

3. The funds paid into the escrow account referred to in paragraph 2 shall be used for payments in accordance with the PPP agreement, including any payments to be made in the event of termination of the PPP agreement.

4. The Commission shall be empowered to adopt delegated acts in accordance with Article 142 to lay down the minimum requirements to be included in PPP agreements which are necessary for the

application of the derogation specified in paragraph 1, including provisions related to termination of the PPP agreement and to ensure an adequate audit trail.

(Note regarding Article 54C(1): The implications for Article 121(1)a and 128(1)a shall be dealt with at a later stage in the context of negotiations on the financial management block in order to ensure that these provisions are consistent with this article

(Note regarding Article 54C(2): Definition of "escrow account" in Article 2)

Amendment 244

Proposal for a regulation Article 55 – paragraph 2

Text proposed by the Commission

2. Expenditure shall be eligible for a contribution from the **CSF** Funds if it has been incurred **and paid** by a beneficiary between the date of submission of the programme to the Commission or from 1 January 2014, whichever is earlier, and 31 December 2022. In addition, expenditure shall only be eligible for a contribution from the EAFRD and the EMFF if the relevant aid is actually paid by the paying agency between 1 January 2014 and 31 December 2022.

(Note: subject to further horizontal adjustment for N+3.)

Amendment

2. Expenditure shall be eligible for a contribution from the **European Structural and Investment** Funds if it has been incurred by a beneficiary **and paid** between the date of submission of the programme to the Commission or from 1 January 2014, whichever is earlier, and 31 December 2022. In addition, expenditure shall only be eligible for a contribution from the EAFRD and the EMFF if the relevant aid is actually paid by the paying agency between 1 January 2014 and 31 December 2022.

Amendment 245

Proposal for a regulation Article 55 – paragraph 6

Text proposed by the Commission

6. Net revenue directly generated by an operation during its implementation which has not been taken into account at the time of approval of the operation, shall be deducted from the eligible expenditure of the operation in the final payment claim submitted by the beneficiary. This rule shall not apply to financial instruments and prizes.

Amendment

6. This paragraph shall apply to operations which generate net revenue during their implementation and to which the provisions of Article 54, paragraphs 1 to 4c do not apply.

The eligible expenditure of the operation to be co-financed from the European Structural and Investment Funds shall be reduced by the net revenue not taken into account at the time of approval of the operation directly generated only during its implementation, not later than at the final payment claim submitted by the beneficiary. Where not all the costs are eligible for co-financing, the net revenue shall be allocated pro rata to the eligible and non-eligible parts of the cost.

This rule in this paragraph shall not apply to:

(a) technical assistance,

(b) financial instruments,

(c) repayable assistance subject to an obligation for full repayment,

(d) prizes,

(e) operations subject to the rules on State aid,

(f) operations for which public support take the form of lump sums or standard scale unit costs provided that the net revenue has been taken into account ex ante,

(g) operations implemented under a joint action plan provided that the net revenue has been taken into account ex ante,

(h) operations for which amounts or rates of support are defined in Annex I to EAFRD Regulation, or

(i) operations for which the total eligible cost does not exceed EUR 50 000.

For the purposes of this article and Article 54, any payment received by the beneficiary arising from a contractual condition on a breach of contract between the beneficiary and third parties (contractual penalties) or has occurred as a result of the withdrawal of its offer by a third party chosen in public procurement rules (deposit) shall not be considered as revenue and shall not be deducted from the eligible expenditure of the operation.

Amendment 246

Proposal for a regulation Article 55 – paragraph 7

Text proposed by the Commission

7. In the case of amendment of a programme, expenditure becoming eligible because of the amendment to the programme shall only be eligible from the date of submission to the Commission of the request for amendment.

The Fund-specific rules for the EMFF may derogate from the first subparagraph.

Amendment

7. In the case of amendment of a programme, expenditure becoming eligible because of the amendment to the programme shall only be eligible from the date of submission to the Commission of the request for amendment ***or, in case of application of Article 87(5f), from the date of entry into force of the decision amending the programme.***

The Fund-specific rules for the EMFF may derogate from the first subparagraph.

Amendment 247

Proposal for a regulation Article 55 – paragraph 8

Text proposed by the Commission

8. An operation may receive support from one or more **CSF** Funds and from other Union instruments, provided that the expenditure item included in a request for payment for reimbursement by one of the **CSF** Funds does not receive support from another Fund or Union instrument, or support from the same Fund under another programme.

Amendment

8. An operation may receive support from one or more **European Structural and Investment** Funds **or from one or more programmes** and from other Union instruments, provided that the expenditure item included in a request for payment for reimbursement by one of the **European Structural and Investment** Funds does not receive support from another Fund or Union instrument, or support from the same Fund under another programme.

Amendment 248

Proposal for a regulation Article 56

Text proposed by the Commission

The **CSF** Funds shall be used to provide support in the form of grants, prizes, repayable assistance and financial instruments, or a combination thereof.

In the case of repayable assistance, the support repaid to the body that provided it, or to another competent authority of the Member State, shall be kept in a separate account and reused for the same purpose or in accordance with the objectives of the programme.

Amendment

The **European Structural and Investment** Funds shall be used to provide support in the form of grants, prizes, repayable assistance and financial instruments, or a combination thereof.

In the case of repayable assistance, the support repaid to the body that provided it, or to another competent authority of the Member State, shall be kept in a separate account **or separated with accounting codes** and reused for the same purpose or in accordance with the objectives of the programme.

Amendment 249

Proposal for a regulation Article 57 – title

Text proposed by the Commission

Forms of grants

Amendment

Forms of grants **and repayable assistance**

Amendment 250

Proposal for a regulation Article 57 – paragraph 1 – introductory part

Text proposed by the Commission

1. Grants may take any of the following forms:

Amendment

1. Grants **and repayable assistance** may take any of the following forms:

Amendment 251

Proposal for a regulation Article 57 – paragraph 4

Text proposed by the Commission

4. The amounts referred to in paragraph 1(b), (c) and (d) shall be established **on the basis of**:

- (a) a fair, equitable and verifiable calculation method based on:
 - (i) statistical data or other objective information; or
 - (ii) the verified historical data of individual beneficiaries or **the application of their usual cost accounting practices**;

(b) **methods and corresponding** scales of unit costs, lump sums and flat rates applicable in Union policies for a similar type of operation and beneficiary;

Amendment

4. The amounts referred to in paragraph 1 **points** (b), (c) and (d) shall be established **in one of the following ways**:

- (a) a fair, equitable and verifiable calculation method based on:
 - (i) statistical data or other objective information; or
 - (ii) the verified historical data of individual beneficiaries; or
 - (iia) the application of the usual cost accounting practices of individual beneficiaries;**

(b) **in accordance with the rules for application of corresponding** scales of unit costs, lump sums and flat rates applicable in Union policies for a similar type of

(c) *methods and corresponding* scales of unit costs, lump sums and flat rates applied under schemes for grants funded entirely by the Member State for a similar type of operation and beneficiary;

(d) rates established by this Regulation or the Fund-specific rules.

operation and beneficiary;

(c) *in accordance with the rules for application of corresponding* scales of unit costs, lump sums and flat rates applied under schemes for grants funded entirely by the Member State for a similar type of operation and beneficiary;

(d) rates established by this Regulation or the Fund-specific rules.

Amendment 252

Proposal for a regulation Article 58

Text proposed by the Commission

Flat rate financing for indirect costs for grants

Where the implementation of an operation gives rise to indirect costs, they may be calculated as a flat rate in one of the following ways:

(a) a flat rate of up to **20 %** of eligible direct costs, *where* the rate is calculated on the basis of a fair, equitable and verifiable calculation method or a method applied under schemes for grants funded entirely by the Member State for a similar type of operation and beneficiary;

(b) a flat rate of up to 15 % of eligible direct staff costs;

(c) a flat rate applied to eligible direct costs based on existing methods and corresponding rates, applicable in Union policies for a similar type of operation and beneficiary.

The Commission shall be empowered to adopt delegated acts in accordance with Article 142 concerning the definition of the

Amendment

Flat rate financing for indirect costs *and staff costs* for grants *and repayable assistance*

I. Where the implementation of an operation gives rise to indirect costs, they may be calculated as a flat rate in one of the following ways:

(a) a flat rate of up to **25 %** of eligible direct costs, *provided that* the rate is calculated on the basis of a fair, equitable and verifiable calculation method or a method applied under schemes for grants funded entirely by the Member State for a similar type of operation and beneficiary;

(b) a flat rate of up to 15 % of eligible direct staff costs *without a requirement for the Member State to execute any calculation to determine the applicable rate*;

(c) a flat rate applied to eligible direct costs based on existing methods and corresponding rates, applicable in Union policies for a similar type of operation and beneficiary.

The Commission shall be empowered to adopt delegated acts in accordance with Article 142 concerning the definition of the

flat rate and the related methods referred to in point (c) above.

flat rate and the related methods referred to in point (c) above.

1a. For the purposes of determining staff costs relating to the implementation of an operation, the hourly rate applicable may be calculated by dividing the latest documented annual gross employment costs by 1720 hours.

Amendment 253

Proposal for a regulation Article 59 – title

Text proposed by the Commission

Amendment

Specific eligibility rules for grants

Specific eligibility rules for grants ***and repayable assistance***

Amendment 254

Proposal for a regulation Article 59 – paragraph 1 – point d

Text proposed by the Commission

Amendment

(d) in the case of provision of land or real estate, ***the*** value ***is*** certified by an independent qualified expert or duly authorised official body and does not exceed the limit laid down in paragraph 3(b);

(d) in the case of provision of land or real estate, ***a cash 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. The value of the land or real estate must be*** certified by an independent qualified expert or duly authorised official body and does not exceed the limit laid down in paragraph 3(b);

Amendment 255

Proposal for a regulation Article 59 – paragraph 3

Text proposed by the Commission

3. The following costs shall not be eligible for a contribution from the *CSF* Funds:

(a) interest on debt;

(b) the purchase of land not built on and land built on in the amount exceeding 10% of the total eligible expenditure for the operation concerned. In exceptional and duly justified cases, a higher percentage may be permitted for operations concerning environmental conservation;

(c) value added tax. *However, VAT amounts shall be eligible where they are not recoverable under national VAT legislation and are paid by a beneficiary other than non-taxable person as defined in the first subparagraph of Article 13(1) of Directive 2006/112/EC, provided that such VAT amounts are not incurred in relation to the provision of infrastructure.*

Amendment 256

Proposal for a regulation Article 60 – paragraph 2 - point b

Text proposed by the Commission

(b) the total amount allocated under the programme to operations located outside

Amendment

3. The following costs shall not be eligible for a contribution from the ***European Structural and Investment Funds and from the EUR 10 000 million transferred from the Cohesion Fund to the Connecting Europe Facility:***

(a) interest on debt, ***except for grants given in the form of an interest rate subsidy or guarantee fee subsidy;***

(b) the purchase of land not built on and land built on in the 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, this limit shall be increased to 15%.*** In exceptional and duly justified cases, this limit may be raised above the respective preceding percentages for operations concerning environmental conservation;

(c) value added tax ***except where it is non-recoverable under national VAT legislation.***

Amendment

(b) the total amount allocated under the programme to operations located outside

the programme area does not exceed **10 %** of the support from the ERDF, Cohesion Fund and EMFF at the level of the priority, or **3%** of the support from the EAFRD at the level of the programme;

the programme area does not exceed **15 %** of the support from the ERDF, Cohesion Fund and EMFF at the level of the priority, or **5 %** of the support from the EAFRD at the level of the programme;

Amendment 257

Proposal for a regulation Article 60 – paragraph 3

Text proposed by the Commission

3. For operations concerning promotional activities, expenditure may be incurred outside the Union provided that the conditions set out in paragraph 2 (a) and the obligations in relation to management, control and audit concerning the operation are fulfilled.

Amendment

3. For operations concerning **Technical Assistance or** promotional activities, expenditure may be incurred outside the Union provided that the conditions set out in paragraph 2 (a) and the obligations in relation to management, control and audit concerning the operation are fulfilled.

Amendment 258

Proposal for a regulation Article 61 – paragraph 1

Text proposed by the Commission

1. An operation comprising investment in infrastructure or productive investment shall repay the contribution from the **CSF** Funds if within five years from the final payment to the beneficiary or within the period of time set out in the State aid rules, where applicable, it is subject to:

- (a) a cessation or relocation of a productive activity;
- (b) a change in ownership of an item of infrastructure which gives to a firm or a public body an undue advantage; or
- (c) a substantial change affecting its nature, objectives or implementation conditions which would result in undermining its

Amendment

1. An operation comprising investment in infrastructure or productive investment shall repay the contribution from the **European Structural and Investment** Funds if within five years from the final payment to the beneficiary or within the period of time set out in the State aid rules, where applicable, it is subject to:

- (a) a cessation or relocation of a productive activity **outside of the programme area; or**
- (b) a change in ownership of an item of infrastructure which gives to a firm or a public body an undue advantage; or
- (c) a substantial change affecting its nature, objectives or implementation conditions which would result in undermining its

original objectives.

Sums unduly paid in respect of the operation shall be recovered by the Member State.

original objectives.

Sums unduly paid in respect of the operation shall be recovered by the Member State *in proportion to the period for which the requirements have not been fulfilled.*

Member States 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.

Amendment 259

Proposal for a regulation Article 61 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

Ia. An operation comprising investment in infrastructure or productive investment shall repay the contribution from the European Structural and Investment Funds if within 10 years from the final payment to the beneficiary the productive activity is subject to relocation outside the Union. This provision shall not apply if the beneficiary is an SME. When the contribution from the European Structural and Investment Funds takes the form of State aid, the period of 10 years shall be replaced by the deadline applicable under State aid rules.

Amendment 260

Proposal for a regulation Article 62 – paragraph 1 – introductory part

Text proposed by the Commission

Amendment

Management and control systems shall provide for:

Management and control systems shall, *in accordance with Article 4(8)*, provide for:

Amendment 261

Proposal for a regulation Article 62 – paragraph 1 – point h

Text proposed by the Commission

(h) the prevention, detection and correction of irregularities, including fraud, and the recovery of amounts unduly paid, together with any interest.

Amendment

(h) the prevention, detection and correction of irregularities, including fraud, and the recovery of amounts unduly paid, together with any interest ***on late payments***.

Amendment 262

Proposal for a regulation Article 62 a (new)

Text proposed by the Commission

Amendment

Article 62a

Responsibilities under Shared Management

In accordance with the principle of shared management, Member States and the Commission shall be responsible for the management and control of programmes in accordance with their respective responsibilities laid down in this Regulation and the fund specific rules.

Amendment 263

Proposal for a regulation Article 63 – paragraph 1

Text proposed by the Commission

1. Member States shall fulfil the management, control and audit obligations and assume the resulting responsibilities laid down in the rules on shared management set out in the Financial Regulation and the Fund-specific rules. ***In accordance with the principle of shared***

Amendment

1. Member States shall fulfil the management, control and audit obligations and assume the resulting responsibilities laid down in the rules on shared management set out in the Financial Regulation and the Fund-specific rules.

management, Member States shall be responsible for the management and control of programmes.

Amendment 264

Proposal for a regulation Article 63 – paragraph 2

Text proposed by the Commission

2. Member States shall ensure that their management and control systems for programmes are set up in accordance with the provisions of the Fund-specific rules and that the systems function effectively.

Amendment

2. Member States shall ensure that their management and control systems for programmes are set up in accordance with the provisions of the Fund-specific rules and that **those** systems function effectively.

Amendment 265

Proposal for a regulation Article 63 – paragraph 3

Text proposed by the Commission

3. Member States shall **establish and implement a procedure for the independent examination and resolution of** complaints concerning the **selection or implementation of operations co-financed by the CSF** Funds. Member States shall **report** the results **of such** examinations to **the Commission** upon request.

Amendment

3. Member States shall **ensure effective arrangements for the examination of** complaints concerning the **European Structural and Investment** Funds. **The scope, rules and procedures concerning such arrangements shall be the responsibility of Member States in accordance with their institutional and legal framework. Member States shall upon request by the Commission examine complaints submitted to the Commission falling within the scope of their arrangements.** Member States shall **inform the Commission of** the results **of** examinations upon request.

Amendment 266

Proposal for a regulation Chapter II – Article 64

Text proposed by the Commission

Amendment

CHAPTER II - Accreditation of management and control bodies

deleted

Article 64

Accreditation and coordination

- 1. In accordance with [Article 56(3)] of the Financial Regulation, each body responsible for the management and control of expenditure under the CSF Funds shall be accredited by formal decision of an accrediting authority at ministerial level.**
- 2. The accreditation shall be granted subject to the body complying with the accreditation criteria on internal environment, control activities, information and communication, and monitoring laid down in the Fund-specific rules.**
- 3. The accreditation shall be based on an opinion of an independent audit body that assesses the body's compliance with the accreditation criteria. The independent audit body shall carry out its work in accordance with internationally accepted audit standards.**
- 4. The accrediting authority shall supervise the accredited body and withdraw its accreditation by formal decision if one or more of the accreditation criteria are no longer met, unless the body takes the necessary remedial actions within a period of probation to be determined by the accrediting authority according to the severity of the problem. The accrediting authority shall notify the Commission immediately of the setting of any probation period for an accredited body**

and of any withdrawal decision

5. The Member State may designate a coordinating body whose responsibility is to liaise with and provide information to the Commission, promote the harmonised application of Union rules, establish a synthesis report providing an overview at national level of all management declarations and the audit opinions and coordinate the implementation of remedial actions as regards any deficiencies of a common nature

6. Without prejudice to the rules laid down in the Fund-specific rules, the bodies to be accredited under paragraph 1 shall be:

(a) for the ERDF, ESF, the Cohesion Fund and the EMFF, the managing authorities and, where appropriate, the certifying authorities;

(b) for the EAFRD, the paying agencies.

Amendment 267

Proposal for a regulation Article 65

Text proposed by the Commission

1. The Commission shall satisfy itself on the basis of available information, including the **accreditation procedure, annual management declaration, annual control reports, annual audit opinion, annual implementation report** and audits carried out by national and Union bodies, that the Member States have set up management and control systems that comply with this Regulation and the Fund-specific rules and that these systems function effectively during the implementation of programmes.

2. **Without prejudice to audits carried out**

Amendment

1. The Commission shall satisfy itself, on the basis of available information, including **information on the designation of bodies responsible for the management and control, the documents provided each year by the designated bodies under Article 59(5) of the Financial Regulation,** control reports, annual implementation **reports** and audits carried out by national and Union bodies, that the Member States have set up management and control systems that comply with this Regulation and the Fund-specific rules and that these systems function effectively during the implementation of programmes.

2. Commission officials or authorised

by Member States, Commission officials or authorised Commission representatives may carry out on-the-spot audits or checks upon giving adequate *prior* notice. The scope of such audits or checks may include, in particular, verification of the effective functioning of management and control systems in a programme or a part thereof, operations and assessment of the sound financial management of operations or programmes. Officials or authorised representatives of the Member State may take part in such audits.

Commission officials or authorised Commission representatives, duly empowered to carry out on-the-spot audits, shall have access to all records, documents and metadata, irrespective of the medium in which they are stored, relating to operations supported by the **CSF** Funds or to management and control systems. Member States shall provide copies of such records, documents and metadata to the Commission upon request.

The powers set out in this paragraph shall not affect the application of national provisions which reserve certain acts for agents specifically designated by national legislation. Commission officials and authorised representatives shall not take part, inter alia, in home visits or the formal questioning of persons within the framework of national legislation. However, they shall have access to the information thus obtained.

Commission representatives may carry out on-the-spot audits or checks upon giving **at least twelve working days** notice to the **competent national authority, except in urgent cases. The Commission shall respect the principle of proportionality by taking into account the need to avoid unjustified duplication of audits or checks carried out by Member States, the level of risk to the Union budget and the need to minimise administrative burdens for beneficiaries in accordance with the Fund-specific rules.** The scope of such audits or checks may include, in particular, verification of the effective functioning of management and control systems in a programme or a part thereof, operations and assessment of the sound financial management of operations or programmes. Officials or authorised representatives of the Member State may take part in such audits **or checks**.

Commission officials or authorised Commission representatives, duly empowered to carry out on-the-spot audits **or checks**, shall have access to all **necessary** records, documents and metadata, irrespective of the medium in which they are stored, relating to operations supported by the **European Structural and Investment** Funds or to management and control systems. Member States shall provide copies of such records, documents and metadata to the Commission upon request.

The powers set out in this paragraph shall not affect the application of national provisions which reserve certain acts for agents specifically designated by national legislation. Commission officials and authorised representatives shall not take part, inter alia, in home visits or the formal questioning of persons within the framework of national legislation. However, they shall have access to the information thus obtained **without prejudice to the competences of national**

courts and in full respect of the fundamental rights of the concerned legal subjects.

3. The Commission may require a Member State to take the actions necessary to ensure the effective functioning of their management and control systems or the correctness of expenditure in accordance with the Fund-specific rules.

3. The Commission may require a Member State to take the actions necessary to ensure the effective functioning of their management and control systems or the correctness of expenditure in accordance with the Fund-specific rules.

4. The Commission may require a Member State to examine a complaint submitted to the Commission concerning the selection or implementation of operations co-financed by the CSF Funds or the functioning of the management and control system.

Amendment 268

Proposal for a regulation Title IX

Text proposed by the Commission

Amendment

FINANCIAL MANAGEMENT,
CLEARANCE OF ACCOUNTS AND
FINANCIAL CORRECTIONS,
DECOMMITMENT

FINANCIAL MANAGEMENT,
EXAMINATION AND ACCEPTANCE
OF ACCOUNTS AND FINANCIAL
CORRECTIONS, DECOMMITMENT

Amendment 269

Proposal for a regulation Article 67

Text proposed by the Commission

Amendment

1. Payments by the Commission of the contribution from the **CSF** Funds to each programme shall be made in accordance with budget appropriations and subject to available funding. Each payment shall be posted to the earliest open budget commitment of the Fund concerned.

1. Payments by the Commission of the contribution from the **European Structural and Investment** Funds to each programme shall be made in accordance with budget appropriations and subject to available funding. Each payment shall be posted to the earliest open budget commitment of the Fund concerned.

2. Payments shall take the form of pre-financing, interim payments and payment **of the annual balance, where applicable, and** of the final balance.

3. For forms of support under Article 57(1)(b), (c) and (d), **the amounts paid to the beneficiary** shall be regarded as eligible expenditure.

2. Payments shall take the form of pre-financing, interim payments and payment of the final balance.

3. For forms of support under Article 57(1)(b), (c) and (d), **58 and 59, costs calculated on the applicable basis** shall be regarded as eligible expenditure.

Amendment 270

Proposal for a regulation Article 68

Text proposed by the Commission

Common rules for calculating interim payments, **payment of the annual balance, where applicable**, and payment of final balance

The Fund-specific rules shall lay down rules for the calculation of the amount reimbursed as interim payments, **payment of the annual balance, where applicable**, and of the final balance. This amount shall be a function of the specific co-financing rate applicable to the eligible expenditure.

Amendment

Common rules for calculating interim payments, and payment of final balance

The Fund-specific rules shall lay down rules for the calculation of the amount reimbursed as interim payments, and of the final balance. This amount shall be a function of the specific co-financing rate applicable to the eligible expenditure.

Amendment 271

Proposal for a regulation Article 71

Text proposed by the Commission

Amounts set out in programmes submitted by Member States, forecasts of expenditure, statements of expenditure, requests for payment, **annual** accounts and expenditure mentioned in the annual and final implementation reports shall be denominated in euro.

Amendment

Amounts set out in programmes submitted by Member States, forecasts of expenditure, statements of expenditure, requests for payment, accounts and expenditure mentioned in the annual and final implementation reports shall be denominated in euro.

Amendment 272

Proposal for a regulation Article 72 - paragraph 2

Text proposed by the Commission

2. **Pre**-financing shall be used only for **making** payments to beneficiaries in the implementation of the programme. It shall be made available without delay to the responsible body for this purpose.

Amendment

2. **Initial pre**-financing shall be used only for payments to beneficiaries in the implementation of the programme. It shall be made available without delay to the responsible body for this purpose.

Amendment 273

Proposal for a regulation Article 74 – paragraph 1

Text proposed by the Commission

1. The payment deadline for an interim payment claim may be interrupted by the authorising officer by delegation within the meaning of the Financial Regulation for a maximum period of **nine** months if:

(a) following information provided by a national or Union audit body, there is evidence to suggest a significant deficiency in the functioning of the management and control system;

(b) the authorising officer by delegation has to carry out additional verifications following information coming to his attention alerting him that expenditure in a request for payment is linked to an irregularity having serious financial consequences;

(c) there is a failure to submit one of the documents required under Article **75(1)**.

The Fund-specific rules for the EMFF may lay down additional basis for interruption

Amendment

1. The payment deadline for an interim payment claim may be interrupted by the authorising officer by delegation within the meaning of the Financial Regulation for a maximum period of **six** months if:

(a) following information provided by a national or Union audit body, there is **a clear** evidence to suggest a significant deficiency in the functioning of the management and control system;

(b) the authorising officer by delegation has to carry out additional verifications following information coming to his attention alerting him that expenditure in a request for payment is linked to an irregularity having serious financial consequences;

(c) there is a failure to submit one of the documents required under Article **59(5) of the Financial Regulation**.

The Member State may agree to an extension of the interruption period for another 3 months.

The Fund-specific rules for the EMFF may lay down additional basis for interruption

of payments where a Member State has failed to comply with its obligations under the Common Fisheries Policy.

of payments where a Member State has failed to comply with its obligations under the Common Fisheries Policy.

Amendment 274

Proposal for a regulation Article 74 – paragraph 2

Text proposed by the Commission

2. The authorising officer by delegation **may** limit the interruption to the part of the expenditure covered by the payment claim affected by the elements referred to in paragraph 1. The authorising officer by delegation shall inform the Member State and the managing authority immediately of the reason for interruption and shall ask them to remedy the situation. The interruption shall be ended by the authorising officer by delegation as soon as the necessary measures have been taken.

Amendment

2. The authorising officer by delegation **shall** limit the interruption to the part of the expenditure covered by the payment claim affected by the elements referred to in paragraph 1, ***unless it is not possible to identify the part of the expenditure affected.*** The authorising officer by delegation shall inform the Member State and the managing authority ***in writing*** immediately of the reason for interruption and shall ask them to remedy the situation. The interruption shall be ended by the authorising officer by delegation as soon as the necessary measures have been taken.

Amendment 275

Proposal for a regulation Chapter II

Text proposed by the Commission

Clearance of accounts ***and financial corrections***

Amendment

Examination and acceptance of accounts

Amendment 276

Proposal for a regulation Article 75

Text proposed by the Commission

Article 75

Amendment

deleted

Submission of information

1. By 1 February of the year following the end of the accounting period, the Member State shall submit to the Commission the following documents and information in accordance with [Article 56] of the Financial Regulation:

(a) the certified annual accounts of the relevant bodies accredited pursuant to Article 64;

(b) the management declaration of assurance as to the completeness, accuracy and veracity of the annual accounts, the proper functioning of the internal control systems, as well as to the legality and regularity of the underlying transactions and the respect of the principle of sound financial management;

(c) a summary report of all available audits and controls carried out, including an analysis of systemic or recurrent weaknesses, as well as corrective actions taken or planned;

(d) an audit opinion by the designated independent audit body on the management declaration of assurance covering the completeness, accuracy and veracity of the annual accounts, the proper functioning of the internal control systems, as well as on the legality and regularity of the underlying transactions and the respect of the principle of sound financial management, accompanied by a control report setting out the findings of the audits carried out relating to the accounting year covered by the opinion.

2. Upon request by the Commission, the Member State shall provide further information to the Commission. If a Member State does not provide the requested information by the deadline for its submission set by the Commission, the Commission may take its decision on the clearance of the accounts on the basis of the information in its possession.

3. By [15 February] of the year following the end of the accounting period, the Member State shall submit to the Commission a synthesis report in accordance with the last subparagraph of [Article 56(5)] of the Financial Regulation.

Amendment 277

Proposal for a regulation Article 76

Text proposed by the Commission

Clearance of accounts

1. By **30 April** of the year following the end of the accounting period, the Commission shall **decide**, in accordance with the Fund-specific rules, **on the clearance of the accounts of the relevant bodies accredited pursuant to Article 64 for each programme. The clearance decision shall cover the completeness, accuracy and veracity of the annual accounts submitted and shall be without prejudice to any subsequent financial corrections.**

2. The procedures for annual clearance shall be laid down in the Fund-specific rules.

Amendment 278

Proposal for a regulation Chapter II a new

Text proposed by the Commission

Amendment

Deadline for the examination and acceptance of accounts by the Commission

1. By **31 May** of the year following the end of the accounting period, the Commission shall, **in accordance with Article 59(6) of the Financial Regulation, apply procedures for the examination and acceptance of the accounts and inform the Member State whether it accepts that the accounts are complete, accurate and true** in accordance with Fund specific rules.

FINANCIAL CORRECTIONS

Amendment 279

Proposal for a regulation Article 77 – paragraph 1

Text proposed by the Commission

1. The Commission shall make financial corrections by cancelling all or part of the Union contribution to a programme and effecting recovery from the Member State in order to exclude from Union financing expenditure which is in breach of applicable Union and national law, including in relation to deficiencies in the management and control systems of Member States which have been detected by the Commission or the European Court of Auditors.

Amendment

1. The Commission shall make financial corrections by cancelling all or part of the Union contribution to a programme and effecting recovery from the Member State in order to exclude from Union financing expenditure which is in breach of applicable Union and national law, including in relation to deficiencies in the management and control systems of Member States which have been detected by the Commission or the European Court of Auditors ***or which have been detected by the Member State but which have not been the subject of an adequate correction by the Member State concerned.***

Amendment 280

Proposal for a regulation Article 77 – paragraph 3

Text proposed by the Commission

3. When deciding on the amount of a financial correction under paragraph 1, the Commission shall ***take*** account of the nature and gravity of the breach of applicable ***Union or national*** law and ***its*** financial implications for the Union budget.

Amendment

3. When deciding on the amount of a financial correction under paragraph 1, the Commission shall ***respect the principle of proportionality by taking*** account of the nature and gravity of the breach of applicable law and ***the*** financial implications for the Union budget. ***The Commission shall keep European Parliament informed of decisions taken to apply financial corrections.***

Amendment 281

Proposal for a regulation Article 78

Text proposed by the Commission

1. All programmes shall be submitted to a decommitment procedure established on the basis that amounts linked to a commitment which are not covered by pre-financing or a request for payment within a defined period shall be decommitted.
2. The commitment related to the last year of the period **will** be decommitted according to the rules to be followed for the closure of the programmes.
3. The Fund-specific rules shall specify the precise application of the decommitment rule for each **CSF** Fund.
4. That part of commitments still open shall be decommitted if any of the documents required for the closure has not been submitted to the Commission by the deadlines established in the Fund-specific rules.

Amendment 282

Proposal for a regulation Article 79

Text proposed by the Commission

1. The amount concerned by decommitment shall be reduced by the amounts **that the responsible body has not been able to declare to the Commission because of**:

Amendment

1. All programmes shall be submitted to a decommitment procedure established on the basis that amounts linked to a commitment which are not covered by pre-financing or a request for payment within a defined period shall be decommitted. **The amounts included in the requests for the payment shall be taken into account notwithstanding that they are subject to an interruption of the payment deadline or suspension of payments.**
2. The commitment related to the last year of the period **shall** be decommitted according to the rules to be followed for the closure of the programmes.
3. The Fund-specific rules shall specify the precise application of the decommitment rule for each **European Structural and Investment Fund**.
4. That part of commitments still open shall be decommitted if any of the documents required for the closure has not been submitted to the Commission by the deadlines established in the Fund-specific rules.

(a) operations suspended by a legal proceeding or by an administrative appeal having suspensory effect; or

(b) reasons of *force majeure* seriously affecting implementation of all or part of the programme. The national authorities claiming *force majeure* shall demonstrate the direct consequences of the *force majeure* on the implementation of all or part of the programme.

The reduction may be requested once if the suspension or *force majeure* lasted up to one year, or several times corresponding to the duration of the *force majeure* or the number of years between the date of the legal or administrative decision suspending the implementation of the operation and the date of the final legal or administrative decision.

2. By 31 January, the Member State shall send to the Commission information on the exceptions referred to in paragraph 1 for the amount to be declared by the end of preceding year.

Amendment 283

Proposal for a regulation Article 80 – paragraph 4

Text proposed by the Commission

4. By 30 June, the Member State shall submit to the Commission a revised financing plan reflecting for the financial year concerned the reduced amount of support over one or several priorities of the programme. Failing such submission, the Commission shall revise the financing plan by reducing the contribution from the *CSF* Funds for the financial year concerned.

(a) ***that part of the budget commitment for which the*** operations ***are*** suspended by a legal proceeding or by an administrative appeal having suspensory effect; or

(b) ***that part of the budget commitment for which it has not been possible to make a request for payment for*** reasons of *force majeure* seriously affecting implementation of all or part of the programme. The national authorities claiming *force majeure* shall demonstrate the direct consequences of the *force majeure* on the implementation of all or part of the programme ***or***

For the purpose of points (a) and (b), the reduction may be requested once if the suspension or *force majeure* lasted up to one year, or several times corresponding to the duration of the *force majeure* or the number of years between the date of the legal or administrative decision suspending the implementation of the operation and the date of the final legal or administrative decision.

2. By 31 January, the Member State shall send to the Commission information on the exceptions referred to in paragraph 1 ***(a) and (b)*** for the amount to be declared by the end of preceding year.

Amendment

4. By 30 June, the Member State shall submit to the Commission a revised financing plan reflecting for the financial year concerned the reduced amount of support over one or several priorities of the programme ***taking into account the allocation by Fund and by category of region, where appropriate.*** Failing such submission, the Commission shall revise

This reduction shall be allocated to each priority proportionately.

the financing plan by reducing the contribution from the **European Structural and Investment** Funds for the financial year concerned. This reduction shall be allocated to each priority proportionately.

Amendment 284

Proposal for a regulation Article 81 – paragraph 1

Text proposed by the Commission

1. The Funds shall contribute to developing and pursuing the actions of the Union leading to strengthening of its economic, social and territorial cohesion in accordance with Article 174 of the Treaty.

The actions supported by the Funds shall contribute to the Union strategy for smart, sustainable and inclusive growth.

Amendment

1. The Funds shall contribute to developing and pursuing the actions of the Union leading to strengthening of its economic, social and territorial cohesion in accordance with Article 174 of the Treaty **on the Functioning of the European Union**.

The actions supported by the Funds shall **also contribute in a balanced way to the implementation of** the Union strategy for smart, sustainable and inclusive growth.

Amendment 285

Proposal for a regulation Article 82

Text proposed by the Commission

1. The Structural Funds shall support the Investment for growth and jobs goal in all regions corresponding to level 2 of the common classification of territorial units for statistics (hereinafter referred to as 'NUTS level 2') established by Regulation (EC) No 1059/2003.

2. Resources for the Investment for growth and jobs goal shall be allocated among the following three categories of NUTS level 2 regions:

(a) less developed regions, whose GDP per

Amendment

1. The Structural Funds shall support the Investment for growth and jobs goal in all regions corresponding to level 2 of the common classification of territorial units for statistics (hereinafter referred to as 'NUTS level 2') established by Regulation (EC) No 1059/2003.

2. Resources for the Investment for growth and jobs goal shall be allocated among the following three categories of NUTS level 2 regions:

(a) less developed regions, whose GDP per

capita is less than 75 % of the average GDP of the EU-27;

(b) transition regions, whose GDP per capita is between 75% and 90% of the average GDP of the EU-27;

(c) more developed regions, whose GDP per capita is above 90 % of the average GDP of the EU-27.

The three categories of regions *are* determined on the basis of how *their* GDP per capita, measured in purchasing power parities and calculated on the basis of Union figures for the period **2006 to 2008**, relates to the average GDP of the EU-27 for the same reference period.

3. The Cohesion Fund shall support those Member States whose gross national income (GNI) per capita, measured in purchasing power parities and calculated on the basis of Union figures for the period **2007 to 2009**, is less than 90 % of the average GNI per capita of the EU-27 for the same reference period.

The Member States eligible for funding from the Cohesion Fund in 2013, but whose nominal GNI per capita exceeds 90% of the average GNI per capita of the EU-27 as calculated under the first subparagraph shall receive support from the Cohesion Fund on a transitional and specific basis.

4. Immediately following the entry into force of this Regulation, the Commission shall adopt a decision by implementing act setting out the list of region fulfilling the criteria of the three categories of regions referred to in paragraph 2 and of Member States fulfilling the criteria of paragraph 3. This list shall be valid from 1 January 2014 to 31 December 2020.

5. In 2017, the Commission shall review the eligibility of Member States for the Cohesion Fund on the basis of Union GNI figures for the period 2013 to 2015 for the

capita is less than 75 % of the average GDP of the EU-27;

(b) transition regions, whose GDP per capita is between 75% and 90% of the average GDP of the EU-27;

(c) more developed regions, whose GDP per capita is above 90 % of the average GDP of the EU-27.

The *classification of regions under one of the* three categories of regions *shall be* determined on the basis of how *the* GDP per capita *of each region*, measured in purchasing power parities and calculated on the basis of Union figures for the period **2007 to 2009**, relates to the average GDP of the EU-27 for the same reference period.

3. The Cohesion Fund shall support those Member States whose gross national income (GNI) per capita, measured in purchasing power parities and calculated on the basis of Union figures for the period **2008 to 2010**, is less than 90 % of the average GNI per capita of the EU-27 for the same reference period.

The Member States eligible for funding from the Cohesion Fund in 2013, but whose nominal GNI per capita exceeds 90% of the average GNI per capita of the EU-27 as calculated under the first subparagraph shall receive support from the Cohesion Fund on a transitional and specific basis.

4. Immediately following the entry into force of this Regulation, the Commission shall adopt a decision by implementing act setting out the list of regions fulfilling the criteria of the three categories of regions referred to in paragraph 2 and of Member States fulfilling the criteria of paragraph 3. This list shall be valid from 1 January 2014 to 31 December 2020.

5. In 2017, the Commission shall review the eligibility of Member States for the Cohesion Fund on the basis of Union GNI figures for the period 2013 to 2015 for the

EU-27. Those Member States whose nominal GNI per capita exceeds 90% of the average GNI per capita of the EU-27, shall receive support from the Cohesion Fund on a transitional and specific basis.

EU-27. Those Member States whose nominal GNI per capita exceeds 90% of the average GNI per capita of the EU-27, shall receive support from the Cohesion Fund on a transitional and specific basis.

Amendment 286

Proposal for a regulation Article 83

Text proposed by the Commission

1. The resources for ***economic, social and territorial cohesion available for*** budgetary commitment for the period 2014 to 2020 shall be EUR [x] at 2011 prices, in accordance with the annual breakdown shown in Annex ***III***, of which EUR [x] represents the global resources allocated to the ERDF, the ESF and the CF and EUR [3 000 000 000] constitutes a specific allocation for the Youth Employment Initiative. For the purposes of programming and subsequent inclusion in the general budget of the Union, the amount of ***the*** resources ***for economic, social and territorial cohesion*** shall be indexed at 2 % per year.

2. The Commission shall adopt a decision, by means of implementing acts, setting out the annual breakdown of the global resources ***for the Funds by Member State, in accordance with the criteria and methodology set out in Annex IIIbis and the annual breakdown of the resources from the specific allocation for the Youth Employment Initiative by Member State together with the list of eligible regions***, in accordance with the criteria and methodology set out in Annex IIIter without prejudice to paragraph 3 of this Article and Article 84(7).

3. 0,35 % of the global resources shall be

Amendment

1. The ***global*** resources ***available*** for budgetary commitment ***from the Funds*** for the period 2014 to 2020 shall be EUR ***XXX XXX XXX XXX*** at 2011 prices, in accordance with the annual breakdown shown in Annex ***II***, of which EUR [x] represents the global resources allocated to the ERDF, the ESF and the CF and EUR [3 000 000 000] constitutes a specific allocation for the Youth Employment Initiative. ***The specific allocation for the YEI and the matching ESF allocation should be committed in equal instalments by 30 June 2017.*** For the purposes of programming and subsequent inclusion in the general budget of the Union, the amount of ***global*** resources shall be indexed at 2 % per year.

2. The Commission shall adopt a decision, by means of implementing acts, setting out the annual breakdown of the global resources ***per Member State under the Investment for growth and jobs goal***, in accordance with the criteria and methodology set out in Annex IIIter without prejudice to paragraph 3 of this Article and Article 84(7) ***and by cooperation programme under the European Territorial Cooperation goal.***

3. 0,35 % of the global resources ***after the***

allocated to technical assistance at the initiative of the Commission.

deduction of the support to the Connecting Europe Facility referred to under Article 84(4), and aid for the most deprived people referred to in Article 84(5) shall be allocated to technical assistance at the initiative of the Commission.

Amendment 287

Proposal for a regulation Article 84 – paragraph 1

Text proposed by the Commission

1. Resources for the Investment for growth and jobs goal shall amount to **96,50** % of the global resources (i.e., a total of EUR **327 115 655 850**) and shall be allocated as follows:

(a) **48,25** % (i.e., a total of EUR **163 560 715 122**) for less developed regions;

(b) **10,76** % (i.e., a total of EUR **36 471 144 190**) for transition regions;

(c) **16,35** % (i.e., a total of EUR **55 419 403 116**) for more developed regions;

(d) **20,87** % (i.e., a total of EUR **70 739 863 599**) for Member States supported by the Cohesion Fund;

(e) **0,27** % (i.e., a total of EUR **924 529 823**) as additional funding for the outermost regions identified in Article 349 of the Treaty and the NUTS level 2 regions fulfilling the criteria laid down in Article 2 of Protocol No 6 to the Treaty of Accession of Austria, Finland and Sweden.

All regions whose GDP per capita for the 2007-2013 period was less than 75% of the average of the EU-25 for the reference period but whose GDP per capita is above 75% of the GDP average of the EU-27

Amendment

1. Resources for the Investment for growth and jobs goal shall amount to **XX** % of the global resources (i.e., a total of EUR **XXX XXX XXX**) and shall be allocated as follows:

(a) **XX** % (i.e., a total of EUR **XXX XXX XXX XXX**) for less developed regions;

(b) **XX** % (i.e., a total of EUR **XXX XXX XXX XXX**) for transition regions;

(c) **XX** % (i.e., a total of EUR **XXX XXX XXX XXX**) for more developed regions;

(d) **XX** % (i.e., a total of EUR **XXX XXX XXX XXX**) for Member States supported by the Cohesion Fund;

(e) **XX** % (i.e., a total of EUR **XXX XXX XXX**) as additional funding for the outermost regions (**XX EUR per habitant**) identified in Article 349 of the Treaty and the NUTS level 2 regions fulfilling the criteria laid down in Article 2 of Protocol No 6 to the Treaty of Accession of Austria, Finland and Sweden.

All regions whose GDP per capita for the 2007-2013 period was less than 75% of the average of the EU-25 for the reference period but whose GDP per capita is above 75% of the GDP average of the EU-27 **and**

shall receive an allocation under the Structural Funds equal to at least two thirds of their 2007-2013 allocation.

regions designated with phasing-out status in the 2007-2013 period shall receive an allocation under the Structural Funds equal to at least two thirds of their 2007-2013 allocation. ***Single region island states eligible for funding from the Cohesion Fund in 2013 and outermost regions covered by the categories referred to in points (b) and (c) of the first subparagraph shall receive an allocation under the Funds equal to at least four fifths of their 2007-2013 allocations.***

Amendment 288

Proposal for a regulation Article 84 – paragraph 2

Text proposed by the Commission

2. The following criteria shall be used for the breakdown by Member State:

(a) eligible population, regional prosperity, national prosperity and unemployment rate for less developed regions and transition regions;

(b) eligible population, regional prosperity, unemployment rate, employment rate, educational level and population density for more developed regions;

(c) population, national prosperity and surface area for the Cohesion Fund.

Amendment

2. The following criteria shall be used for the breakdown by Member State:

(a) eligible population, regional prosperity ***taking into account, where appropriate, the specific situation of regions with severe and permanent natural or demographic handicaps***, national prosperity, ***ageing of the population*** and ***the*** unemployment rate for less developed regions and transition regions;

(b) eligible population, regional prosperity, unemployment rate, employment rate, educational level and population density, ***net adjusted income per inhabitant, school drop-out rate, intraregional disparities (NUTS 3) and the demographic vulnerability index*** for more developed regions;

(c) population, national prosperity and surface area for the Cohesion Fund.

Amendment 289

Proposal for a regulation Article 84 – paragraph 3

Text proposed by the Commission

3. At least 25 % of the Structural Funds resources for less developed regions, 40% for transition regions and 52% for more developed regions in each Member State shall be allocated to the ESF. For the purposes of this provision, the support to a Member State through *the [Food for deprived people instrument]* shall be considered as part of the share of Structural Funds allocated to the ESF.

Amendment

3. In order to ensure that sufficient investment is targeted at youth employment, labour mobility, knowledge, social inclusion and combating poverty, the share of Structural Funds resources available for programming for operational programmes under the Investment for growth and jobs goal allocated to the ESF in each Member State shall not be lower than the corresponding ESF share for that Member State observed in the operational programmes for the Convergence and Regional competitiveness and employment objectives for the period 2007-2013. To this share shall be added an additional amount for each Member State determined according to the method set out in Annex IIIquater in order to ensure that the share of the ESF as a percentage of total combined resources for the Structural Funds and the Cohesion Fund at EU level, excluding the support from the Cohesion Fund for transport infrastructure under the Connecting Europe Facility referred to in Article 84(4) and support from the Structural Funds for aid for the most deprived people referred to in Article 84(5), in Member States is not less than 23,1%. For the purposes of this provision, investment provided from the ESF to the Youth Employment Initiative shall be considered as part of the share of Structural Funds allocated to the ESF.

Amendment 290

Proposal for a regulation Article 84 – paragraph 3 bis

Text proposed by the Commission

3bis. Resources for the Youth Employment Initiative shall amount to EUR **[3 000 000 000]** from the specific allocation for the Youth Employment Initiative and at least EUR **[3 000 000 000]** from ESF targeted investment.

Amendment

3bis. Resources for the Youth Employment Initiative shall amount to EUR **XXXX** from the specific allocation for the Youth Employment Initiative and at least EUR **XXXX** from ESF targeted investment. ***Resources for the Youth Employment Initiative shall be revised upwards in the framework of the review clause set out in Article 144, as well as the revision of the Multiannual Financial Framework foreseen for XXXX.***

Amendment 291

Proposal for a regulation Article 84 – paragraph 4

Text proposed by the Commission

4. The support from the Cohesion Fund for transport infrastructure under the Connecting Europe Facility shall be EUR **10 000 000 000**.

The Commission shall adopt a decision by implementing act setting out the amount to be transferred from each Member State's Cohesion Fund allocation for the whole period. ***The Cohesion Fund allocation of each Member State shall be reduced accordingly.***

Amendment

4. The support from the Cohesion Fund for transport infrastructure ***projects of European added value*** under the Connecting Europe Facility shall be EUR **XXX** and shall be implemented ***exclusively in Member States eligible for the Cohesion Fund in accordance with the relevant specific Union legislation.***

The Commission, ***after consultation with the Member State concerned,*** shall adopt a decision by implementing act setting out

a) the amount to be transferred from each Member State's Cohesion Fund allocation for the whole period and b) the transport infrastructure projects of European added value among the pre-identified projects listed in Annex I of Regulation (EU) [...]/2013 on establishing the Connecting Europe Facility that will be carried out in each Member State.

The annual appropriations corresponding to the support from the Cohesion Fund mentioned in the first subparagraph shall be entered in the relevant budget lines of the Connecting Europe Facility as from the 2014 budgetary exercise.

Support from the Cohesion Fund under the Connecting Europe Facility shall be implemented in accordance with Article [13] of Regulation (EU) [...] /2012 on establishing the Connecting Europe Facility¹ in respect of projects listed in Annex I to that Regulation, giving greatest possible priority to projects respecting the national allocations under the Cohesion Fund.

The selection of projects eligible for financing referred above shall be done based on their maturity, quality and EU added-value according to the procedures, objectives and criteria specified in the Connecting Europe Facility, in compliance with the amounts transferred from each Member State's Cohesion Fund allocation and shall fully respect the national allocations under the Cohesion Fund until 31 December 2016.

To ensure the highest possible absorption of the transferred funds in all Member States eligible to the Cohesion Fund, particular attention shall be given to programme support actions under the Connecting Europe Facility aimed at strengthening institutional capacity and the efficiency of public administrations and public services related to the development and implementation of projects implementing CEF objectives.

In order to support Member States eligible to the Cohesion Fund, which may experience difficulties in designing projects that are of a sufficient maturity, quality and Union added-value, additional calls for proposals in accordance with Article 11(2) of Regulation (EU) [...] /2013 on establishing the Connecting Europe Facility shall be organised, at least on a yearly basis.

Amendment 292

Proposal for a regulation Article 84 – paragraph 4 a (new)

Text proposed by the Commission

Amendment

4a. For Member States, whose average GDP growth [2007-2009] is negative and whose absorption rate as at 1 January 2012 is above [X%], the capping rate will be set at least at the level of the current period, reducing the level of capping according to the exclusion of fisheries and rural development funds.

Amendment 293

Proposal for a regulation Article 84 – paragraph 5

Text proposed by the Commission

Amendment

5. The support from the Structural Funds for **food for deprived people** under the Investment for Growth and Jobs shall be **EUR 2 500 000 000**.

5. The support from the Structural Funds for **the FEAD** under the Investment for Growth and Jobs shall be EUR **XXX XXX XXX to which Member States can decide to increase their allocations by up to EUR 1 000 000 000 in total**.

The Commission shall adopt a decision by implementing act setting out the amount to be transferred from each Member State's Structural Funds allocation for the whole period in each Member State. The Structural Funds allocation of each Member State shall be reduced accordingly.

The Commission shall adopt a decision by implementing act **on the basis of the criteria and methodology set out in Regulation EU [.../...] [FEAD Regulation]** setting out the amount to be transferred from each Member State's Structural Funds allocation for the whole period in each Member State. The Structural Funds allocation of each Member State shall be reduced accordingly.

The annual appropriations corresponding to the support from the Structural Funds mentioned in the first subparagraph shall be entered in the relevant budget lines of the **food for deprived people instrument** with the 2014 budgetary exercise.

The annual appropriations corresponding to the support from the Structural Funds mentioned in the first subparagraph shall be entered in the relevant budget lines of the **FEAD** with the 2014 budgetary exercise.

Amendment 294

Proposal for a regulation Article 84 – paragraph 6

Text proposed by the Commission

6. 5% of the resources for the Investment for growth and jobs goal shall constitute the performance reserve to be allocated in accordance with Article 20.

Amendment

deleted

Amendment 295

Proposal for a regulation Article 84 – paragraph 7

Text proposed by the Commission

7. 0,2% of the ERDF resources for the Investment for growth and jobs goal shall be allocated to innovative actions at the initiative of the Commission in the area of sustainable urban development.

Amendment

7. EUR XXXX of the Structural Funds resources for the Investment for growth and jobs goal shall be allocated to innovative actions at the initiative of the Commission in the area of sustainable urban development.

Amendment 296

Proposal for a regulation Article 84 – paragraph 8

Text proposed by the Commission

8. Resources for the European territorial cooperation goal shall amount to 3,50 % of the global resources available for budgetary commitment from the Funds for the period 2014 to 2020 (i.e., a total of EUR 11 878 104 182).

Amendment

8. Resources for the European territorial cooperation goal shall amount *indicatively* to 7 % of the global resources available for budgetary commitment from the Funds for the period 2014 to 2020 (i.e., a total of EUR XX XXX XXX).

Amendment 297

Proposal for a regulation Article 84 – paragraph 8 a (new)

Text proposed by the Commission

Amendment

8a. For the purposes of this Article, Articles 16, 83, 85, 86, 89, 110, Annex I [CSF] and Annex X [additionality] as well as for the purposes of Article 4 of the ERDF Regulation, Article 4 of the ESF Regulation, Article 3(3) of the ETC Regulation, and for the purposes of the Youth Employment Initiative, the outermost region of Mayotte shall be considered to be a NUTS level 2 region falling into the category of less developed region. For the purposes of Articles 3 (1) and (2) of the ETC Regulation, the region of Mayotte shall be considered to be a NUTS level 3 region.

Amendment 298

Proposal for a regulation Article 85

Text proposed by the Commission

Amendment

1. The total appropriations allocated to each Member State in respect of less developed regions, transition regions and more developed regions shall not be transferable between each of those categories of regions.
2. By way of derogation from paragraph 1, the Commission may accept, in duly justified circumstances which are linked to the implementation of one or more thematic objectives, a proposal by a Member State in its first submission of the Partnership **Contract** to transfer up to **2%** of the total appropriation for a category of regions to other categories of regions.

1. The total appropriations allocated to each Member State in respect of less developed regions, transition regions and more developed regions shall not be transferable between each of those categories of regions.
2. By way of derogation from paragraph 1, the Commission may accept, in duly justified circumstances which are linked to the implementation of one or more thematic objectives, a proposal by a Member State in its first submission of the Partnership **Agreement** to transfer up to **4%** of the total appropriation for a category of regions to other categories of regions.

Amendment 299

Proposal for a regulation

Article 86 – paragraph 1 – point 1

Text proposed by the Commission

(1) ‘public or equivalent structural expenditure’ means the **Gross Fixed Capital Formation** of the **General Government reported in the Stability and Convergence Programmes prepared by Member States according to Council Regulation (EC) No 1466/97²⁹ to present their medium term budgetary strategy**;

Amendment

(1) ‘public or equivalent structural expenditure’ means the **gross fixed capital formation** of the **general government**;

Amendment 300

Proposal for a regulation

Article 86 – paragraph 3

Text proposed by the Commission

3. Member States shall maintain for the period 2014-2020 a level of public or equivalent structural expenditure at least equal to the reference level set in the Partnership **Contract**.

The reference level on average per year of public or equivalent structural expenditure for the years 2014-2020 shall be set in the Partnership Contract, on the basis of an ex ante verification by the Commission of the information submitted in the Partnership Contract, having regard to the average level of public or equivalent structural expenditure per year in the period 2007-2013.

The Commission and the Member States shall take into account the general macroeconomic conditions and specific or exceptional circumstances, such as privatisations or an exceptional level of

Amendment

3. Member States shall maintain for the period 2014-2020 a level of public or equivalent structural expenditure **on average per year** at least equal to the reference level set in the Partnership **Agreement**.

In setting this reference level, the Commission and the Member States shall take into account the general macroeconomic conditions and specific or exceptional circumstances, such as

public or equivalent structural expenditure by a Member State in the period 2007-2013. They shall also take into account changes in the national allocations from the **Structural** Funds as compared to the years 2007-2013.

privatisations, an exceptional level of public or equivalent structural expenditure by a Member State in the period 2007-2013 **and the evolution of other public investment indicators**. They shall also take into account changes in the national allocations from the Funds as compared to the years 2007-2013.

Amendment 301

Proposal for a regulation Article 86 – paragraph 6

Text proposed by the Commission

6. If it is established by the Commission in the *ex post* verification that a Member State has not maintained the reference level of public or equivalent structural expenditure under the Investment for growth and jobs goal set out in the Partnership **Contract** as set out in Annex **IV**, the Commission may carry out a financial correction. In deciding whether **or not** to carry out a financial correction, the Commission **will take into account** whether the economic situation of the Member State has significantly changed since the mid-term verification and whether **the** change was taken into account at that time. The detailed rules relating to financial correction rates are set out in point 3 of Annex **IV**.

Amendment

6. If it is established by the Commission in the *ex post* verification that a Member State has not maintained the reference level of public or equivalent structural expenditure under the Investment for growth and jobs goal set out in the Partnership **Agreement** as set out in Annex **III**, the Commission may carry out a financial correction. In deciding whether to carry out a financial correction, the Commission **shall first decide whether the Member State has taken the necessary steps to comply with the recommendations the Commission had made to this effect and shall consider** whether the economic situation of the Member State has significantly changed since the mid-term verification and whether **that** change was taken into account at that time. The detailed rules relating to financial correction rates are set out in point 3 of Annex **III**.

Amendment 302

Proposal for a regulation Article 86 – paragraph 7

Text proposed by the Commission

7. Paragraphs 1 to 6 shall not apply to

Amendment

7. Paragraphs 1 to 6 shall not apply to

operational programmes under the European territorial cooperation goal.

programmes under the European territorial cooperation goal.

Amendment 303

Proposal for a regulation Article 87 – title

Text proposed by the Commission

Content *and* adoption of operational programmes under the Investment for growth and jobs goal

Amendment

Content, adoption *and amendment* of operational programmes under the Investment for growth and jobs goal

Amendment 304

Proposal for a regulation Article 87 – paragraph 1

Text proposed by the Commission

1. An operational programme shall consist of priority axes. A priority axis shall concern one Fund *for a* category of region and shall correspond, without prejudice to Article 52, to a thematic objective and comprise one or more investment priorities of that thematic objective, in accordance with the Fund-specific rules. *For the ESF, a priority axis may combine investment priorities from different thematic objectives set out in Article 9(8), (9), (10) and (11) in order to facilitate their contribution to other priority axes, in duly justified circumstances.*

Amendment

1. An operational programme shall consist of priority axes. A priority axis shall concern one Fund *and one* category of region, *except for the Cohesion Fund*, and shall correspond, without prejudice to Article 52, to a thematic objective and comprise one or more investment priorities of that thematic objective, in accordance with the Fund-specific rules. *Where appropriate and in order to increase the impact and effectiveness in a thematically coherent integrated approach, a priority axis may:*

(a) concern more than one category of region;

(b) combine one or more complementary investment priorities from the ERDF, CF and ESF under one thematic objective;

(c) in duly justified cases combine one or more complementary investment priorities from different thematic objectives in order to achieve their maximum contribution to

priority axis;

(d) for the ESF combine investment priorities from different thematic objectives set out in Article 9(8), (9), (10) and (11) in order to facilitate their contribution to other priority axes.

Member States may combine two or more of the options in points (a) to (d).

Amendment 305

Proposal for a regulation Article 87 – paragraph 2 – point a

Text proposed by the Commission

2. An operational programme shall set out:

(a) a strategy for the operational programme's contribution to the Union strategy for smart, sustainable and inclusive growth, including:

(i) an identification of needs addressing the challenges identified in the country-specific recommendations under Article 121(2) and the Council recommendations adopted under Article 148(4) of the Treaty, and taking into account the Integrated Guidelines and national and regional specificities;

Amendment

2. An operational programme *shall contribute to the Union strategy for smart, sustainable and inclusive growth and to the achievement of economic, social and territorial cohesion and* shall set out:

(a) a justification of the choice of thematic objectives, corresponding investment priorities and financial allocations having regard to the Partnership Agreement, based on an identification of regional and, where appropriate, national needs including the needs to address the challenges identified in relevant country-specific recommendations adopted in accordance with Article 121(2) and the relevant Council recommendations adopted in accordance with Article 148(4) of the Treaty on the Functioning of the European Union taking into account the ex ante evaluation.

(ii) a justification of the choice of thematic objectives and corresponding investment priorities, having regard to the Partnership Contract and the results of the ex ante evaluation;

Amendment 306

Proposal for a regulation Article 87 – paragraph 2 – point b

Text proposed by the Commission

- (b) for each priority axis:
- (i) the investment priorities and corresponding specific objectives;
- (ii) *the common and specific output and result indicators, with where appropriate a baseline value and a quantified target value, in accordance with the Fund-specific rules;*
- (iii) a description of actions to be supported including the identification of the main target groups, specific territories targeted and types of beneficiaries where appropriate and the planned use of financial instruments;
- (iv) *the corresponding categories of intervention based on a nomenclature adopted by the Commission by means of implementing acts in accordance with the examination procedure referred to Article 143(3) and an indicative breakdown of the programmed resources;*

Amendment

- (b) for each priority axis ***other than technical assistance:***
- (i) the investment priorities and corresponding specific objectives;
- (ii) ***in order to strengthen the result-orientation of the programming, the expected results for the specific objectives, and the corresponding*** result indicators, with a baseline value and a target value, ***where appropriate quantified,*** in accordance with the Fund-specific rules;
- (iii) a description of ***the type and examples of*** actions to be supported ***under each investment priority and their expected contribution to the specific objectives referred to in point (i)*** including ***the guiding principles for the selection of operations and where appropriate,*** the identification of main target groups, specific territories targeted and types of beneficiaries and the planned use of financial instruments ***and major projects;***
- (iv) ***the output indicators, including the quantified target value, which are expected to contribute to the results, in accordance with Fund-specific rules, for each investment priority;***
- (iva) identification of implementation steps and financial and output indicators to act as milestones and targets for the***

performance framework in accordance with Article 19(1) and Annex (xx);

(ivb) the corresponding categories of intervention based on a nomenclature adopted by the Commission by means of implementing acts in accordance with the examination procedure referred to Article 143(3), and an indicative breakdown of the programmed resources;

(ivc) where appropriate, a summary of the planned use of technical assistance including, where necessary, actions to reinforce the administrative capacity of authorities involved in the management and control of the programmes and beneficiaries;

Amendment 307

Proposal for a regulation Article 87 – paragraph 2 – point b a (new)

Text proposed by the Commission

Amendment

(ba) For each priority axis concerning technical assistance:

(i) specific objectives;

(ii) the expected results for each specific objective, and, where objectively justified given the content of the actions, the corresponding result indicators, with a baseline value and a target value, in accordance with the Fund-specific rules;

(iii) a description of actions to be supported and their expected contribution to the specific objectives referred to in point (i);

(iv) the output indicators which are expected to contribute to the results;

(v) the corresponding categories of intervention based on a nomenclature adopted by the Commission by means of implementing acts in accordance with the examination procedure referred to Article

143(3), and an indicative breakdown of the programmed resources.

Point (ii) shall not apply where the Union contribution to the priority axis or axes concerning technical assistance in an operational programme does not exceed EUR 15 000 000.

Amendment 308

Proposal for a regulation Article 87 – paragraph 2 – point c

Text proposed by the Commission

Amendment

(c) the contribution to the integrated approach for territorial development set out in the Partnership Contract, including:

deleted

(i) the mechanisms that ensure coordination between the Funds, the EAFRD, the EMFF and other Union and national funding instruments, and with the EIB;

(ii) where appropriate, a planned integrated approach to the territorial development of urban, rural, coastal and fisheries areas and areas with particular territorial features, in particular the implementation arrangements for Articles 28 and 29;

(iii) the list of cities where integrated actions for sustainable urban development will be implemented, the indicative annual allocation of the ERDF support for these actions, including the resources delegated to cities for management under Article 7(2) of Regulation (EU) No [...] [ERDF] and the indicative annual allocation of ESF support for integrated actions;

(iv) the identification of the areas in which community-led local development will be implemented;

(v) the arrangements for interregional and transnational actions with beneficiaries located in at least one other Member State;

(vi) where appropriate, the contribution of the planned interventions towards macro regional strategies and sea basin strategies;

Amendment 309

Proposal for a regulation Article 87 – paragraph 2 – point d

Text proposed by the Commission

Amendment

(d) the contribution to the integrated approach set out in the Partnership Contract to address the specific needs of geographical areas most affected by poverty or target groups at highest risk of discrimination or exclusion, with special regard to marginalised communities, and the indicative financial allocation; **deleted**

Amendment 310

Proposal for a regulation Article 87 – paragraph 2 – point e

Text proposed by the Commission

Amendment

(e) arrangements to ensure the effective implementation of the Funds, including: **deleted**

(i) a performance framework in accordance with Article 19(1);

(ii) for each ex ante conditionality, established in accordance with Annex IV, that is not fulfilled at the date of submission of the Partnership Contract and operational programme, a description of the actions to fulfil the ex ante conditionality and a timetable for such actions;

(iii) the actions taken to involve the partners in the preparation of the operational programme, and the role of the partners in the implementation, monitoring and evaluation of the operational programme;

Amendment 311

Proposal for a regulation

Article 87 – paragraph 2 – point f

Text proposed by the Commission

Amendment

(f) arrangements to ensure the efficient implementation of the Funds, including:

deleted

(i) the planned use of technical assistance including actions to reinforce the administrative capacity of authorities and beneficiaries with the relevant information referred to in paragraph 2 (b) for the priority axis concerned;

(ii) an assessment of the administrative burden for beneficiaries and the actions planned to achieve a reduction accompanied by targets;

(iii) a list of major projects for which the estimated start date for the execution of the main works is before 1 January 2018;

Amendment 312

Proposal for a regulation

Article 87 – paragraph 2 – point g

Text proposed by the Commission

Amendment

(g) a financing plan containing two tables:

(g) a financing plan containing two tables:

(i) a table specifying for each year, in accordance with Articles 53, 110 and 111, the amount of the total financial appropriation envisaged for the support from each of the Funds;

(i) a table specifying for each year, in accordance with Articles 53, 110 and 111, the amount of the total financial appropriation envisaged for the support from each of the Funds;

(ii) a table specifying, for the whole

(ii) a table specifying, for the whole

programming period, for the operational programme and for each priority axis, the amount of the total financial appropriation of the support from the Funds and the national co-financing. ***Where the national co-financing is made up of public and private co-financing, the table shall give the indicative breakdown between the public and the private components. It shall show, for information purposes, the envisaged participation from the EIB;***

programming period, for the operational programme and for each priority axis, the amount of the total financial appropriation of the support from ***each of*** the Funds and the national co-financing. ***For priority axes, which concern several categories of region, the table shall specify the amount of total financial appropriation from the Funds and the national co-financing for each category of region.***

For priority axes, which combine investment priorities from different thematic objectives, the table shall specify the amount of total financial appropriation from each of the Funds and the national co-financing for each of the corresponding thematic objectives.

Where the national co-financing is made up of public and private co-financing, the table shall give the indicative breakdown between the public and the private components. It shall show, for information purposes, the envisaged participation from the EIB;

Amendment 313

Proposal for a regulation Article 87 – paragraph 2 – point h

Text proposed by the Commission

Amendment

(h) the implementing provisions for the operational programme containing:

deleted

(i) identification of the accrediting body, the managing authority, the certifying authority, where applicable, and the audit authority;

(ii) identification of the body to which payments will be made by the Commission.

Amendment 314

Proposal for a regulation

Article 87 – paragraph 2 – point h a (new)

Text proposed by the Commission

Amendment

(ha) a list of major projects for which the implementation is planned during the programming period;

Amendment 315

Proposal for a regulation

Article 87 – paragraph 3

Text proposed by the Commission

Amendment

3. Each operational programme, except those where technical assistance is undertaken under a specific operational programme, shall include:

(i) a description of specific actions to take into account environmental protection requirements, resource efficiency, climate change mitigation and adaptation, disaster resilience and risk prevention and management, in the selection of operations;

(ii) a description of the specific actions to promote equal opportunities and prevent any discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation during the preparation, design and implementation of the operational programme and in particular in relation to access to funding, taking account of the needs of the various target groups at risk of such discrimination and in particular the requirements of ensuring accessibility for

3. The operational programme shall describe, taking into account its content and objectives, the integrated approach to territorial development, having regard to the Partnership Agreement, and showing how it contributes to the accomplishment of the programme objectives and expected results, specifying, where appropriate, the following:

(a) the approach to the use of community led local development instruments and the principles for identifying the areas where it will be implemented;

(b) the indicative amount of the ERDF support for integrated actions for sustainable urban development, to be implemented in accordance with the provisions under Article 7(2) of Regulation (EU) No [ERDF] and the indicative allocation of ESF support for integrated actions;

disabled persons;

(iii) a description of its contribution to the promotion of equality between men and women and, where appropriate, the arrangements to ensure the integration of gender perspective at operational programme and operation level.

Member States shall submit an opinion of the national equality bodies on the measures set out in points (ii) and (iii) with the proposal for an operational programme under the Investment for growth and jobs goal.

(c) the approach to the use of the Integrated Territorial Investment instrument other than in cases covered by (b), and their indicative financial allocation from each priority axis;

(d) the arrangements for interregional and transnational actions, within the operational programmes, with beneficiaries located in at least one other Member State;

(e) where Member States and regions participate in macro-regional strategies and sea-basin strategies, subject to the needs of the programme area as identified by the Member State, the contribution of the planned interventions to such strategies.

Amendment 316

Proposal for a regulation Article 87 – paragraph 4

Text proposed by the Commission

4. Member States shall draft the operational programme according to the model adopted by the Commission.

The Commission shall adopt that model by means of implementing acts. Those implementing acts shall be adopted in accordance with the advisory procedure referred to in Article 143(2).

Amendment

4. In addition, the operational programme shall specify the following:

(a) where appropriate, the identification of whether and how it addresses the specific needs of geographical areas most affected by poverty or target groups at highest risk of discrimination or social exclusion, with special regard to marginalised communities, and persons with disabilities, and where relevant the contribution to the integrated approach set out in the Partnership Agreement;

(b) where appropriate, the identification of whether and how it addresses demographic challenges of regions or specific needs of geographical areas

which suffer by severe and permanent natural or demographic handicaps, as defined in Article 174 TFEU and the contribution to the integrated approach set out in the Partnership Agreement to this end.

Amendment 317

Proposal for a regulation Article 87 – paragraph 5

Text proposed by the Commission

5. The Commission shall adopt a decision approving the operational programme by means of implementing acts.

Amendment

5. The operational programme shall identify:

(a) the managing authority, the certifying authority, where applicable, and the audit authority;

(b) the body to which payments will be made by the Commission;

(c) the actions taken to involve the relevant partners referred to in Article 5 in the preparation of the operational programme, and the role of the partners in the implementation, monitoring and evaluation of the operational programme.

Amendment 318

Proposal for a regulation Article 87 – paragraph 5 a (new)

Text proposed by the Commission

Amendment

5a. The Operational Programme shall also set out the following, having regard to the content of the Partnership Agreement and taking into account the Institutional Framework of the Member States:

(a) the mechanisms that ensure coordination between the Funds, the

EAFRD, the EMFF and other Union and national funding instruments, and with the EIB taking into account the relevant provisions laid down in the CSF as set out in Annex I;

(b) for each ex ante conditionality, established in accordance with Article 17 and Annex (xx), which is applicable to the operational programme an assessment of whether the ex-ante conditionality is fulfilled at the date of submission of the Partnership Agreement and operational programme, and where ex-ante conditionalities are not fulfilled, a description of the actions to fulfil the ex ante conditionality, the responsible bodies and a timetable for such actions in accordance with the summary submitted in the Partnership Agreement;

(c) a summary of the assessment of the administrative burden for beneficiaries and, where necessary, the actions planned to be accompanied by an indicative timeframe to reduce administrative burden.

Amendment 319

Proposal for a regulation Article 87 – paragraph 5 b (new)

Text proposed by the Commission

Amendment

5b. Each operational programme, except those where technical assistance is undertaken under a specific operational programme, shall, subject to the Member State's duly justified assessment of their relevance to the content and objectives of the programmes, include:

(a) a description of specific actions to take into account environmental protection requirements, resource efficiency, climate change mitigation and adaptation, disaster resilience and risk prevention and

management, in the selection of operations;

(b) a description of the specific actions to promote equal opportunities and prevent any discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation during the preparation, design and implementation of the operational programme and in particular in relation to access to funding, taking account of the needs of the various target groups at risk of such discrimination and in particular the requirements of ensuring accessibility for persons with disabilities;

(c) a description of its contribution to the promotion of equality between men and women and, where appropriate, the arrangements to ensure the integration of gender perspective at operational programme and operation level.

Member States may submit an opinion of the national equality bodies on the measures set out in points (b) and (c) with the proposal for an operational programme under the Investment for growth and jobs goal.

Amendment 320

Proposal for a regulation Article 87 – paragraph 5 c (new)

Text proposed by the Commission

Amendment

5c. When a Member State prepares a maximum of one operational programme for each Fund, the elements of the operational programme falling under point (a) of paragraph 2, 3, paragraph 4, and paragraph 5a of this Article may be incorporated solely under the relevant provisions of the Partnership Agreement.

Amendment 321

Proposal for a regulation Article 87 – paragraph 5 d (new)

Text proposed by the Commission

Amendment

5d. The operational programme shall be prepared according to the model, which shall be adopted by the Commission, by means of an implementing act, with advisory procedure in accordance with Article 143 (2).

Amendment 322

Proposal for a regulation Article 87 – paragraph 5 e (new)

Text proposed by the Commission

Amendment

5e. The Commission shall adopt a decision, by means of implementing acts, approving all the elements (including any of its future amendments) of the operational programme falling under this Article, except those falling under paragraphs 2(b)(vi), 2 (e), 4, 5, 5a(a), 5a(c) and 5b of this Article, which remain under the responsibility of the Member States.

Amendment 323

Proposal for a regulation Article 87 – paragraph 5 f (new)

Text proposed by the Commission

Amendment

5f. Any decision amending the elements of the operational programme not covered by the Commission decision pursuant to paragraph 5e shall be notified by the managing authority to the Commission within one month of the date of the decision. The decision shall specify the

date of its entry into force, which shall not be earlier than the date of its adoption.

Amendment 324

Proposal for a regulation Article 88 - paragraph 2

Text proposed by the Commission

2. The ERDF and the ESF may finance, in a complementary manner and subject to a limit of **5 %** of Union funding for each priority axis of an operational programme, a part of an operation for which the costs are eligible for support from the other Fund on the basis of eligibility rules applied to that Fund, provided that they are necessary for the satisfactory implementation of the operation and are directly linked to it.

Amendment

2. The ERDF and the ESF may finance, in a complementary manner and subject to a limit of **10 %** of Union funding for each priority axis of an operational programme, a part of an operation for which the costs are eligible for support from the other Fund on the basis of eligibility rules applied to that Fund, provided that they are necessary for the satisfactory implementation of the operation and are directly linked to it.

Amendment 325

Proposal for a regulation Article 90

Text proposed by the Commission

As part of an operational programme or operational programmes, the ERDF and the Cohesion Fund may support an operation comprising a series of works, activities or services intended in itself to accomplish an indivisible task of a precise economic or technical nature which has clearly identified goals and whose total cost exceeds EUR 50 000 000 (a 'major project'). Financial instruments shall not be considered major projects.

Amendment

As part of an operational programme or operational programmes, ***which have been subject to a Commission decision under Article 87(5e)***, the ERDF and the ***CF*** may support an operation comprising a series of works, activities or services intended in itself to accomplish an indivisible task of a precise economic or technical nature which has clearly identified goals and ***for which the total eligible cost*** exceeds EUR 50 000 000 ***and in the case of operations contributing to the thematic objective under Article 9(7) where the total eligible cost exceeds EUR 75 000 000*** (a 'major project'). Financial instruments shall not be considered major projects.

Amendment 326

Proposal for a regulation Article 91

Text proposed by the Commission

Information *to be submitted to the Commission*

1. **The Member State or** the managing authority shall **submit** the following information **on major projects to the Commission as soon as preparatory work has been completed:**

- (a) **information on** the body to be responsible for implementation of the major project, and its capacity;
- (b) a description of **and information on the** investment and its location;
- (c) total cost and total eligible cost, taking account of the requirements set out in Article 54;
- (d) **information on the** feasibility studies carried out, including the options analysis, the results, **and independent quality review;**
- (e) a cost-benefit analysis, including an economic and a financial analysis, and a risk assessment;
- (f) an analysis of the environmental impact, taking into account climate change adaptation and mitigation needs, and disaster resilience;
- (g) the consistency with the relevant priority axes of the operational programme or programmes concerned, and its expected contribution to achieving the specific objectives of those priority axes;
- (h) the financing plan showing the total planned financial resources and the planned support from the Funds, the EIB, and all other sources of financing, together

Amendment

Information **necessary for the approval of major projects**

1. **Before a major project is approved,** the managing authority shall **ensure that** the following information **is available:**

- (a) the body responsible for implementation of the major project, and its capacity;
- (b) a description of the investment and its location;
- (c) total cost and total eligible cost, taking account of the requirements set out in Article 54;
- (d) feasibility studies carried out, including the options analysis, **and** the results;
- (e) a cost-benefit analysis, including an economic and a financial analysis, and a risk assessment;
- (f) an analysis of the environmental impact, taking into account climate change adaptation and mitigation needs, and disaster resilience;
- (g) the consistency with the relevant priority axes of the operational programme or **operational** programmes concerned, and its expected contribution to achieving the specific objectives of those priority axes **and the expected contribution to socio-economic development;**
- (h) the financing plan showing the total planned financial resources and the planned support from the Funds, the EIB, and all other sources of financing, together

with physical and financial indicators for monitoring progress, taking account of the identified risks;

(i) the timetable for implementing the major project and, where the implementation period is expected to be longer than the programming period, the phases for which support from the Funds is requested during the 2014 to 2020 programming period.

The Commission shall ***provide indicative guidance on*** the methodology to be used in carrying out the cost-benefit analysis referred to in point (e) ***above*** in accordance with the advisory procedure referred to in Article 143(2).

The format for the information on major projects to be submitted shall be set up in accordance with the model adopted by the Commission, by means of implementing acts. Those implementing acts shall be adopted in accordance with the advisory procedure referred to in Article 143(2).

2. Major projects submitted to the Commission for approval shall be contained in the list of major projects in an operational programme. The list shall

with physical and financial indicators for monitoring progress, taking account of the identified risks;

(i) the timetable for implementing the major project and, where the implementation period is expected to be longer than the programming period, the phases for which support from the Funds is requested during the 2014 to 2020 programming period.

The Commission shall ***adopt implementing acts establishing*** the methodology to be used ***based on recognised best practices***, in carrying out the cost-benefit analysis referred to in point (e), in accordance with the advisory procedure referred to in Article 143(2).

At the initiative of a Member State, the information in points (a) to (i) of the first subparagraph may be assessed by independent experts supported by technical assistance of the Commission or, in agreement with the Commission, by other independent experts. In other cases, the Member State shall submit to the Commission the information set out in points (a) to (i) of the first subparagraph as soon as it is available.

The Commission shall be empowered to adopt delegated acts, in accordance with Article 142, laying down the methodology to be used in carrying out the quality review of a major project.

The Commission shall adopt implementing acts establishing the format for submission of the information ***set out in points (a) to (i) of the first subparagraph.*** Those implementing acts shall be adopted in accordance with the advisory procedure referred to in Article 143(2).

be reviewed by the Member State or the managing authority two years following the adoption of an operational programme and may at the request of the Member State be adjusted in accordance with the procedure set out in Article 26(2), in particular to include major projects with an expected completion date by the end of 2022.

Amendment 327

Proposal for a regulation Article 92

Text proposed by the Commission

1. *The Commission shall appraise the major project on the basis of the information referred to in Article 91 in order to determine whether the proposed support from the Funds is justified.*

Amendment

1. *Where the major project has been appraised positively by a quality review by independent experts, on the basis of their assessment of the information referred to in Article 91, the Member State may proceed with the selection of the major project in accordance with article 114 paragraph 3. The Managing Authority shall notify the Commission of the selected major project. The notification shall consist of the following elements:*

(a) the document referred to in Article 114(3)(c) setting out:

(i) the body to be responsible for implementation of the major project;

(ii) a description of the investment, its location, timetable and expected contribution of the major project to the objectives of the relevant priority axis or axes;

(iii) total cost and total eligible cost, taking account of the requirements set out in Article 54 and;

(iv) the financing plan, and the physical and financial indicators for monitoring progress, taking account of identified risks;

(b) the quality review of the independent experts, providing clear statements on the investment's feasibility and economic viability of the major project.

The financial contribution to the major project selected by the Member State shall be deemed to be approved by the Commission in the absence of a decision, by means of an implementing act, refusing the financial contribution within three months of the date of notification. The Commission shall refuse the financial contribution only on the grounds that it has established a significant weakness in the independent quality review.

The Commission shall establish the format for the notification by means of implementing acts. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 143(3).

2. The Commission shall adopt a decision, by means of implementing act, no later than three months after the date of submission of the information *approving a major project in accordance with Article 91. That decision shall define the physical object, the amount to which the co-financing rate for the priority axis applies, physical and financial indicators for monitoring progress, and the expected contribution of the major project to the objectives of the relevant priority axis or axes.*

An approval decision shall be conditional on the first works contract being concluded within two years of the date of the decision.

2. *In other cases the Commission shall appraise the major project on the basis of the information referred to in Article 91 in order to determine whether the requested financial contribution for the major project selected by the managing authority in accordance with Article 114(3) is justified.* The Commission shall adopt a decision *on the approval of the financial contribution to the selected major project*, by means of an implementing act, no later than three months after the date of submission of the information *referred to in Article 91.*

The approval by the Commission under 92(1) and 92(2) shall be conditional on the first works contract being concluded, or in the case of operations implemented under PPP structures the signing of the PPP contract between the public body and the private sector body, within three years of the date of the approval. At the duly motivated request of the Member State, in particular in the case of delays resulting

from administrative and legal proceedings related to the implementation of major projects, and made within the three year period, the Commission may adopt a decision, by means of an implementing act, on the extension of the period by not more than two years.

3. Where the Commission *refuses to allow support from the Funds to be given to a major project, it shall notify the Member State of its reasons within the period laid down in paragraph 2.*

3. Where the Commission *does not approve the financial contribution to the selected major project, it shall give in its decision the reasons for its refusal.*

3a. Major projects notified to the Commission under paragraph 1 or submitted for approval under paragraph 2 shall be contained in the list of major projects in an operational programme.

4. Expenditure relating to major projects *shall not* be included in payment applications before adoption of an approval decision by the Commission.

4. Expenditure relating to a major project *may* be included in a request for payment after the notification referred to in paragraph 1 of this Article or after the submission for approval referred to in paragraph 2. When the Commission does not approve the major project selected by the Member State, the expenditure declaration following the adoption of the Commission decision must be rectified accordingly.

Amendment 328

Proposal for a regulation Article 92 a (new)

Text proposed by the Commission

Amendment

Article 92a

Decision on a major project subject to phased implementation

1. By derogation from Article 91(1) third subparagraph and Article 92(1) and (2), the procedures set out in this Article shall apply to an operation which complies with the following conditions:

(a) the operation consists of the second or subsequent phase of a major project under the previous programming period for which the preceding phase or phases were approved by the Commission not later than 31 December 2015 pursuant to Council Regulation (EC) No 1083/2006; or in the case of Member States which acceded to the Union after 1 January 2013, 31 December 2016;

(b) the sum of the total eligible costs of all phases of the major project exceed the respective levels set out in Article 90;

(c) the major project application and assessment by the Commission under the previous programming period covered all the planned phases;

(d) there are no substantial changes in the information referred to in Article 91(1) for the major project compared to the information provided for the major project application submitted under Council Regulation (EC) No 1083/2006, in particular as regards the total eligible cost;

(e) the phase of the major project to be implemented under the previous programming period is or will be ready to be used for its intended purpose as specified in the Commission decision by the deadline of the submission of the closure documents for the relevant operational programme or programmes.

2. The Member State may proceed with the selection of the major project in accordance with Article 114(3) and submit the notification containing all the elements set out in Article 92(1)(a) together with its confirmation that the condition under point (d) of paragraph 1 is fulfilled. No quality review of the information by independent experts is required.

3. The financial contribution to the major project selected by the Member State shall

be deemed to be approved by the Commission in the absence of a decision, by means of an implementing act, refusing the financial contribution to the major project within three months of the date of notification. The Commission shall refuse the financial contribution only on the grounds that there have been substantial changes in the information referred to in point (d) of paragraph 1 or that the major project is not consistent with the relevant priority axis of the operational programme or programmes concerned.

4. The provisions of Article 92(3) to (6) shall apply.

Amendment 329

Proposal for a regulation Article 93

Text proposed by the Commission

1. A joint action plan is an operation defined and managed in relation to the outputs and results which it will achieve. It comprises a group of projects, not consisting in the provision of infrastructure, carried out under the responsibility of the beneficiary, as part of an operational programme or programmes. The outputs and results of a joint action plan shall be agreed between the Member State and the Commission and shall contribute to specific objectives of the operational programmes and form the basis of support from the Funds. Results shall refer to direct effects of the joint action plan. The beneficiary shall be a public law body. Joint action plans shall not be considered as major projects.

Amendment

1. A joint action plan is an operation *the scope of which is* defined and *is* managed in relation to the outputs and results which it will achieve. It comprises *a project or* a group of projects, not consisting in the provision of infrastructure, carried out under the responsibility of the beneficiary, as part of an operational programme or programmes. The outputs and results of a joint action plan shall be agreed between the Member State and the Commission and shall contribute to specific objectives of the operational programmes and form the basis of support from the Funds. Results shall refer to direct effects of the joint action plan. The beneficiary shall be a public law body. Joint action plans shall not be considered as major projects.

2. The public **support** allocated to a joint action plan shall be a minimum of EUR 10 000 000 or 20 % of the public support of the operational programme or programmes, whichever is lower.

The first subparagraph shall not apply to the Youth Employment Initiative.

Amendment 330

Proposal for a regulation Article 95 – paragraph 1 – point 1

Text proposed by the Commission

The joint action plan shall contain:

(1) an analysis of the development needs and objectives justifying the joint action plan, taking into account the objectives of the operational programmes and, where applicable, the country-specific recommendations and the broad guidelines of the economic policies of the Member States and of the Union under Article 121(2) and the Council recommendations which the Member States shall take into account in their employment policies under Article 148(4) of the Treaty;

Amendment 331

Proposal for a regulation Article 95 – paragraph 1 – point 9

Text proposed by the Commission

(a) the costs of achieving milestones, outputs and result targets with reference to point (2), based on the methods set out in

2. The public **expenditure** allocated to a joint action plan shall be a minimum of EUR 10 000 000 or 20 % of the public support of the operational programme or programmes, whichever is lower. ***For the purpose of undertaking a pilot project, the public expenditure allocated to one joint action plan for each operational programme may be reduced to EUR 5 000 000.***

The first subparagraph shall not apply to the Youth Employment Initiative.

Amendment

The joint action plan shall contain:

(1) analysis of the development needs and objectives justifying the joint action plan, taking into account the objectives of the operational programmes and, where applicable, the **relevant** country-specific recommendations and the broad guidelines of the economic policies of the Member States and of the Union under Article 121(2) and the **relevant** Council recommendations which the Member States shall take into account in their employment policies under Article 148(4) of the Treaty;

Article 57(4) and in Article 14 of the ESF Regulation;

(b) an indicative schedule of payments to the beneficiary linked to the milestones and targets;

(c) the financing plan by operational programme and priority axis, including the total eligible amount and the public *support*.

Article 57(4) *of this Regulation* and in Article 14 of the ESF Regulation;

(b) an indicative schedule of payments to the beneficiary linked to the milestones and targets;

(c) the financing plan by operational programme and priority axis, including the total eligible amount and the public *expenditure*.

Amendment 332

Proposal for a regulation

Article 96 – paragraph 1 – subparagraph 2

Text proposed by the Commission

Where the Commission, within *three* months following the submission of a joint action plan proposal, considers that it does not meet the appraisal requirements, it shall make observations to the Member State. The Member State shall provide to the Commission all necessary additional information requested and, where appropriate, revise the joint action plan accordingly.

Amendment 333

Proposal for a regulation

Article 96 – paragraph 2

Text proposed by the Commission

2. Provided that any observations have been *satisfactorily* taken into account, the Commission shall adopt a decision approving the joint action plan no later than **6** months after its submission by the Member State but not before the adoption of the operational programmes concerned.

Amendment

Where the Commission, within *two* months following the submission of a joint action plan proposal, considers that it does not meet the appraisal requirements, it shall make observations to the Member State. The Member State shall provide to the Commission all necessary additional information requested and, where appropriate, revise the joint action plan accordingly.

Amendment

2. Provided that any observations have been *adequately* taken into account, the Commission shall adopt a decision, *by means of an implementing act*, approving the joint action plan no later than *four* months after its submission by the Member State but not before the adoption of the operational programmes concerned.

Amendment 334

Proposal for a regulation Article 96 – paragraph 4

Text proposed by the Commission

4. Where the Commission refuses to allow support from the Funds to be given to a joint action plan, it shall notify the Member State of its reasons within the period laid down in paragraph 2.

Amendment

4. Where the Commission refuses, **by means of an implementing act**, to allow support from the Funds to be given to a joint action plan, it shall notify the Member State of its reasons within the period laid down in paragraph 2.

Amendment 335

Proposal for a regulation Article 97 – paragraph 1

Text proposed by the Commission

1. The Member State or the managing authority shall set up a steering committee for the joint action plan, distinct from the monitoring committee of the operational programmes. The steering committee shall meet at least twice a year.

Its composition shall be decided by the Member State in agreement with the managing authority, respecting the principle of partnership.

The Commission may participate in the work of the steering committee in an advisory capacity.

Amendment

1. The Member State or the managing authority shall set up a steering committee for the joint action plan, distinct from the monitoring committee of the **relevant** operational programmes. The steering committee shall meet at least twice a year **and shall report to the managing authority. The managing authority shall inform the relevant Monitoring Committee of the results of the work carried by the Steering Committee and the progress of the implementation of the Joint Action Plan in accordance with Article 100(1)(e) and 114(2)(a).**

Its composition shall be decided by the Member State in agreement with the **relevant** managing authority, respecting the principle of partnership.

The Commission may participate in the work of the steering committee in an advisory capacity.

Amendment 336

Proposal for a regulation Article 97 – paragraph 3

Text proposed by the Commission

3. Requests for amendment of joint action plans submitted by a Member State shall be duly substantiated. The Commission shall assess whether the request for amendment is justified, taking account of the information provided by the Member State. The Commission may make observations and the Member State shall provide to the Commission all necessary additional information. The Commission shall adopt a decision on a request for amendment no later than three months after its formal submission by the Member State, provided that any observations made by the Commission have been satisfactorily taken into account. The amendment shall enter into force from the date of the decision, unless otherwise set out in the decision.

Amendment

3. Requests for amendment of joint action plans submitted by a Member State shall be duly substantiated. The Commission shall assess whether the request for amendment is justified, taking account of the information provided by the Member State. The Commission may make observations and the Member State shall provide to the Commission all necessary additional information. The Commission shall adopt a decision, ***by means of an implementing act***, on a request for amendment no later than three months after its formal submission by the Member State, provided that any observations made by the Commission have been satisfactorily taken into account. The amendment shall enter into force from the date of the decision, unless otherwise set out in the decision.

Amendment 337

Proposal for a regulation Article 99

Text proposed by the Commission

1. Where an urban development strategy or other territorial strategy or pact ***as defined*** in Article 12(1) of Regulation...[ESF] requires an integrated approach involving investments under more than one priority axis of one or more operational programmes, the action ***shall*** be carried out as an integrated territorial investment (an 'ITI').

Amendment

Where an urban development strategy or other territorial strategy or pact ***referred to*** in Article 12(1) of Regulation... [ESF] requires an integrated approach involving investments ***from the ESF, ERDF or Cohesion Fund*** under more than one priority axis of one or more operational programmes, the action ***may*** be carried out as an integrated territorial investment (an 'ITI').

The action carried out under an ITI may be complemented with financial support

2. **The** relevant operational **programmes** shall **identify** the **ITIs planned and shall set out** the indicative financial allocation from each priority axis **to each ITI**.

3. The Member State or the managing authority may designate one or more intermediate bodies, including local authorities, regional development bodies or non-governmental organisations, to carry out the management and implementation of an ITI.

4. The Member State or the relevant managing authorities shall ensure that the monitoring system for the **operational programme** provides for the identification of operations and outputs of a priority axis contributing to an ITI.

(Note: Part 3 - Title II -Chapter IV Territorial development (Article 99) is moved to Part 2 - Title III - Chapter IIa (new))

Amendment 338

Proposal for a regulation Article 100 – paragraph 1 - point h

Text proposed by the Commission

(h) **actions in the** operational programme **relating to the fulfilment of ex ante** conditionalities;

from the EAFRD or the EMFF.

2. **Where an ITI is supported by ESF, ERDF or Cohesion Fund, the** relevant operational **programme(s)** shall **describe the approach to the use of the ITI instrument and** the indicative financial allocation from each priority axis **in accordance with the Fund-specific rules.**

Where an ITI is complemented with financial support from the EAFRD or the EMFF, the indicative financial allocation and the measures covered shall be set out in the relevant programme(s) in accordance with the Fund-specific rules.

3. The Member State or the managing authority may designate one or more intermediate bodies, including local authorities, regional development bodies or non-governmental organisations, to carry out the management and implementation of an ITI **in accordance with the Fund-specific rules.**

4. The Member State or the relevant managing authorities shall ensure that the monitoring system for the **programme(s)** provides for the identification of operations and outputs of a priority axis **or Union priority** contributing to an ITI.

Amendment

(h) **where applicable ex-ante conditionalities are not fulfilled at the date of the submission of the Partnership Agreement and** operational programme, **progress on actions to fulfil the applicable ex-ante** conditionalities;

Amendment 339

Proposal for a regulation

Article 100 – paragraph 2 - introductory part

Text proposed by the Commission

2. *The* monitoring committee shall examine and approve:

Amendment

2. ***By derogation from Article 43(3), the*** monitoring committee shall examine and approve:

Amendment 340

Proposal for a regulation

Article 100 – paragraph 2 - point c

Text proposed by the Commission

(c) the evaluation plan for the operational programme and any amendment of the plan;

Amendment

(c) the evaluation plan for the operational programme and any amendment of the plan, ***including where part of a common evaluation plan pursuant to the first sentence of Article 104(1);***

Amendment 341

Proposal for a regulation

Article 101

Text proposed by the Commission

1. By ***30 April*** 2016 and by ***30 April*** of each subsequent year until and including 2022 the Member State shall submit to the Commission an annual report in accordance with Article 44(1). The report submitted in 2016 shall cover the financial years 2014 and 2015, as well as the period between the starting date for eligibility of expenditure and 31 December 2013.

Amendment

1. By ***31 May*** 2016 and by ***31 May*** of each subsequent year until and including 2022 the Member State shall submit to the Commission an annual ***implementation*** report in accordance with Article 44(1). The report submitted in 2016 shall cover the financial years 2014 and 2015, as well as the period between the starting date for eligibility of expenditure and 31 December 2013.

1a. For the reports submitted in 2017 and 2019, the deadline referred to in

2. Annual implementation reports shall set out information on:

(a) implementation of the operational programme in accordance with Article 44(2);

(b) progress in preparation and implementation of major projects and joint action plans.

3. The annual implementation reports submitted in 2017 and 2019 shall set out and assess the information required under Articles 44(3) and (4) respectively, the information set out in paragraph 2, together with:

(a) progress in implementation of the integrated approach to territorial development, including sustainable urban development, and community-led local development under the operational programme;

(b) progress in implementation of actions to reinforce the capacity of Member State authorities and beneficiaries to administer and use the Funds;

(c) progress in implementation of any interregional and transnational actions;

(d) progress in implementation of the evaluation plan and the follow-up given to the findings of evaluations;

(e) the specific actions taken to promote equality between men and women and to prevent discrimination, **including** accessibility for disabled persons, and the arrangements implemented to ensure the

paragraph 1 shall be 30 June.

2. Annual implementation reports shall set out information on:

(a) implementation of the operational programme in accordance with Article 44(2);

(b) progress in preparation and implementation of major projects and joint action plans.

3. The annual implementation reports submitted in 2017 and 2019 shall set out and assess the information required under Articles 44(3) and (4) respectively, the information set out in paragraph 2 together with ***information on the elements set out under points (d), (g) and (j) below and may dependent on the content and objectives of operational programmes and information on the other elements:***

(a) progress in implementation of the integrated approach to territorial development, including ***development of regions facing demographic challenges and permanent or natural handicaps,*** sustainable urban development, and community-led local development under the operational programme;

(b) progress in implementation of actions to reinforce the capacity of Member State authorities and beneficiaries to administer and use the Funds;

(c) progress in implementation of any interregional and transnational actions;

(ca) where appropriate, contribution to macro-regional and sea basin strategies;

(d) progress in implementation of the evaluation plan and the follow-up given to the findings of evaluations;

(e) the specific actions taken to promote equality between men and women and to prevent discrimination, ***in particular*** accessibility for disabled persons, and the arrangements implemented to ensure the

integration of the gender perspective in the operational programme and operations;

(f) actions taken to promote sustainable development in accordance with Article 8;

(g) the results of the information and publicity measures of the Funds carried out under the communication strategy;

(h) progress in the implementation of actions in the field of social innovation, where appropriate;

(i) progress in the implementation of measures to address the specific needs of geographical areas most affected by poverty or of target groups at highest risk of discrimination or exclusion, with special regard to marginalised communities including, where appropriate, the financial resources used;

(j) the involvement of the partners in the implementation, monitoring and evaluation of the operational programme.

4. The annual and final implementation reports shall be drawn up following models adopted by the Commission by means of implementing acts. These implementing acts shall be adopted in accordance with the advisory procedure referred to in

integration of the gender perspective in the operational programme and operations;

(f) actions taken to promote sustainable development in accordance with Article 8;

(g) the results of the information and publicity measures of the Funds carried out under the communication strategy;

(h) progress in the implementation of actions in the field of social innovation, where appropriate;

(i) progress in the implementation of measures to address the specific needs of geographical areas most affected by poverty or of target groups at highest risk of **poverty**, discrimination or **social exclusion**, with special regard to marginalised communities **and persons with disabilities, long term unemployed and young people not in employment** including, where appropriate, the financial resources used.

(j) the involvement of the partners in the implementation, monitoring and evaluation of the operational programme.

By derogation, and in order to ensure consistency between the Partnership Agreement and the progress report, the Member States with no more than one operational programme per fund may include information related to ex ante conditionalities referred to in Article 44(3), the information required by Article 44(4) and the information referred to in points (a), (b), (c) and (i) of this paragraph in the progress report instead of the annual implementation reports submitted in 2017 and 2019 respectively and the final report respectively, without prejudice to Article 100(2)(b).

4. The annual and final implementation reports shall be drawn up following models adopted by the Commission by means of implementing acts. These implementing acts shall be adopted in accordance with the advisory procedure referred to in

Article 143(2).

Article 143(2).

(Note: paragraph 1a new subject to further horizontal adjustment for N+3.)

Amendment 342

Proposal for a regulation

Article 102

Text proposed by the Commission

1. By 31 January, **30 April**, 31 July and 31 October, the **managing authority** shall transmit electronically to the Commission for monitoring purposes, for each operational programme and by priority axis:

(a) the total and public eligible cost of the operations and the number of operations selected for support;

(b) the total and public eligible cost of contracts or other legal commitments entered into by beneficiaries in implementation of operations selected for support;

(c) the total eligible expenditure declared by beneficiaries to the managing authority.

2. In addition, the transmission **on** 31 January shall contain the above data broken down by category of intervention. This transmission shall be considered to fulfil the requirement for the submission of financial data referred to in Article 44(2).

3. A forecast of the amount for which Member States expect to submit payment applications for the current financial year and the subsequent financial year shall accompany the transmissions to be made by 31 January and 31 July.

4. The cut-off date for the data submitted under this Article shall be the end of the month preceding the month of submission.

Amendment

1. By 31 January, 31 July and 31 October, the **Member State** shall transmit electronically to the Commission for monitoring purposes, for each operational programme and by priority axis:

(a) the total and public eligible cost of the operations and the number of operations selected for support;

(c) the total eligible expenditure declared by beneficiaries to the managing authority.

2. In addition, the transmission **made by** 31 January shall contain the above data broken down by category of intervention. This transmission shall be considered to fulfil the requirement for the submission of financial data referred to in Article 44(2).

3. A forecast of the amount for which Member States expect to submit payment applications for the current financial year and the subsequent financial year shall accompany the transmissions to be made by 31 January and 31 July.

4. The cut-off date for the data submitted under this Article shall be the end of the month preceding the month of submission.

4a. The Commission shall adopt, by means of implementing act in accordance

with the examination procedure laid down in Article 143(3), uniform conditions concerning the model to be used when submitting the financial data to the Commission for monitoring purposes.

(Note: A recital justifying the examination procedure in paragraph 4a is to be inserted later: Implementing act with examination procedure is agreed on the condition that sufficient justification is provided for the choice of procedure; and this in the form of a recital, to be drafted by the Presidency

Amendment 343

Proposal for a regulation Article 103 - point ba (new)

Text proposed by the Commission

Amendment

(ba) where appropriate, an indication of future Union measures and policies necessary to strengthen economic, social and territorial cohesion, as well as to deliver the Union's priorities.

Amendment 344

Proposal for a regulation Article 104

Text proposed by the Commission

Amendment

1. An evaluation plan shall be drawn up by the managing authority for ***each*** operational ***programme***. The evaluation plan shall be submitted to ***the first meeting of*** the monitoring committee. ***Where a single monitoring committee covers more than one operational programme, an evaluation plan may cover all the operational programmes concerned.***

2. By 31 December **2020**, managing authorities shall submit to the Commission, for each programme, a report summarising the findings of evaluations carried out during the programming period, ***including an assessment of*** the main outputs and

1. An evaluation plan shall be drawn up by the managing authority ***or Member State for one or more*** operational ***programmes***. The evaluation plan shall be submitted to the monitoring committee ***no later than a year after the adoption of the programme.***

2. By 31 December **2021**, managing authorities shall submit to the Commission, for each programme, a report summarising the findings of evaluations carried out during the programming period ***and*** the main outputs and results of the programme,

results of the programme.

3. The Commission shall carry out *ex post* evaluations in close cooperation with the Member States and managing authorities.

Amendment 345

Proposal for a regulation Article 105

Text proposed by the Commission

Information and **publicity**

1. Member States and managing authorities shall be responsible for:

(a) ensuring the establishment of a single website or a single website portal providing information on, and access to, all operational programmes in that Member State;

(b) informing potential beneficiaries about funding opportunities under operational programmes;

(c) publicising to Union citizens the role and achievements of cohesion policy and of the Funds through information and communication actions on the results and impact of Partnership Contracts, operational programmes and operations.

2. Member States shall in order to ensure transparency in the support of the Funds maintain a list of operations by operational programme and by Fund in CSV or XML format **which** shall be accessible through the single website or the single website portal providing a list and summary of all operational programmes in that Member

providing comments on the reported information.

3. The Commission shall carry out *ex post* evaluations in close cooperation with the Member States and managing authorities.

Amendment

Information and **Communication**

1. Member States and managing authorities shall be responsible for:

(-a) drawing up the communication strategies;

(a) ensuring the establishment of a single website or a single website portal providing information on, and access to, all operational programmes in that Member State, ***including information about the timing of implementation of programming and any related public consultation processes;***

(b) informing potential beneficiaries about funding opportunities under operational programmes;

(c) publicising to Union citizens the role and achievements of cohesion policy and of the Funds through information and communication actions on the results and impact of Partnership Contracts, operational programmes and operations.

2. Member States ***or managing authorities*** shall in order to ensure transparency in the support of the Funds maintain a list of operations by operational programme and by Fund ***in a spreadsheet data format, which allows the data to be sorted, searched, extracted, compared and easily published on the internet, for instance*** in CSV or XML format. ***The list of***

State.

operations shall be accessible through the single website or the single website portal providing a list and summary of all operational programmes in that Member State.

In order to stimulate the re-use of the list of operations by the private sector, the civil society or national public administration, the website may clearly indicate the applicable licensing rules under which the data are published.

The list of operations shall be updated at least every *three* months.

The list of operations shall be updated at least every *six* months.

The minimum information to be set out in the list of operations is laid down in Annex VI.

The minimum information to be set out in the list of operations is laid down in Annex VI.

3. Detailed rules concerning the information and *publicity* measures for the public and information measures for applicants and for beneficiaries are laid down in Annex VI.

3. Detailed rules concerning the information and *communication* measures for the public and information measures for applicants and for beneficiaries are laid down in Annex VI.

4. Technical characteristics of information and *publicity* measures for the operation and instructions for creating the emblem and a definition of the standard colours *shall be adopted by the Commission by means of implementing acts in accordance with the examination procedure referred to Article 143(3).*

4. *The Commission shall adopt, by means of implementing acts in accordance with the examination procedure laid down in Article 143(3), uniform conditions concerning the* technical characteristics of information and *communication* measures for the operation and instructions for creating the emblem and a definition of the standard colours.

Amendment 346

Proposal for a regulation Article 106

Text proposed by the Commission

1. The managing *authority* shall draw up a communication strategy for each operational programme. A common communication strategy may be drawn up for several operational programmes.

Amendment

1. The *Member State or the* managing *authorities* shall draw up a communication strategy for each operational programme. A common communication strategy may be drawn up for several operational programmes. *The communication strategy shall take into account the size of the*

The communication strategy shall include the elements set out in Annex VI **and annual updates with details of the planned information and publicity activities to be carried out.**

2. The communication strategy shall be **discussed and approved by the first** monitoring committee **following** the adoption of the operational **programme**.

Any revision of the communication strategy shall be discussed in, and approved by, the monitoring committee.

3. **The** managing authority shall inform the monitoring **committee for each operational programme** at least once a year of progress in the implementation of the communication strategy and its **assessment** of the results.

operational programme(s) in accordance with the principle of proportionality.

The communication strategy shall include the elements set out in Annex VI.

2. The communication strategy shall be **submitted to the** monitoring committee **for approval in accordance with Article 100(2)(d) no later than 6 months after** the adoption of the operational **programme(s) concerned.**

Where a common communication strategy is drawn up for several operational programmes and concerns several monitoring committees, the Member State may designate one monitoring committee which shall be responsible, in consultation with the other relevant monitoring committees, for the approval of the common strategy and for the approval of any subsequent revisions.

When necessary, the Member State or managing authorities may revise the communication strategy during the programming period. The revised communication strategy shall be submitted by the managing authority to the monitoring committee for approval in accordance with Article 100(2)(d).

3. **By derogation from the third subparagraph of paragraph 2, the** managing authority **in accordance with Article 100(1)(c)** shall inform the **responsible** monitoring **committee(s)** at least once a year **on the** progress in the implementation of the communication strategy and **on** its **analysis** of the results **as well as on the planned information and communication activities to be carried out in the following year. The monitoring**

committee shall, if it considers appropriate, give an opinion on the planned activities for the following year.

Amendment 347

Proposal for a regulation Article 107

Text proposed by the Commission

1. Each Member State shall designate an information and communication officer to coordinate information and communication actions in relation to one or several Funds and shall inform the Commission accordingly.

2. The information and communication officer shall *coordinate and chair meetings* of a national network of Funds' communicators, *including relevant European territorial cooperation programmes*, the creation and maintenance of the website or website portal referred to in Annex VI and the *obligation to provide* an overview *about* communication measures undertaken at *national* level.

3. Each managing authority shall designate one person *to be* responsible for information and communication at operational programme level and shall inform the Commission of those designated.

4. Union networks comprising the members designated by the Member States *and the managing authorities* shall be set up by the Commission to ensure exchange on the results of the implementation of the communication strategies, the exchange of experience in implementing the information and communication measures, and the exchange of good practices.

Amendment

1. Each Member State shall designate an information and communication officer to coordinate information and communication actions in relation to one or several Funds, *including relevant European Territorial Cooperation programmes*, and shall inform the Commission accordingly.

2. The information and communication officer shall *be responsible for the coordination* of national network of Funds' communicators, *where such a network exists*, the creation and maintenance of the website or website portal referred to in Annex VI and the *provision of* an overview *of* communication measures undertaken at *Member State* level.

3. Each managing authority shall designate one person responsible for information and communication at operational programme level and shall inform the Commission of those designated. *Where appropriate, one person may be designated for several operational programmes.*

4. Union networks comprising the members designated by the Member States shall be set up by the Commission to ensure exchange on the results of the implementation of the communication strategies, the exchange of experience in implementing the information and communication measures, and the exchange of good practices.

Amendment 348

Proposal for a regulation Article 108

Text proposed by the Commission

Technical assistance at the initiative of the Commission

The Funds may support technical assistance up to a ceiling of 0,35 % of their respective annual allocation.

Amendment

Technical assistance at the initiative of the Commission

The Funds, ***in accordance with the deductions laid down in Article 83(3)***, may support technical assistance up to a ceiling of 0,35 % of their respective annual allocation.

Amendment 349

Proposal for a regulation Article 109

Text proposed by the Commission

1. ***Each of the Funds may finance technical assistance operations eligible under any of the other Funds.*** The amount of the Funds allocated to technical assistance shall be limited to 4% of the total amount of the Funds allocated to operational programmes under each category of region of the Investment for growth and jobs goal.

Amendment

1. The amount of the Funds allocated to technical assistance shall be limited to 4% of the total amount of the Funds allocated to operational programmes in a Member State under each category of region, where applicable, of the investment for growth and jobs goal.

1a. Each Fund may support technical assistance operations eligible under any of the other Funds. Without prejudice to the provisions of paragraph 1, the allocation for technical assistance from a Fund shall not exceed 10% of the total allocation of that Fund to operational programmes in a Member State under each category of region, where applicable, of the Investment for growth and jobs goal.

1b. By derogation from Article 60(1) and (2), technical assistance operations may be implemented outside the programme area, but within the Union, provided that

the operations are for the benefit of the operational programme, or, in the case of a technical assistance operational programme for the other programmes concerned.

1c. Where the Structural Funds allocations referred to in paragraph 1 are used to support technical assistance operations relating to more than one category of region, the expenditure relating to the operations may be implemented under a priority axis combining different categories of region and attributed on a pro rata basis taking into account the allocation under each category of region as a share of the total allocation to the Member State.

1d. By way of derogation from paragraph 1, when the total amount of the Funds allocated to a Member State under the Investment for growth and jobs goal is up to EUR 1 billion, the amount allocated to technical assistance may increase up to the lower of 6% or EUR 50 000 000.

2. Technical assistance shall take the form of a mono-fund priority axis within an operational programme or of a specific operational programme.

3. The allocation for technical assistance from a Fund shall not exceed 10% of the total allocation of that Fund to operational programmes in a Member State under each category of region of the Investment for growth and jobs goal.

2. Technical assistance shall take the form of a mono-fund priority axis within an operational programme or of a specific operational programme, ***or both.***

Amendment 350

Proposal for a regulation Article 110 – paragraphs 3 and 4

Text proposed by the Commission

3. The co-financing rate at the level of each priority axis of operational programmes under the Investment for growth and jobs

Amendment

3. The co-financing rate at the level of each priority axis of operational programmes under the Investment for growth and jobs

goal shall be no higher than:

- (a) 85 % for the Cohesion Fund;
- (b) 85 % for the less developed regions of Member States *whose average GDP per capita for the period 2007 to 2009 was below 85 % of the EU-27 average during the same period and* for the outermost regions;
- (c) 80% for the less developed regions of Member States other than those referred to in point (b) eligible for the transitional regime of the Cohesion Fund on 1 January 2014;
- (d) 75% for the less developed regions of Member States other than those referred to in points (b) and (c), and for all regions whose GDP per capita for the 2007-2013 period was less than 75% of the average of the EU-25 for the reference period but whose GDP per capita is above 75% of the GDP average of the EU-27;
- (e) 60 % for the transition regions other than those referred to in point (d);
- (f) 50 % for the more developed regions other than those referred to in point (d).

The co-financing rate at the level of each priority axis of operational programmes under the European territorial cooperation goal shall be no higher than 75%.

4. The co-financing rate of the additional allocation *in accordance with Article 84(1)(e)* shall be no higher than 50%.

The same co-financing rate shall apply to the additional allocation under Article 4(2) of Regulation (EU) No [...] /2012 [ETC Regulation].

goal shall be no higher than:

- (a) 85 % for the Cohesion Fund;
- (b) 85 % for the less developed regions of Member States, for the outermost regions *including additional funding and for Member States consisting of one single NUTS level 2 region eligible for the transitional regime of the Cohesion Fund on 1 January 2014;*
- (c) 80 % for the transition regions *and for regions which were eligible for funding under transitional support pursuant to Article 8(1) of Regulation (EC) No 1083/2006;*
- (f) 50 % for the more developed regions other than those referred to in point (c).

The co-financing rate at the level of each priority axis of operational programmes under the European territorial cooperation goal shall be no higher than 85%.

4. The co-financing rate of the additional allocation *for NUTS level 2 regions fulfilling the criteria laid down in Article 2 of Protocol No 6 to the Treaty of Accession of Austria, Finland and Sweden will* be not higher than 50%.

Amendment 351

Proposal for a regulation Article 110 – paragraph 5

Text proposed by the Commission

5. The maximum co-financing rate under paragraph 3 at the level of a priority axis shall be increased by ten percentage points, where the whole of a priority axis is delivered through financial instruments, or ***through community-led*** local development.

Amendment

5. The maximum co-financing rate under paragraph 3 at the level of a priority axis shall be increased by ***no more than*** ten percentage points, where the whole of a priority axis is delivered through financial instruments, or ***territorial instruments supporting*** local development (***ITI, JAP, CLLD***).

Amendment 352

Proposal for a regulation Article 111 - point 3a new

Text proposed by the Commission

Amendment

(3a) the inclusion of the outermost regions as referred to in Article TFEU;

Amendment 353

Proposal for a regulation Article 111 - point 4 - subpoint ca new

Text proposed by the Commission

Amendment

(ca) regions that suffer from severe demographic vulnerability.

Amendment 354

Proposal for a regulation Article 112

Text proposed by the Commission

Amendment

Responsibilities of Member States

Responsibilities of Member States

1. Member States shall ensure that

1. Member States shall ensure that

management and control systems for operational programmes are set up in accordance with Articles 62 and 63.

2. Member States shall prevent, detect and correct irregularities and shall recover amounts unduly paid, together with any interest on late payments. They shall notify **these** irregularities to the Commission and shall keep the Commission informed of **the** progress of related administrative and legal proceedings.

When amounts unduly paid to a beneficiary cannot be recovered and this is as a result of fault or negligence on the part of a Member State, the Member State shall be responsible for reimbursing the amounts concerned to the general budget of the

management and control systems for operational programmes are set up in accordance with Articles 62 and 63.

2. Member States shall prevent, detect and correct irregularities and shall recover amounts unduly paid, together with any interest on late payments. They shall notify irregularities **that exceed EUR 10 000 in contribution from the Funds** to the Commission and shall keep the Commission informed of **significant** progress of related administrative and legal proceedings.

The Member States shall not notify irregularities to the Commission in the following cases:

(a) cases where the irregularity consists solely in the failure to execute, in whole or in part, an operation included in the co-financed operational program owing to the bankruptcy of the beneficiary;

(b) cases brought to the attention of the managing authority or certifying authority by the beneficiary voluntarily and before detection by either of them, whether before or after the payment of the public contribution;

(c) cases which are detected and corrected by the managing authority or certifying authority before inclusion of the expenditure concerned in a statement of expenditure submitted to the Commission.

In all the other cases, in particular those preceding a bankruptcy or in cases of suspected fraud, the detected irregularities with the associated preventing and correcting measures shall be reported to the Commission.

When amounts unduly paid to a beneficiary cannot be recovered and this is as a result of fault or negligence on the part of a Member State, the Member State shall be responsible for reimbursing the amounts concerned to the general budget of the Union. ***Member States may decide not to***

Union.

The Commission shall be empowered to adopt delegated acts in accordance with Article 142 laying down detailed rules **concerning the obligations of the Member States specified in this paragraph.**

3. Member States shall ensure that no later than 31 December 2014, all exchanges of information between beneficiaries and managing **authorities**, certifying **authorities**, audit **authorities** and intermediate bodies can be carried out **solely** by means of electronic data exchange systems.

The systems shall facilitate interoperability with national and Union frameworks and allow for the beneficiaries to submit all information referred to in the first subparagraph only once.

The Commission shall adopt, by means of implementing acts, detailed rules concerning the exchanges of information under this paragraph. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 143(3).

The first, second and third subparagraphs shall not apply to the EMFF.

recover an amount unduly paid if the amount to be recovered from the beneficiary, not including interests, does not exceed EUR 250 in contribution from the Funds.

The Commission shall be empowered to adopt delegated acts in accordance with Article 142 laying down **additional** detailed rules **on the criteria for determining the cases of irregularity to be reported, the data to be provided and on the conditions and procedures to be applied to determine whether amounts which are irrecoverable shall be reimbursed by Member States.**

The Commission shall adopt implementing acts in accordance with the advisory procedure under Article 143(2) setting out the frequency of the reporting and the reporting format to be used.

3. Member States shall ensure that no later than 31 December **2015**, all exchanges of information between beneficiaries and **a** managing **authority**, certifying **authority**, audit **authority** and intermediate bodies can be carried out by means of electronic data exchange systems.

The systems shall facilitate interoperability with national and Union frameworks and allow for the beneficiaries to submit all information referred to in the first subparagraph only once.

The Commission shall adopt, by means of implementing acts, detailed rules concerning the exchanges of information under this paragraph. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 143(3).

The first, second and third subparagraphs shall not apply to the EMFF.

Amendment 355

Proposal for a regulation Article 113 – paragraph 1

Text proposed by the Commission

1. The Member State shall designate, for each operational programme, a national, regional or local public authority or body as managing authority. The same **public authority or body** may be designated **as a managing authority** for more than one operational programme.

Amendment

1. The Member State shall designate, for each operational programme, a national, regional or local public authority or body **or a private body** as managing authority. The same **managing** authority may be designated for more than one operational programme.

Amendment 356

Proposal for a regulation Article 113 – paragraph 3

Text proposed by the Commission

3. The Member State may designate for an operational programme a managing authority which **carries** out in addition the functions of the certifying authority.

Amendment

3. The Member State may designate for an operational programme a managing authority, which **is a public authority or body, to carry** out in addition the functions of the certifying authority.

Amendment 357

Proposal for a regulation

Article 113 – paragraph 5 – subparagraph 1

Text proposed by the Commission

5. For the Investment for growth and jobs goal and the EMFF, provided that the principle of separation of functions is respected, the managing authority, the certifying authority, where applicable, and the audit authority may be part of the same public authority or body. **However, for** those operational programmes for which the total amount of support from the Funds exceeds EUR 250 000 000 or, from the EMFF exceeds EUR 100 000 000, the audit authority may **not** be part of the same public authority or body as the managing authority.

Amendment

5. For the Investment for growth and jobs goal and the EMFF, provided that the principle of separation of functions is respected, the managing authority, the certifying authority, where applicable, and the audit authority may be part of the same public authority or body. **For** those operational programmes for which the total amount of support from the Funds exceeds EUR 250 000 000 or, from the EMFF exceeds EUR 100 000 000, the audit authority may be part of the same public authority or body as the managing authority ***either if, pursuant to the applicable provisions for the previous programming period, the Commission has informed the Member State of its conclusion that it can rely principally on its audit opinion, or if the Commission is satisfied on the basis of the experience of the previous programming period that the institutional organisation and accountability of the audit authority provide adequate guarantees of its functional independence and reliability.***

Amendment 358

Proposal for a regulation

Article 113 – paragraph 7 a (new)

Text proposed by the Commission

Amendment

7a. The Member State may, at its own initiative, designate a coordinating body whose responsibility is to liaise with and provide information to the Commission, to coordinate activities of the other relevant designated bodies and to promote the harmonised application of Union rules.

Amendment 359

Proposal for a regulation Article 113 a (new)

Text proposed by the Commission

Amendment

Article 113a

Procedure for the designation of the managing authority and the certifying authority

- 1. The Member State shall notify the Commission of the date and form of the designations, carried out at an appropriate level, of the managing authority and, where appropriate, of the certifying authority prior to the submission of the first application for interim payment to the Commission.*
- 2. The designations referred to in paragraph 1 shall be based on a report and an opinion of an independent audit body that assesses the compliance of the authorities with the criteria relating to the internal control environment, risk management, control activities, and monitoring set out in Annex XX. The independent audit body shall be the audit authority, or another public or private law body with the necessary audit capacity, which is independent of the managing authority and, where applicable, of the certifying authority, and which shall carry out its work taking account of internationally accepted audit standards. Where the independent audit body concludes that the part of the management and control system, concerning the managing authority or the certifying authority, is essentially the same as for the previous programming period, and that there is evidence, on the basis of audit work done in accordance with the relevant provisions of Council Regulation (EC) No 1083/2006, of their*

effective functioning during that period, it may conclude that the relevant criteria are fulfilled without carrying out additional audit work.

3. Where the total amount of support from the Funds to an operational programme exceeds EUR 250 000 000, the Commission may request, within one month of notification of the designations referred to in paragraph 1, the report and the opinion of the independent audit body referred to in paragraph 2 and the description of the functions and procedures in place for the managing authority or, where appropriate, the certifying authority. The Commission shall decide whether to request these documents on the basis of its risk assessment, taking into account information on significant changes in the functions and procedures of the managing authority or, where appropriate, the certifying authority compared to those in place for the previous programming period, and relevant evidence of their effective functioning.

The Commission may make observations within two months of receipt of these documents.

Without prejudice to the application of Article 74, the examination of these documents shall not interrupt the treatment of applications for interim payments.

4. Where the total amount of support from the Funds to an operational programme exceeds EUR 250 000 000 and there are significant changes in the functions and procedures of the managing authority or, where appropriate, of the certifying authority compared to those in place for the previous programming period, the Member State may, at its own initiative, submit to the Commission, within two months of the notification of designations

referred to in paragraph 1, the documents referred to in paragraph 3. The Commission shall make observations on these documents within three months of receipt of these documents.

5. Where existing audit and control results show that the designated authority no longer complies with the criteria referred to in paragraph 2, the Member State shall, at an appropriate level, fix, according to the severity of the problem, a period of probation, during which the necessary remedial action shall be taken.

Where the designated authority fails to implement the required remedial action within the period of probation determined by the Member State, the Member State, at an appropriate level, shall end its designation.

The Member State shall notify the Commission without delay when a designated authority is put under probation, providing information on the respective probation period, when following implementation of remedial actions the probation is ended, as well as when the designation of an authority is ended. The notification that a designated body is put under probation by the Member State, without prejudice to the application of Article 74, shall not interrupt the treatment of applications for interim payments.

6. Where the designation of a managing authority or a certifying authority is ended, Member States shall designate, following the procedure foreseen in paragraph 2, a new body which will, following its designation, take over the functions of the managing authority or of the certifying authority, and shall notify the Commission thereof.

7. The Commission shall adopt, by means of implementing act, in accordance with the examination procedure referred to in Article 143(3), uniform conditions on the

model for the report and opinion of the independent audit body and the description of the functions and procedures in place for the managing authority and, where appropriate, the certifying authority.

Amendment 360

Proposal for a regulation Article 114 – paragraph 2

Text proposed by the Commission

2. As regards the **programme** management of the operational programme, the managing authority shall:

(a) support the work of the monitoring committee and provide it with the information it requires to carry out its tasks, in particular data relating to the progress of the operational programme in achieving its objectives, financial data and data relating to indicators and milestones;

(b) draw up and, after approval by the monitoring committee, submit to the Commission annual and final implementation reports;

(c) make available to intermediate bodies and beneficiaries information that is relevant to the execution of their tasks and the implementation of operations respectively;

(d) establish a system to record and store in computerised form data on each operation necessary for monitoring, evaluation, financial management, verification and audit, including data on individual participants in operations, where applicable;

(e) ensure that the data referred to in point (d) is collected, entered and stored in the system, and that data on indicators is

Amendment

2. As regards the management of the operational programme, the managing authority shall:

(a) support the work of the monitoring committee **referred to in Article 41** and provide it with the information it requires to carry out its tasks, in particular data relating to the progress of the operational programme in achieving its objectives, financial data and data relating to indicators and milestones;

(b) draw up and, after approval by the monitoring committee, submit to the Commission annual and final implementation reports **referred to in Article 44**;

(c) make available to intermediate bodies and beneficiaries information that is relevant to the execution of their tasks and the implementation of operations respectively;

(d) establish a system to record and store in computerised form data on each operation necessary for monitoring, evaluation, financial management, verification and audit, including data on individual participants in operations, where applicable;

(e) ensure that the data referred to in point (d) is collected, entered and stored in the system, and that data on indicators is

broken down by gender where required by Annex I of the ESF Regulation.

broken down by gender where required by Annex I of the ESF Regulation.

Amendment 361

Proposal for a regulation Article 114 – paragraph 3

Text proposed by the Commission

3. As regards the selection of operations, the managing authority shall:

(a) draw up and, once approved, apply appropriate selection procedures and criteria that:

- (i) are non-discriminatory and transparent;
- (ii) take into account the general principles set out in Articles 7 and 8;
- (b) ensure that a selected operation falls within the scope of the Fund or Funds concerned and **within** a category of intervention or, in the case of the EMFF, a measure identified in the priority or priorities of the operational programme;
- (c) **provide to** the beneficiary a document setting out the conditions for support for each operation including the specific requirements concerning the products or services to be delivered under the operation, the financing plan, and the time-limit for execution;
- (d) satisfy itself that the beneficiary has the administrative, financial and operational capacity to fulfil the conditions defined in point (c) before approval of the operation;
- (e) satisfy itself that, where the operation has started before the submission of an application for funding to the managing

Amendment

3. As regards the selection of operations, the managing authority shall:

(a) draw up and, once approved, apply appropriate selection procedures and criteria that:

(-i) ensure the contribution of operations to the achievement of the specific objectives and results of the relevant priority;

- (i) are non-discriminatory and transparent;
- (ii) take into account the general principles set out in Articles 7 and 8;
- (b) ensure that a selected operation falls within the scope of the Fund or Funds concerned and **can be attributed to** a category of intervention or, in the case of the EMFF, a measure identified in the priority or priorities of the operational programme;
- (c) **ensure that** the beneficiary **is provided with** a document setting out the conditions for support for each operation including the specific requirements concerning the products or services to be delivered under the operation, the financing plan, and the time-limit for execution;
- (d) satisfy itself that the beneficiary has the administrative, financial and operational capacity to fulfil the conditions defined in point (c) before approval of the operation;
- (e) satisfy itself that, where the operation has started before the submission of an application for funding to the managing

authority, Union and national rules relevant for the operation have been complied with;

(f) ensure that ***an applicant does not receive*** support from the Funds where it has been, or should have been, subject to a procedure of recovery in accordance with Article 61 following the relocation of a productive activity ***within the Union***;

(g) determine the ***categories*** of intervention or, in the case of the EMFF, the measures to which the expenditure of an operation shall be attributed.

Amendment 362

Proposal for a regulation Article 114 – paragraph 4

Text proposed by the Commission

4. As regards the financial management and control of the operational programme, the managing authority shall:

(a) verify that the co-financed products and services have been delivered and that expenditure declared by the beneficiaries has been paid ***by them*** and that it complies with applicable Union and national law, the operational programme and the conditions for support of the operation;

(b) ensure that beneficiaries involved in the implementation of operations reimbursed on the basis of eligible costs actually incurred maintain either a separate accounting system or an adequate accounting code for all transactions relating to an operation;

(c) put in place effective and proportionate anti-fraud measures taking into account the risks identified;

(d) set up procedures to ensure that all

authority, ***applicable*** Union and national rules relevant for the operation have been complied with;

(f) ensure that ***operations selected for*** support from the Funds ***do not include activities which were part of an operation which has been or should have been subject*** to a procedure of recovery in accordance with Article 61 following the relocation of a productive activity ***outside the programme area***;

(g) determine the ***category*** of intervention or, in the case of the EMFF, the measures to which the expenditure of an operation shall be attributed.

Amendment

4. As regards the financial management and control of the operational programme, the managing authority shall:

(a) verify that the co-financed products and services have been delivered and that expenditure declared by the beneficiaries has been paid and that it complies with applicable Union and national law, the operational programme and the conditions for support of the operation;

(b) ensure that beneficiaries involved in the implementation of operations reimbursed on the basis of eligible costs actually incurred maintain either a separate accounting system or an adequate accounting code for all transactions relating to an operation;

(c) put in place effective and proportionate anti-fraud measures taking into account the risks identified;

(d) set up procedures to ensure that all

documents regarding expenditure and audits required to ensure an adequate audit trail are held in accordance with the requirements of Article 62(g);

(e) draw up the management declaration *of assurance on the functioning of the management and control system, the legality and regularity of underlying transactions and the respect of the principle of sound financial management, together with a report setting out the results of management controls carried out, any weaknesses identified in the management and control system and any corrective action taken.*

documents regarding expenditure and audits required to ensure an adequate audit trail are held in accordance with the requirements of Article 62(g);

(e) draw up the management declaration *and annual summary referred to in Article 59(5)(a) and (b) of the Financial Regulation.*

Amendment 363

Proposal for a regulation Article 114 – paragraph 5 – subparagraph 2

Text proposed by the Commission

The frequency and coverage of the on-the-spot verifications shall be proportionate to the amount of public support to an operation and the level of risk identified by these verifications and audits by the audit authority for the management and control system as a whole.

Note: does not affect French version (linguistic amendment to English)

Amendment

The frequency and coverage of the on-the-spot verifications shall be proportionate to the amount of public support to an operation and **to** the level of risk identified by these verifications and audits by the audit authority for the management and control system as a whole.

Amendment 364

Proposal for a regulation Article 114 – paragraphs 8, 9 and 10

Text proposed by the Commission

8. The Commission shall adopt delegated acts, in accordance with Article 142, laying down *the modalities of the exchange of information in* paragraph 2(d).

Amendment

8. The Commission shall **be empowered to** adopt delegated acts, in accordance with Article 142 laying down **rules specifying the information in**

relation to the data to be recorded and stored in computerised form within monitoring system established under point (d) of paragraph 2.

The Commission shall adopt implementing acts laying down the technical specifications of the system established under point (d) of paragraph 2. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 143(3).

9. The Commission shall adopt delegated acts, in accordance with Article 142, laying down rules concerning arrangements for the audit trail referred to in paragraph 4(d).

9. The Commission shall ***be empowered to*** adopt delegated acts, in accordance with Article 142, laying down ***the detailed minimum requirements*** for the audit trail referred to in paragraph 4(d) ***in respect of the accounting records to be maintained and the supporting documents to be held at the level of the certifying authority, managing authority, intermediate bodies and beneficiaries.***

10. The Commission shall adopt, ***by means of*** implementing acts, the model for the management declaration referred to in paragraph 4(e). ***Those implementing acts shall be adopted in accordance with the advisory procedure referred to in Article 143(2).***

10. The Commission shall adopt implementing acts, ***in accordance with the advisory procedure referred to in Article 143(2) laying down uniform conditions on*** the model for the management declaration referred to in paragraph 4 (e) ***of this*** Article.

Note: the appropriate linguistic formulation for IA provisions to be further discussed.

Amendment 365

Proposal for a regulation Article 115 – paragraph 1

Text proposed by the Commission

The certifying authority of an operational programme shall be responsible in particular for:

(a) drawing up and submitting to the Commission payment applications and certifying that these result from reliable

Amendment

The certifying authority of an operational programme shall be responsible in particular for:

(a) drawing up and submitting to the Commission payment applications and certifying that these result from reliable

accounting systems, are based on verifiable supporting documents and have been subject to verifications by the managing authority;

(b) drawing up the *annual* accounts;

(c) certifying the completeness, accuracy and veracity of the *annual* accounts and that the expenditure entered in the accounts complies with applicable Union and national rules and has been incurred in respect of operations selected for funding in accordance with the criteria applicable to the operational programme and complying with Union and national rules;

(d) ensuring that there is a system which records and stores, in computerised form, accounting records for each operation, and which supports all the data required for drawing up payment applications and *annual* accounts, including records of amounts recoverable, amounts recovered and amounts withdrawn following cancellation of all or part of the contribution for an operation or operational programme;

(e) ensuring for the purposes of drawing up and submission of payment applications that it has received adequate information from the managing authority on the procedures and verifications carried out in relation to expenditure;

(f) taking account when drawing up and submitting payment applications the results of all audits carried out by or under the responsibility of the audit authority;

(g) maintaining accounting records in a computerised form of expenditure declared to the Commission and the corresponding public contribution paid to beneficiaries;

(h) keeping an account of amounts recoverable and of amounts withdrawn following cancellation of all or part of the contribution for an operation. Amounts

accounting systems, are based on verifiable supporting documents and have been subject to verifications by the managing authority;

(b) drawing up the accounts *referred to in Article 59(5)(a) of the Financial Regulation*;

(c) certifying the completeness, accuracy and veracity of the accounts and that the expenditure entered in the accounts complies with applicable Union and national rules and has been incurred in respect of operations selected for funding in accordance with the criteria applicable to the operational programme and complying with Union and national rules;

(d) ensuring that there is a system which records and stores, in computerised form, accounting records for each operation, and which supports all the data required for drawing up payment applications and accounts, including records of amounts recoverable, amounts recovered and amounts withdrawn following cancellation of all or part of the contribution for an operation or operational programme;

(e) ensuring for the purposes of drawing up and submission of payment applications that it has received adequate information from the managing authority on the procedures and verifications carried out in relation to expenditure;

(f) taking account when drawing up and submitting payment applications *of* the results of all audits carried out by or under the responsibility of the audit authority;

(g) maintaining accounting records in a computerised form of expenditure declared to the Commission and the corresponding public contribution paid to beneficiaries;

(h) keeping an account of amounts recoverable and of amounts withdrawn following cancellation of all or part of the contribution for an operation. Amounts

recovered shall be repaid to the general budget of the Union prior to the closure of the operational programme by deducting them from the next statement of expenditure.

recovered shall be repaid to the general budget of the Union prior to the closure of the operational programme by deducting them from the next statement of expenditure.

Amendment 366

Proposal for a regulation Article 116

Text proposed by the Commission

1. The audit authority shall ensure that audits are carried out on the management and control systems, on an appropriate sample of operations **and on the annual accounts**.

Amendment

1. The audit authority shall ensure that audits are carried out on the **proper functioning of the** management and control system **of the operational programme and** on an appropriate sample of operations **on the basis of the declared expenditure**.

The declared expenditure shall be audited based on a representative sample and as a general rule on statistical sampling methods.

A non- statistical sampling method may be used on the professional judgement of the audit authority in duly justified cases in accordance with international audit standards and in any case when the number of operations for an accounting year is insufficient to allow the use of statistical method.

In such cases the size of the sample shall be sufficient to enable the audit authority to draw up a valid audit opinion in accordance with Article 59(5)(b) of the Financial Regulation.

The non-statistical sample method shall cover a minimum of 5% of operations for which expenditure has been declared to the Commission during an accounting year and 10% of the expenditure which has been declared to the Commission during an accounting year.

The Commission shall be empowered to adopt delegated acts in accordance with Article 142 to set out the conditions which those audits shall fulfil.

2. Where audits are carried out by a body other than the audit authority, the audit authority shall ensure that any such body has the necessary functional independence.

3. The audit authority shall ensure that audit work takes account of internationally accepted audit standards.

4. The audit authority shall, within **six** months of adoption of an operational programme, prepare an audit strategy for performance of audits. The audit strategy shall set out the audit methodology, the sampling method for audits on operations and the planning of audits in relation to the current accounting year and the two subsequent accounting years. The audit strategy shall be updated annually from 2016 until and including 2022. Where a common management and control system applies to more than one operational programme, a single audit strategy may be prepared for the operational programmes concerned. The audit authority shall submit the audit strategy to the Commission upon request.

5. The audit authority shall draw up:

(i) an audit opinion ***on the annual accounts for the preceding accounting year, whose scope shall cover the completeness, accuracy and veracity of the annual accounts, the functioning of the management and control system and the legality and regularity of the underlying transactions;***

(ii) ***an annual*** control report setting out the findings of the audits carried out ***during the preceding accounting year.***

2. Where audits are carried out by a body other than the audit authority, the audit authority shall ensure that any such body has the necessary functional independence.

3. The audit authority shall ensure that audit work takes account of internationally accepted audit standards.

4. The audit authority shall, within **eight** months of adoption of an operational programme, prepare an audit strategy for performance of audits. The audit strategy shall set out the audit methodology, the sampling method for audits on operations and the planning of audits in relation to the current accounting year and the two subsequent accounting years. The audit strategy shall be updated annually from 2016 until and including 2022. Where a common management and control system applies to more than one operational programme, a single audit strategy may be prepared for the operational programmes concerned. The audit authority shall submit the audit strategy to the Commission upon request.

5. The audit authority shall draw up:

(i) an audit opinion ***in accordance with Article 59(5)(b) of the Financial Regulation;***

(ii) ***a*** control report setting out the ***main*** findings, ***including deficiencies found in the management and control systems,*** of the audits carried out ***according to paragraph 1 and the proposed and implemented corrective actions.***

The report under point (ii) shall set out any deficiencies found in the management and control system and any corrective measures taken or proposed to be taken.

Where a common management and control system applies to more than one operational programme, the information required under point (ii) may be grouped in a single report.

6. The Commission shall adopt, by means of implementing acts, models for the audit strategy, the audit opinion and the ***annual control report, as well as the methodology for the sampling method referred to in paragraph 4.*** These implementing acts shall be adopted in accordance with the examination procedure referred to in Article 143(3).

7. ***Implementing rules concerning the use of data collected during audits carried out by Commission officials or authorised Commission representatives shall be adopted by the Commission in accordance with the examination procedure referred to in Article 143(3).***

Amendment 367

Proposal for a regulation Article 117

Text proposed by the Commission

Article 117

Accreditation and withdrawal of accreditation of the managing authority and the certifying authority

Where a common management and control system applies to more than one operational programme, the information required under point (ii) may be grouped in a single report.

6. The Commission shall adopt, by means of implementing acts, models for the audit strategy, the audit opinion and the control report. These implementing acts shall be adopted in accordance with the advisory procedure referred to in Article 143(2).

6a. The Commission shall be empowered to adopt delegated acts in accordance with Article 142 to set out the scope and content of audits of operations and audits of the accounts and the methodology for the selection of the sample of operations referred to in paragraph 1.

7. ***The Commission shall be empowered to adopt delegated acts, in accordance with Article 142, laying down detailed rules on the use of data collected during audits carried out by Commission officials or authorised Commission representatives.***

Amendment

deleted

1. The accrediting body shall adopt a formal decision to accredit those managing authorities and certifying authorities that comply with the accreditation criteria that have been established by the Commission by means of delegated acts in accordance with Article 142.

2. The formal decision referred to in paragraph 1 shall be based on a report and an opinion of an independent audit body that assesses the management and control system, including the role of intermediate bodies therein, and its compliance with Articles 62, 63, 114 and 115. The accrediting body shall take into account whether the management and control systems for the operational programme are similar to those in place for the previous programming period, as well as any evidence of their effective functioning.

3. The Member State shall submit the formal decision referred to in paragraph 1 to the Commission within six months of the adoption of the decision adopting the operational programme.

4. Where the total amount of support from the Funds to an operational programme exceeds EUR 250 000 000 or from the EMFF exceeds EUR 100 000 000, the Commission may request, within two months of receipt of the formal decision referred to in paragraph 1, the report and the opinion of the independent audit body and the description of the management and control system.

The Commission may make observations within two months of receipt of these documents.

In deciding whether to request those documents, the Commission shall take into account whether the management and control systems for the operational programme are similar to those in place for the previous programming period,

whether the managing authority also carries out the functions of the certifying authority, and any evidence of their effective functioning.

Amendment 368

Proposal for a regulation Article 118 – paragraph 1

Text proposed by the Commission

1. The Commission shall cooperate with audit authorities to coordinate their audit plans and methods and shall immediately exchange the results of audits carried out on management and control systems.

Amendment

1. The Commission shall cooperate with audit authorities to coordinate their audit plans and methods and shall immediately exchange **with those authorities** the results of audits carried out on management and control systems.

Amendment 369

Proposal for a regulation Article 118 – paragraph 3

Text proposed by the Commission

3. The Commission, the audit authorities and any coordination body shall meet on a regular basis and at least once a year, unless otherwise agreed, to examine the annual control report, the opinion and the audit strategy, and to exchange views on issues relating to improvement of the management and control systems.

Amendment

3. The Commission, the audit authorities and any coordination body shall meet on a regular basis and, **as a general rule**, at least once a year, unless otherwise agreed, to examine the annual control report, the **audit** opinion and the audit strategy, and to exchange views on issues relating to improvement of the management and control systems.

Amendment 370

Proposal for a regulation Title VII – title

Text proposed by the Commission

FINANCIAL MANAGEMENT,
CLEARANCE OF ACCOUNTS AND

Amendment

FINANCIAL MANAGEMENT,
EXAMINATION AND ACCEPTANCE

Amendment 371**Proposal for a regulation
Article 119***Text proposed by the Commission*

The Member State shall ensure that at the latest by the closure of the operational programme, the amount of public **support** paid to beneficiaries is at least equal to the contribution from the Funds paid by the Commission to the Member State.

Amendment

The Member State shall ensure that at the latest by the closure of the operational programme, the amount of public **expenditure** paid to beneficiaries is at least equal to the contribution from the Funds paid by the Commission to the Member State.

Amendment 372**Proposal for a regulation
Article 120 – paragraph 1***Text proposed by the Commission*

Common rules for calculating interim payments and payment of the **annual and** final balance

1. The Commission shall reimburse as interim payments 90% of the amount resulting from applying the co-financing rate for each priority laid down in the decision adopting the operational programme to the eligible expenditure for the priority included in the payment application. **It shall determine the annual balance in accordance with Article 130(1).**

Amendment

Common rules for calculating interim payments and payment of the final balance

1. The Commission shall reimburse as interim payments 90% of the amount resulting from applying the co-financing rate for each priority laid down in the decision adopting the operational programme to the eligible expenditure for the priority **axis** included in the payment application. **The Commission shall determine the remaining amounts to be reimbursed as interim payments or recovered in accordance with Article 130.**

Amendment 373

Proposal for a regulation Article 120 – paragraph 2

Text proposed by the Commission

2. The contribution from the Funds or the EMFF to a priority through the interim payments and payment of the **annual and** the final balance shall not be higher than:

(a) the public **support** indicated in the payment application for the priority; and

(b) the contribution from the Funds or the EMFF for the priority laid down in the decision of the Commission approving the operational programme.

Amendment

2. The contribution from the Funds or the EMFF to a priority through the interim payments and payment of the final balance shall not be higher than:

(a) the **eligible** public **expenditure** indicated in the payment application for the priority; and

(b) the contribution from the Funds or the EMFF for the priority laid down in the decision of the Commission approving the operational programme.

Amendment 374

Proposal for a regulation Article 121 – paragraph 1 – point a

Text proposed by the Commission

(a) the total amount of eligible expenditure **paid** by beneficiaries in implementing operations, as entered into the **accounts** of the certifying authority;

Amendment

(a) the total amount of eligible expenditure **incurred** by beneficiaries **and paid** in implementing operations, as entered into the **accounting system** of the certifying authority;

Amendment 375

Proposal for a regulation Article 121 – paragraph 1 – point b

Text proposed by the Commission

(b) the total amount of public **support** incurred in implementing operations, as entered into the **accounts** of the certifying authority;

Amendment

(b) the total amount of public **expenditure** incurred in implementing operations, as entered into the **accounting system** of the certifying authority.

Amendment 376

Proposal for a regulation Article 121 – paragraph 2

Text proposed by the Commission

2. **Expenditure** included in a payment application shall be supported by receipted invoices or accounting documents of equivalent probative value, except for forms of support under Articles 57 (1) (b) (c) and (d), 58, 59 (1) and 93 and under Article 14 of the Regulation (EU) No [...]/**2012** of the European Parliament and of the Council of the European Social Funds and repealing Regulation (EC) No 1081/2006 [ESF]. For such forms of support, the amounts included in a payment application shall be the costs **reimbursed to the beneficiary by the managing authority**.

Amendment 377

Proposal for a regulation Article 123

Text proposed by the Commission

1. Member States which have not adopted the euro as their currency on the date of an application for payment shall convert the amounts of expenditure incurred in national currency into euro. This amount shall be converted into euro using the monthly accounting exchange rate of the Commission in the month during which the expenditure was registered in the accounts of the **managing** authority of the operational programme concerned. This rate shall be published electronically by the Commission each month.

2. When the euro becomes the currency of a Member State, the conversion procedure set out in paragraph 1 shall continue to apply to all expenditure recorded in the

Amendment

2. **Eligible expenditure** included in a payment application shall be supported by receipted invoices or accounting documents of equivalent probative value, except for forms of support under Articles 57(1)(b)(c) and (d), 58, 59(1) and 93 **of this Regulation** and under Article 14 of the Regulation (EU) No [...]/**2013** of the European Parliament and of the Council on the European Social Funds and repealing Regulation (EC) No 1081/2006 [ESF]. For such forms of support, the amounts included in a payment application shall be the costs **calculated on the applicable basis**.

Amendment

1. Member States which have not adopted the euro as their currency on the date of an application for payment shall convert the amounts of expenditure incurred in national currency into euro. This amount shall be converted into euro using the monthly accounting exchange rate of the Commission in the month during which the expenditure was registered in the accounts of the **certifying** authority of the operational programme concerned. This rate shall be published electronically by the Commission each month.

2. When the euro becomes the currency of a Member State, the conversion procedure set out in paragraph 1 shall continue to apply to all expenditure recorded in the

accounts by the *managing* authority before the date of entry into force of the fixed conversion rate between the national currency and the euro.

accounts by the *certifying* authority before the date of entry into force of the fixed conversion rate between the national currency and the euro.

Amendment 378

Proposal for a regulation Article 124

Text proposed by the Commission

1. The initial pre-financing amount shall be paid in instalments as follows:

(a) in 2014: **2 %** of the amount of support from the Funds and the EMFF for the entire programming period to the operational programme;

(b) in 2015: **1 %** of the amount of support from the Funds and the EMFF for the entire programming period to the operational programme;

(c) in 2016: **1 %** of the amount of support from the Funds and the EMFF for the entire programming period to the operational programme.

If an operational programme is adopted in 2015 or later, the earlier instalments shall be paid in the year of adoption.

2. An annual pre-financing amount shall be paid before 1 July in the years 2016 to **2022**. In 2016, it shall be 2 % of the amount of the support from the Funds and from the EMFF for the whole programming period to the operational programme. In the years 2017 to **2022**, it shall be 2,5% of the amount of the support from the Funds and from the EMFF for the whole programming period to the operational programme.

Amendment

1. The initial pre-financing amount shall be paid in instalments as follows:

(a) in 2014: **2,5%** of the amount of support from the Funds and the EMFF for the entire programming period to the operational programme;

(b) in 2015: **2 %** of the amount of support from the Funds and the EMFF for the entire programming period to the operational programme;

(c) in 2016: **2 %** of the amount of support from the Funds and the EMFF for the entire programming period to the operational programme.

If an operational programme is adopted in 2015 or later, the earlier instalments shall be paid in the year of adoption.

2. An annual pre-financing amount shall be paid before 1 July in the years 2016 to **2023**. In 2016, it shall be 2 % of the amount of the support from the Funds and from the EMFF for the whole programming period to the operational programme. In the years 2017 to **2023**, it shall be 2,5% of the amount of the support from the Funds and from the EMFF for the whole programming period to the operational programme.

Amendment 379

Proposal for a regulation Article 125

Text proposed by the Commission

Amendment

Article 125

deleted

Clearance of pre-financing

The amount paid as annual pre-financing shall be cleared from the Commission accounts in accordance with Article 130.

Amendment 380

Proposal for a regulation Article 126 - paragraph 1

Text proposed by the Commission

Amendment

1. The certifying authority shall submit on a regular basis an application for interim payment covering amounts entered in its *accounts as public support paid to beneficiaries* in the accounting year *ending 30 June*.

1. The certifying authority shall submit on a regular basis an application for interim payment *in accordance with article 121(1)* covering amounts entered in its *accounting system* in the accounting year. *However, the certifying authority, when it considers necessary, may include such amounts in payment applications submitted in subsequent accounting years.*

Note: Definition of accounting year in paragraph (23) of Article 2 to be reviewed.

Amendment 381

Proposal for a regulation Article 126 - paragraph 3

Text proposed by the Commission

Amendment

3. The first application for interim payment shall not be made before the *formal act accrediting* the managing *authority has been received by the Commission*.

3. The first application for interim payment shall not be made before the *notification to the Commission of the designation of* the managing *and certifying authorities in accordance with Article 113a*.

Amendment 382

Proposal for a regulation Article 126 - paragraph 4

Text proposed by the Commission

4. Interim payments shall not be made for an operational programme where the annual implementation report has not been sent to the Commission in accordance with Fund-specific rules.

Amendment

4. Interim payments shall not be made for an operational programme where the annual implementation report has not been sent to the Commission in accordance with Fund-specific rules.

Amendment 383

Proposal for a regulation Article 127

Text proposed by the Commission

1. The Commission shall decommit any part of the amount calculated in accordance with the second subparagraph in an operational programme that has not been used for payment of the initial and annual pre-financing, interim payments **and annual balance** by 31 December of the **second** financial year following the year of budget commitment under the operational programme or for which a payment application drawn up in accordance with Article 121 has not been submitted in accordance with Article 126.

For the purposes of the decommitment, the Commission shall calculate the amount by adding one sixth of the annual budget commitment related to the 2014 total annual contribution to each of the 2015 to 2020 budget commitments.

2. By way of derogation from the first subparagraph of paragraph 1, the deadlines for decommitment shall not apply to the annual budget commitment related to the 2014 total annual contribution.

Amendment

1. The Commission shall decommit any part of the amount calculated in accordance with the second subparagraph in an operational programme that has not been used for payment of the initial and annual pre-financing **and** interim payments by 31 December of the **third** financial year following the year of budget commitment under the operational programme or for which a payment application drawn up in accordance with Article 121 has not been submitted in accordance with Article 126.

3. If the first annual budget commitment is related to the 2015 total annual contribution, by way of derogation from paragraph 1, the deadlines for decommitment shall not apply to the annual budget commitment related to the total annual contribution of 2015. In such cases, the Commission shall calculate the amount under the first sub-paragraph of paragraph 1 by adding one fifth of the annual budget commitment related to the 2015 total amount contribution to each of the 2016 to 2020 budget commitments.

4. That part of commitments still open on 31 December **2022** shall be decommitted if any of the documents required under Article **130**(1) has not been submitted to the Commission by **30 September 2023**.

4. That part of commitments still open on 31 December **2023** shall be decommitted if any of the documents required under Article **133**(1) has not been submitted to the Commission by ***the deadline set out in Article 133(1)***.

Amendment 384

Proposal for a regulation Article 127 – paragraph 4 a (new)

Text proposed by the Commission

Amendment

4a. When the Commission takes a decision to authorise a major project, any amounts that are potentially concerned by automatic decommitment shall be reduced by the annual amounts allocated to such major projects. For such annual amounts, the starting date for the calculation of the automatic decommitment deadline referred to in the first subparagraph of paragraph 1 shall be the date of the decision that is subsequently necessary in order to authorise such major projects.

Amendment 385

Proposal for a regulation Chapter II – title

Text proposed by the Commission

Amendment

Clearance of accounts and closure

Preparation, examination and acceptance
of accounts and closure

Amendment 386

Proposal for a regulation Section I – title

Text proposed by the Commission

Amendment

CLEARANCE OF ACCOUNTS

PREPARATION OF ACCOUNTS

Amendment 387

Proposal for a regulation Article 128 – title and paragraph 1 – introductory part

Text proposed by the Commission

Amendment

Content of the **annual** accounts

Preparation of the accounts

1. The certified **annual** accounts for each operational programme shall cover the accounting year and shall include at the level of each priority:

1. The certified accounts ***referred to in Article 59(5)(a) of the Financial Regulation shall be submitted to the Commission*** for each operational programme. ***The accounts*** shall cover the accounting year and shall include at the level of each priority ***axis and, where applicable, fund and category of regions:***

Amendment 388

Proposal for a regulation Article 128 – paragraph 1 – point b a (new)

Text proposed by the Commission

Amendment

(ba) amounts of pre-financing paid to

Amendment 389

**Proposal for a regulation
Article 128 – point c**

Text proposed by the Commission

Amendment

(c) for each priority, the list of operations completed during the accounting year that were supported by ERDF, Cohesion Fund and EMFF;

deleted

Amendment 390

**Proposal for a regulation
Article 128 – paragraph 2**

Text proposed by the Commission

Amendment

2. The certifying authority may specify by priority in the accounts a provision, which shall not exceed 5 % of the total expenditure in payment applications presented for a given accounting year, where the assessment of the legality and regularity of the expenditure is subject to an ongoing procedure with the audit authority. The amount covered shall be excluded from the total amount of eligible expenditure referred to in paragraph 1(a). These amounts shall be definitively included in, or excluded from, the annual accounts of the following year.

2. Where a Member State excludes from the accounts, expenditure previously included in an application for interim payment for the accounting year because it is subject to an ongoing assessment of its legality and regularity, the whole or part of such expenditure which is found to be legal and regular may be included in an application for interim payment relating to subsequent accounting years.

Amendment 391

**Proposal for a regulation
Article 128 – paragraph 2 a (new)**

Text proposed by the Commission

Amendment

2a. The Commission shall adopt, by means of implementing acts, the model

for the accounts. Those implementing acts shall be adopted in accordance with the advisory procedure referred to in Article 143(2).

Amendment 392

Proposal for a regulation Article 129

Text proposed by the Commission

For each year from 2016 until and including **2022**, the Member State shall submit the documents referred to in Article 75(1).

Amendment

For each year from 2016 until and including **2025**, the Member State shall submit the documents referred to **and by the deadline set out in Article 59(5) of the Financial Regulation, namely:**

(a) the accounts referred to in Article 128(1) for the preceding accounting year;

(b) the management declaration and the summary report referred to in Article 114 (4)(e);

(c) the audit opinion and the control report referred to in Article 116 (5)(i) and (ii).

Amendment 393

Proposal for a regulation Article 130

Text proposed by the Commission

Annual clearance of accounts

Amendment

Examination and acceptance of accounts

-1. The Commission shall carry out an examination of the documents submitted by the Member State under Article 129. Upon request by the Commission, the Member State shall provide all necessary additional information to enable the Commission to determine whether the accounts are complete, accurate and true by the deadline set out in Article 76(1).

-1a. The Commission shall accept the accounts where it is able to conclude that the accounts are complete, accurate and true. The Commission shall reach such a conclusion where the audit authority has provided an unqualified audit opinion regarding the completeness, accuracy and veracity of the accounts unless the Commission has specific evidence that the audit opinion on the accounts is unreliable.

-1b. The Commission shall inform the Member State by the deadline set out in Article 76(1) whether or not it is able to accept the accounts.

-1c. When it is not able to accept the accounts by the deadline, the Commission shall notify the Member State of the actions which must be undertaken and the time period for their completion, or of the additional enquiries which the Commission proposes to undertake under Article 65(2). At the end of the time period for the completion of the actions by the Member State, or following the additional enquiries by the Commission, the Commission shall inform the Member State whether or not it is able to accept the accounts.

-1d. Issues related to legality and regularity of the underlying transactions concerning expenditure entered in the accounts shall not be taken into account for the purposes of acceptance of the accounts by the Commission. The procedure for examination and acceptance of the accounts shall not interrupt the treatment of applications for interim payments and shall not lead to suspension of payments, without prejudice to the application of Articles 74 and 134.

1. For the purposes of calculating the amount chargeable to the Funds and to the EMFF for ***an*** accounting year, ***the*** Commission shall take into account:

1. On the basis of the accepted accounts, the Commission shall calculate the amount chargeable to the Funds and to the EMFF for ***the accounting year ***and the consequent adjustments in relation to the******

- (a) the ***total amount of expenditure entered into*** the accounts referred to in Article 128(1)(a), to which shall be applied the co-financing rate for each priority;
- (b) the total amount of payments made by the Commission during that accounting year, consisting of:
- (i) the amount of interim payments paid by the Commission in accordance with Article 120(1) and Article 22; and
- (ii) the amount of the annual pre-financing paid under Article 124(2).

payments to the Member State. The Commission shall take into account:

- (a) the ***amounts in*** the accounts referred to in Article 128(1)(a) ***and*** to which shall be applied the co-financing rate for each priority;
- (b) the total amount of payments made by the Commission during that accounting year, consisting of:
- (i) the amount of interim payments paid by the Commission in accordance with Article 120(1) and Article 22; and
- (ii) the amount of the annual pre-financing paid under Article 124(2).

1a. Following the procedure under paragraph 1, the Commission shall clear the respective annual pre-financing and pay any additional amount due within 30 days of the acceptance of the accounts. 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 under subsequent payments to the same operational programme. Such recovery shall not constitute a financial correction and shall not reduce support from the Funds to the operational programme. The amount recovered shall constitute assigned revenue in accordance with Article 177(3) of the Financial Regulation.

1b. Where following the procedure set out in paragraph -1c, the Commission is not able to accept the accounts, the Commission shall determine, on the basis of available information and in accordance with paragraph 1, the amount chargeable to the Funds for the accounting year, and shall inform the Member State. Where the Member State notifies the Commission of its agreement within two months of the transmission by

the Commission of the information, paragraph 1a shall apply. In the absence of such agreement, the Commission shall adopt a decision, by means of implementing acts, setting out the amount chargeable to the Funds for the accounting year. Such decision shall not constitute a financial correction and shall not reduce support from the Funds to the operational programme. On the basis of the decision, the Commission shall apply the adjustments to the payments to the Member State in accordance with paragraph 1a.

1c. The acceptance of the accounts by the Commission, or a decision by the Commission under paragraph 1b, is without prejudice to the application of corrections under Articles 136 and 137.

1d. Member States may replace irregular amounts which are 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 Articles 136 and 137.

2. The annual balance which, as a result of the clearance of accounts, is recoverable from the Member State shall be subject to a recovery order of the Commission. The annual balance payable to the Member State shall be added to the next interim payment made by the Commission following the clearance of accounts.

3. If, for reasons attributable to a Member State, the Commission is not in a position to clear the accounts by 30 April of the year following the end of an accounting year, the Commission shall notify the Member State of the actions that must be undertaken by the managing authority or audit authority, or of the additional enquiries the Commission proposes to undertake pursuant to Article 65(2) and (3).

4. Payment of the annual balance by the Commission shall be based on the expenditure declared in the accounts, net of any provision made in respect of expenditure declared to the Commission which is subject to a contradictory procedure with the audit authority.

Amendment 394

Proposal for a regulation

Article 131

Text proposed by the Commission

Amendment

Article 131

deleted

Rolling Closure

1. For the ERDF, the Cohesion Fund and the EMFF, the annual accounts for each operational programme shall include at the level of each priority the list of operations completed during the accounting year. The expenditure relating to these operations included in the accounts subject to the clearance decision shall be considered as closed.

2. For the ESF, the expenditure included in the accounts that are subject to a clearance decision shall be considered as closed.

Amendment 395

Proposal for a regulation

Article 132 – paragraph 1 - subparagraph 1

Text proposed by the Commission

Amendment

1. Without prejudice to the rules governing State aid, the managing authority shall ensure that all supporting documents on operations are made available to the Commission and the European Court of Auditors upon request for a period of three

1. Without prejudice to the rules governing State aid, the managing authority shall ensure that all supporting documents **regarding expenditure supported by the Funds on operations for which the total eligible expenditure is less than EUR**

years. ***This three year period shall run from 31 December of the year of the clearance of accounts decision pursuant to Article 130 or, at the latest, from the date of payment of the final balance.***

1 000 000, are made available to the Commission and the European Court of Auditors upon request for a period of three years from 31 December following the submission of the accounts in which the expenditure of the operation is included. In the case of all other operations, all supporting documents are made available for a three year period from 31 December following the submission of the accounts in which the final expenditure of the completed operation is included.

Amendment 396

Proposal for a regulation Article 132 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

1a. The managing authority shall inform beneficiaries of the start date of the period referred to in paragraph 1.

Amendment 397

Proposal for a regulation Article 132 – paragraph 4

Text proposed by the Commission

Amendment

4. The Commission shall be empowered to adopt delegated acts in accordance with Article 142 ***to set*** out which data carriers can be considered as commonly accepted.

4. The Commission shall be empowered to adopt delegated acts, in accordance with Article 142, ***setting*** out which data carriers can be accepted.

Amendment 398

Proposal for a regulation Article 133 – paragraph 1

Text proposed by the Commission

Amendment

1. Member States shall submit the following documents by ***30 September***

1. Member States shall submit the following documents by ***the deadline***

2023:

(a) an application for payment of the final balance;

(b) a final implementation report for the operational programme supported by the Funds or the last annual implementation report for the operational programme supported by the EMFF; and

(c) the documents referred to in Article 75(1) for the final accounting year, from 1 July 2022 to 30 June 2023.

referred to in Article 59(5) of the Financial Regulation in 2024:

(b) a final implementation report for the operational programme supported by the Funds or the last annual implementation report for the operational programme supported by the EMFF; and

(c) the documents referred to in Article 129 for the final accounting year, from 1 July 2022 to 30 June 2023.

Amendment 399

Proposal for a regulation Article 133 – paragraph 2

Text proposed by the Commission

2. The final balance shall be paid no later than three months after the date of ***clearance*** of accounts of the final accounting year or one month after the date of acceptance of the final implementation report, whichever date is later.

Amendment

2. The final balance shall be paid no later than three months after the date of ***acceptance*** of accounts of the final accounting year or one month after the date of acceptance of the final implementation report, whichever date is later.

The beneficiary shall receive the entire final payment of the balance within the deadlines and on the conditions fixed by Directive 2011/7/EU of the European Parliament and of the Council of 16 February 2011 on combating late payment in commercial transactions¹ (the European late payment Directive).

¹ OJ L 48, 23.2.2011, p. 1

Amendment 400

Proposal for a regulation Article 134 – paragraph 1

Text proposed by the Commission

1. All or part of the interim payments at the level of priorities or operational programmes may be suspended by the Commission *where*:

(a) there is a serious deficiency in the management and control system of the operational programme for which corrective measures have not been taken;

(b) expenditure in a statement of expenditure is linked to an irregularity having serious financial consequences which has not been corrected;

(c) the Member State has failed to take the necessary action to remedy the situation giving rise to an interruption under Article 74;

(d) there is a serious deficiency in the quality and reliability of the monitoring system or of the data on common and specific indicators;

(e) *the Member State has failed to undertake actions set out in the operational programme relating to fulfilment of an ex ante conditionalities*;

(f) there is evidence resulting from a performance review that a priority has failed to achieve the milestones set out in the performance framework;

(g) *the Member State fails to respond or does not reply satisfactorily under Article 20(3).*

Amendment

1. All or part of the interim payments at the level of priorities or operational programmes may be suspended by the Commission *if one or more of the following conditions is met*:

(a) there is a serious deficiency in the management and control system of the operational programme, *which has put at risk the Union contribution to the operational programme and* for which corrective measures have not been taken;

(b) expenditure in a statement of expenditure is linked to an irregularity having serious financial consequences which has not been corrected;

(c) the Member State has failed to take the necessary action to remedy the situation giving rise to an interruption under Article 74;

(d) there is a serious deficiency in the quality and reliability of the monitoring system or of the data on common and specific indicators;

(e) *there is a failure to complete actions to fulfil an ex ante conditionality subject to the conditions set out in Article 17*;

(f) there is evidence resulting from a performance review that a priority *axis* has *seriously* failed to achieve the milestones *relating to financial and output indicators and key implementation steps* set out in the performance framework *subject to the conditions set out in Article 20*.

The Fund-specific rules for the EMFF may lay down additional bases for suspension of payments where a Member State has failed to comply with its obligations under the Common Fisheries Policy.

The Fund-specific rules for the EMFF may lay down additional bases for suspension of payments where a Member State has failed to comply with its obligations under the Common Fisheries Policy.

Amendment 401

Proposal for a regulation Article 135 – paragraph 2

Text proposed by the Commission

2. The Member State shall make the financial corrections required in connection with individual or systemic irregularities detected in operations or operational programmes. Financial corrections shall consist of cancelling all or part of the public contribution to an operation or operational programme. The Member State shall take into account the nature and gravity of the irregularities and the financial loss to the Funds or the EMFF and shall apply a proportionate correction. Financial corrections shall be recorded in the **annual** accounts by the managing authority for the accounting year in which the cancellation is decided.

Amendment

2. The Member State shall make the financial corrections required in connection with individual or systemic irregularities detected in operations or operational programmes. Financial corrections shall consist of cancelling all or part of the public contribution to an operation or operational programme. The Member State shall take into account the nature and gravity of the irregularities and the financial loss to the Funds or the EMFF and shall apply a proportionate correction. Financial corrections shall be recorded in the accounts by the managing authority for the accounting year in which the cancellation is decided.

Amendment 402

Proposal for a regulation Article 136 – paragraph 6

Text proposed by the Commission

6. The Commission shall be empowered **to adopt** delegated acts in accordance with Article 142 **establishing** the criteria for establishing the level of financial correction to be applied.

Amendment

6. The Commission shall be empowered, **by means of** delegated acts in accordance with Article 142, **to lay down detailed rules concerning the criteria for determining the cases that are to be regarded as serious deficiencies within the meaning of this Article and** the criteria for establishing the level of financial

correction to be applied.

Amendment 403

Proposal for a regulation Article 137 – paragraph 6

Text proposed by the Commission

6. Where irregularities affecting **annual** accounts sent to the Commission are detected by the Commission or by the European Court of Auditors, the resulting financial correction shall reduce support from the Funds to the operational programme.

Amendment

6. Where irregularities affecting accounts sent to the Commission **by the Member States** are detected by the Commission or by the European Court of Auditors, the resulting financial correction shall reduce support from the Funds to the operational programme.

Amendment 404

Proposal for a regulation Article 140

Text proposed by the Commission

1. Operations for which the total eligible expenditure does not exceed EUR **100 000 for the Funds** or EUR 50 000 for the EMFF shall not be subject to more than one audit by either the audit authority or the Commission prior **to the closure of all the expenditure concerned under Article 131**. Other operations shall not be subject to more than one audit per accounting year by the audit authority and the Commission prior **to the closure of all the expenditure concerned under Article 131**. **These provisions are without prejudice to** paragraph 4.

Amendment

1. Operations for which the total eligible expenditure does not exceed EUR **200 000 for the ERDF and the CF, EUR 150 000 for the ESF** or EUR 50 000 for the EMFF shall not be subject to more than one audit by either the audit authority or the Commission prior **to the submission of the accounts for the accounting year in which the operation is completed**. Other operations shall not be subject to more than one audit per accounting year by either the audit authority or the Commission prior **to the submission of the accounts for the accounting year in which the operation is completed**. **Operations shall not be subject to an audit by the Commission or the audit authority in any year if there has already been an audit in that year by the European Court of Auditors, provided that the results of the audit work performed by the European Court of Auditors for such operations can be used**

2. For operational programmes for which the most recent audit opinion indicates that there are no significant deficiencies, the Commission may agree with the audit authority in the subsequent meeting referred to in Article 118(3) that the level of audit work required may be reduced so that it is proportionate to the risk established. In such cases, the Commission **will** not carry out its own on-the-spot audits unless there is evidence suggesting deficiencies in the management and control system affecting expenditure declared to the Commission in an accounting year for which the accounts have been **the subject of a clearance decision**.

3. For operational programmes for which the Commission concludes that it can rely on the opinion of the audit authority, it may agree with the audit authority to limit **its** own on the spot audits to audit the work of the audit authority unless there is evidence of deficiencies in the work of the audit authority work for an accounting year for which the accounts have been **subject to a clearance decision**.

4. **Without prejudice to paragraph 1, the** audit authority and the Commission may carry out audits of operations in case a risk assessment establishes a specific risk of irregularity or fraud, in case of evidence of serious deficiencies in the management and control system of the operational programme concerned, and, during the **3 years following closure of all the expenditure of an operation under Article 131, as part of an audit sample**. The Commission may **at any time carry out audits of operations** for the purpose of **assessing the work of an** audit authority **by re-performance of its audit activity**.

by the audit authority or the Commission for the purpose of fulfilling their respective tasks. The provisions set out above shall be applied subject to the exceptions set out in paragraph 4.

2. For operational programmes for which the most recent audit opinion indicates that there are no significant deficiencies, the Commission may agree with the audit authority in the subsequent meeting referred to in Article 118(3) that the level of audit work required may be reduced so that it is proportionate to the risk established. In such cases, the Commission **shall** not carry out its own on-the-spot audits unless there is evidence suggesting deficiencies in the management and control system affecting expenditure declared to the Commission in an accounting year for which the accounts have been **accepted by the Commission**.

3. For operational programmes for which the Commission concludes that it can rely on the opinion of the audit authority, it may agree with the audit authority to limit **the Commission's** own on-the-spot audits to audit the work of the audit authority unless there is evidence of deficiencies in the work of the audit authority work for an accounting year for which the accounts have been **accepted by the Commission**.

4. **The** audit authority and the Commission may carry out audits of operations in case a risk assessment **or an audit by the European Court of Auditors** establishes a specific risk of irregularity or fraud, in case of evidence of serious deficiencies in the management and control system of the operational programme concerned, and, during the **period referred to in Article 132(1)**. The Commission may, **for the purpose of assessing the work of an audit authority, review the audit trail of the audit authority or take part in the on-the-spot audits of the audit authority and, where in accordance with internationally accepted audit standards, it is necessary**

for the purpose of *obtaining assurance as to the effective functioning of the* audit authority, *the Commission may carry out audits of operations.*

Amendment 405

Proposal for a regulation Article 142 – paragraph 2

Text proposed by the Commission

2. The delegations of power referred to in *this Regulation* shall be conferred *for an indeterminate period of time from the* date of entry into force of this Regulation.

Amendment

2. The delegations of power referred to in *Articles...¹* shall be conferred *on the Commission for a period of 3 years from ...². The Commission shall draw up a report in respect of the delegation of power not later than 9 months before the end of the three year period. The delegation of power shall be tacitly extended until the review of this Regulation, unless the European Parliament or the Council opposes such extension not later than 3 months before the end of that period.*

¹ Note: Numbers of all Articles where delegated acts are provided for to be inserted during legal-linguistic finalisation.

² OJ: (insert date of entry into force of this Regulation)

Amendment 406

Proposal for a regulation Article 142 – paragraph 3

Text proposed by the Commission

The delegations of power referred to in Articles *5(3), 12, 20(4), 29(6), 32(1), 33(3), 33(4), 33(7), 34(3), 35(5), 36(4), 54(1), 58, 112(2), 114(8), 114(9), 116(1),*

Amendment

The delegations of power referred to in Articles ...¹ may be revoked at any time by the European Parliament or by the Council.

117(1), 132(4), 136(6) and 141 may be revoked at any time by the European Parliament or by the Council.

A decision **of revocation** 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.

¹*Note: Numbers of all Articles where delegated acts are provided for to be inserted during legal-linguistic finalisation.*

Amendment 407

Proposal for a regulation

Article 142 – paragraph 5 – subparagraph 1

Text proposed by the Commission

The delegated **acts** shall enter into force only if no objection has been expressed either by the European Parliament or the Council within a period of 2 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 2 months at the initiative of the European Parliament or the Council.

¹*Note: Numbers of all Articles where delegated acts are provided for to be inserted during legal-linguistic finalisation.*

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

A delegated **act adopted pursuant to Articles ...**¹ shall enter into force only if no objection has been expressed either by the European Parliament or the Council within a period of 2 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 2 months at the initiative of the European Parliament or the Council.

Amendment 408

Proposal for a regulation Article 143 – paragraph 1

Text proposed by the Commission

1. **The** Commission shall be assisted by a Coordination Committee **of** the Funds. That committee shall be a committee within the meaning of Regulation (EU) No 182/2011.

Amendment

1. **In the application of this Regulation, Regulation (EU) No.../ (ERDF), Regulation (EU) No.../ (ETC), Regulation (EU) No.../ (ESF) and Regulation (EU) No.../ (Cohesion Fund) the** Commission shall be assisted by a Coordination Committee **for the European Structural and Investment** Funds. That committee shall be a committee within the meaning of Regulation (EU) No 182/2011.

Amendment 409

Proposal for a regulation Article 143 – paragraph 3

Text proposed by the Commission

3. Where reference is made to this paragraph, Article 5 of Regulation (EU) No 182/2011 shall apply.

Where the opinion of the committee under paragraphs 2 and 3 is to be obtained by written procedure, that procedure shall be terminated without result when, within the time-limit for delivery of the opinion, the chair of the committee so decides or (...) [number of members] (a ... majority of) [majority to be specified: simple, two-thirds, etc.] committee members so request.

Where the committee delivers no opinion, the Commission shall not adopt the draft implementing act and the third subparagraph of Article 5(4) of Regulation (EU) No 182/2011 shall apply.

Amendment

3. Where reference is made to this paragraph, Article 5 of Regulation (EU) No 182/2011 shall apply.

Amendment 410

Proposal for a regulation Article 144

Text proposed by the Commission

1. The European Parliament and the Council shall review this Regulation by 31 December **20XX** in accordance with Article 177 of the Treaty.

Amendment

The European Parliament and the Council shall review this Regulation by 31 December **2020** in accordance with Article 177 of the Treaty ***on the Functioning of the European Union.***

Amendment 411

Proposal for a regulation Article 145

Text proposed by the Commission

1. This Regulation shall not affect the continuation or modification, including the total or partial cancellation, ***of the projects concerned, until their closure, or*** of assistance approved by the Commission on the basis of Regulation (EC) No 1083/2006 or any other legislation applying to that assistance on 31 December 2013.

2. Applications ***made*** under Council Regulation (EC) No 1083/2006 shall remain valid.

Amendment

1. This Regulation shall not affect ***either*** the continuation or modification, including the total or partial cancellation of assistance approved by the Commission on the basis of Regulation (EC) No 1083/2006 or any other legislation applying to that assistance on 31 December 2013, ***which shall consequently apply thereafter to that assistance or the operations concerned until their closure.***

2. Applications ***to receive assistance made or approved*** under Council Regulation (EC) No 1083/2006 shall remain valid.

2a. Where a Member State makes use of the option set out in Article 113(3), it may submit a request to the Commission for the managing authority to carry out the functions of the certifying authority by way of derogation from Article 59(1)(b) of Council Regulation (EC) No 1083/2006 for the corresponding operational programmes implemented on the basis of Council Regulation (EC) No 1083/2006. The request shall be accompanied by an assessment made by the audit authority. Where the Commission is satisfied on the

basis of information made available from the audit authority and from its own audits that the management and control systems of these operational programmes function effectively and that their functioning will not be prejudiced by the managing authority carrying out the functions of the certifying authority, it shall inform the Member State of its agreement within 2 months of the date of receipt of the request.

Amendment 412

Proposal for a regulation Article 146

Text proposed by the Commission

1. Council Regulation (EC) No 1083/2006 is hereby repealed with effect from 1 January 2014.
2. References to the repealed Regulation shall be construed as references to this Regulation.

Amendment

1. ***Without prejudice to the provisions laid down in Article 145***, Council Regulation (EC) No 1083/2006 is hereby repealed with effect from 1 January 2014.
2. References to the repealed Regulation shall be construed as references to this Regulation ***and shall be read in accordance with the correlation table set out in Annex xxxx.***

Amendment 413

Proposal for a regulation Article 147

Text proposed by the Commission

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

Amendment

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

Articles 18 to 22, 25(3), 33(1)(a), 51, 53, 66 to 84, 108, 110, 111 and 119 to 139 of this Regulation shall apply with effect from 1 January 2014.

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

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

Amendment 414

Proposal for a regulation Annex I – title

Text proposed by the Commission

Common Strategic Framework *elements related to the coherence and consistency with the economic policies of Member States and the Union, coordination mechanisms among the CSF Funds and with other relevant Union policies and instruments, horizontal principles and cross-cutting policy objectives and arrangements to address territorial challenges*

Amendment

Common Strategic Framework (*CSF*)

Amendment 415

Proposal for a regulation Annex I – part 1

Text proposed by the Commission

1. Introduction

In order to maximise the contribution of the *CSF* Funds to smart, sustainable and inclusive growth, ***thereby reducing disparities***, it is necessary to ensure that policy commitments made in the context of the Europe 2020 strategy are underpinned by investment through the *CSF* Funds and other Union instruments. ***Member States shall thus identify how their programmes can contribute to*** the policy objectives and headline targets of the Europe 2020 strategy and the flagship initiatives.

Amendment

1. Introduction

In order ***to promote the harmonious, balanced and sustainable development of the Union and*** to maximise the contribution of the ***European Structural and Investment Funds*** to smart, sustainable and inclusive growth ***as well as the Fund-specific missions of the European Structural Investment Funds, including economic, social and territorial cohesion***, it is necessary to ensure that policy commitments made in the context of the Europe 2020 strategy are underpinned by investment through the ***European Structural and Investment Funds*** and other Union instruments. ***The Common***

Strategic Framework therefore shall in accordance with Article 10, and in compliance with the priorities and objectives laid down in the fund-specific regulations, provide strategic guiding principles in order to achieve an integrated development approach using the European Structural and Investment Funds coordinated with other Union instruments and policies, in line with the policy objectives and headline targets of the Europe 2020 strategy and, where appropriate, the flagship initiatives, while taking into account the key territorial challenges and specific national, regional and local contexts.

Amendment 416

Proposal for a regulation Annex I – part 2

Text proposed by the Commission

2. Coherence *and Consistency* with the Union's Economic Governance

1. *Member States* shall give particular attention to prioritising growth-friendly expenditure, including spending on education, research, innovation and energy efficiency and expenditure to facilitate the access of SMEs to finance and to ensure environmental sustainability, the management of natural resources and

Amendment

2. Contribution of European Structural and Investment Funds to the Union's Strategy for Smart Sustainable and Inclusive Growth and Coherence with the Union's Economic Governance

-1. To support effective targeting of smart, sustainable and inclusive growth in the Partnership Agreements and programmes this Regulation identifies eleven thematic objectives set out in Article 9 corresponding to the priorities of the Europe 2020 strategy which shall receive support from the European Structural and Investment Funds.

1. In line with these thematic objectives, Member States shall in order to ensure critical mass necessary to deliver growth and jobs, concentrate support in accordance with Article 16 of this Regulation and Fund specific rules on thematic concentration and shall ensure the effectiveness of spending. They shall

climate action, **and to ensuring the effectiveness of such spending**. They shall also take account of maintaining or reinforcing the coverage and effectiveness of employment services and active labour market policies, with a focus on youth **unemployment**.

2. **In preparing their Partnership Contracts**, Member States shall **programme** the CSF Funds taking into account the most recent relevant country-specific recommendations **issued by the Council on the basis of** Article 121(2) and Article 148(4) of the Treaty on the Functioning of the European Union in accordance with their respective roles and obligations. Member States shall also take into account relevant Council recommendations based on the Stability and Growth Pact and the economic adjustment programmes. **Each Member State shall set out in the Partnership Contract, in accordance with Article 14(a)(i) of this Regulation, how different Union and national funding streams contribute to addressing the challenges identified by the relevant country-specific recommendations concerned and the objectives set out in their National Reform Programmes in close consultation with the responsible regional and local authorities.**

give particular attention to prioritising growth-friendly expenditure, including spending on education, research, innovation and energy efficiency and expenditure to facilitate the access of SMEs to finance, and to ensure environmental sustainability, **and** the management of natural resources and climate action **as well as to modernise public administration**. They shall also take account of maintaining or reinforcing the coverage and effectiveness of employment services and active labour market policies **to fight unemployment**, with a focus on youth **and tackle the social consequences of the crisis and promote social inclusion**.

2. **To ensure consistency with priorities established in the context of the European Semester, in preparing their Partnership Agreements**, Member States shall **plan the use of the European Structural and Investment Funds** taking into account **the National Reform Programmes, where appropriate, and** the most recent relevant country-specific recommendations **and relevant Council recommendations adopted in accordance with** Article 121(2) and Article 148(4) of the Treaty on the Functioning of the European Union in accordance with their respective roles and obligations. Member States, **where necessary**, shall also take into account relevant Council recommendations based on the Stability and Growth Pact and the economic adjustment programmes.

2a. In order to determine the way in which the European Structural and Investment Funds can most effectively contribute to the Europe 2020 strategy, and to take account of the Treaty objectives, including economic, social and territorial cohesion, Member States shall

select the thematic objectives for the planned use of the European Structural and Investment Funds within the appropriate national, regional and local contexts.

Amendment 417

Proposal for a regulation Annex I – part 3 – section 3.1

Text proposed by the Commission

Amendment

3. *Coordination Mechanisms Among* the CSF Funds

3. *Integrated Approach to and Arrangements for the Use of* the European Structural and Investment Funds

3.1 Introduction

3.1 Introduction

-1. In accordance with Article 14 (2) (a) of this Regulation the Partnership Agreement shall indicate an integrated approach to territorial development. Member States shall ensure that the selection of thematic objectives and investment and Union priorities addresses development needs and territorial challenges in an integrated manner in line with the analysis set out in section 6.3 below. Member States shall seek to make maximum use of the possibilities to ensure coordinated and integrated delivery of the European Structural and Investment funds.

1. Member States shall ensure that the interventions supported through the CSF Funds are complementary and are implemented in a coordinated manner *that leads to a reduction of* administrative cost and burden *on the ground*.

1. Member States *and, where appropriate in accordance with Article 4(4), regions* shall ensure that the interventions supported through the *European Structural and Investment* Funds are complementary and are implemented in a coordinated manner *with a view to create synergies, in order to reduce* administrative cost and burden *for managing bodies and beneficiaries in accordance with Articles 4, 14 and 24 of this Regulation*.

Amendment 418

Proposal for a regulation Annex I – part 3 – section 3.2

Text proposed by the Commission

3.2 Coordination and complementarity

1. Member States and managing authorities responsible for the implementation of the **CSF** Funds shall work closely together in the preparation, implementation, monitoring and evaluation of the Partnership **Contract** and programmes. In particular, they shall ensure that the following actions are carried out:

(a) identify areas of intervention where the **CSF** Funds can be combined in a complementary manner to achieve the thematic objectives set out in this Regulation;

(b) promote the involvement of managing authorities responsible for other **CSF** Funds or other managing authorities and relevant ministries in the development of support schemes to ensure coordination and avoid overlaps;

(c) establish, where appropriate, joint monitoring committees for programmes

Amendment

3.2 Coordination and complementarity

1. Member States and managing authorities responsible for the implementation of the **European Structural and Investment** Funds shall work closely together in the preparation, implementation, monitoring and evaluation of the Partnership **Agreement** and programmes. In particular, they shall ensure that the following actions are carried out:

(a) identify areas of intervention where the **European Structural and Investment Funds** can be combined in a complementary manner to achieve the thematic objectives set out in this Regulation;

(aa) ensure in accordance with Article 4(6), the existence of arrangements for the effective coordination of the European Structural and Investment Funds in order to increase the impact and effectiveness of the Funds including, where appropriate, through the use of multi-fund programmes for the Funds covered by Part Three;

(b) promote the involvement of managing authorities responsible for other **European Structural and Investment** Funds and relevant ministries in the development of support schemes to ensure coordination and synergies and to avoid overlaps;

(c) establish, where appropriate, joint monitoring committees for programmes

implementing the *CSF* Funds, and the development of other joint management and control arrangements to facilitate coordination between authorities responsible for the implementation of the *CSF* Funds;

(d) make use of joint eGovernance solutions aimed at applicants and beneficiaries, and "one-stop shops" for advice on the opportunities of support available through each of the *CSF* Funds;

(e) establish mechanisms to coordinate cooperation activities financed by the ERDF and the ESF with investments supported by the 'Investment for Growth and Jobs goal' programmes.

implementing the *European Structural and Investment* Funds, and the development of other joint management and control arrangements to facilitate coordination between authorities responsible for the implementation of the *European Structural and Investment* Funds;

(d) make use of available joint eGovernance solutions, *which may assist* applicants and beneficiaries, and make the widest possible use of "one-stop shops", *including* for advice on the opportunities of support available through each of the *European Structural and Investment* Funds;

(e) establish mechanisms to coordinate cooperation activities financed by the ERDF and the ESF with investments supported by the 'Investment for Growth and Jobs goal' programmes;

(ea) promote common approaches between European Structural and Investment Funds to guidance for the development of operations, calls for proposals and selection processes or other mechanisms to facilitate access to Funds for integrated projects;

(eb) encourage cooperation between managing authorities of different European Structural and Investment Funds in the areas of monitoring, evaluation, management and control, and audit.

Amendment 419

Proposal for a regulation Annex I – part 3 – section 3.3

Text proposed by the Commission

3.3 Encouraging integrated approaches

Amendment

3.3 Encouraging integrated approaches

1. Member States shall, where appropriate, combine the **CSF** Funds into integrated packages at local, regional or national level, which are tailor-made to address specific **needs** in order to support the achievement of the **national Europe 2020 targets, and make use of** Integrated Territorial Investments, Integrated Operations **and** Joint Action Plans.

2. Member States shall promote the development of local and sub-regional approaches, **in particular via community-led local development by delegating decision-making and implementation to a local partnership of public, private and civil society actors.** Community-led local development shall be implemented in the context of a strategic approach to ensure that the ‘bottom-up’ definition of local

1. Member States shall, where appropriate, combine the **European Structural and Investment** Funds into integrated packages at local, regional or national level, which are tailor-made to address specific **territorial challenges** in order to support the achievement of the **objectives set out in the Partnership Agreement and programmes. This can be done using** Integrated Territorial Investments, Integrated operations, Joint Action Plans **and Community Led Local Development.**

1a. In accordance with Article 99 of this Regulation, to achieve integrated use of thematic objectives, funding from different priority axes or operational programmes supported by the ESF, ERDF and Cohesion Fund may be combined under an Integrated Territorial Investment. This may be complemented with financial support from the EAFRD or the EMFF from the respective programmes.

1b. In accordance with the relevant Articles of the Fund specific rules, to increase impact and effectiveness in a thematically coherent integrated approach a priority axis may, concern more than one category of region, combine one or more complementary investment priorities from the ERDF, CF and ESF under one thematic objective and, in duly justified cases combine one or more complementary investment priorities from different thematic objectives in order to achieve their maximum contribution to priority axis.

2. Member States shall promote, **in accordance with their institutional and legal framework and with Article 28 of this Regulation** the development of local and sub-regional approaches. Community-led local development shall be implemented in the context of a strategic approach to ensure that the ‘bottom-up’ definition of local needs takes account of priorities set at a higher level. Member

needs takes account of priorities set at a higher level. Member States shall therefore define the approach to community-led local development *across the CSF Funds* and shall indicate in the Partnership *Contracts* the main challenges to be tackled in this way, the main objectives and priorities for community-led local development, the types of territories to be covered, *which* specific role *will* be attributed to local action groups in the delivery of strategies and the role envisaged for the *different CSF Funds* in implementing local development strategies in different types of territories such as rural, urban and coastal areas and the corresponding co-ordination mechanisms.

States shall therefore define the approach to community-led local development *by the EAFRD and, where appropriate, by the ERDF, the ESF or the EMFF in accordance with Article 14(2) of this Regulation* and shall indicate in the Partnership *Agreement* the main challenges to be tackled in this way, the main objectives and priorities for community-led local development, the types of territories to be covered, *the* specific role *to* be attributed to local action groups in the delivery of strategies and the role envisaged for the *EAFRD and where appropriate by the ERDF, the ESF or the EMFF* in implementing local development strategies in different types of territories such as rural, urban and coastal areas and the corresponding co-ordination mechanisms.

Amendment 420

Proposal for a regulation Annex I – part 4 – section 4.1

Text proposed by the Commission

4. Coordination *of CSF Funds with* Other Union Policies and Instruments

The Union programmes set out in this section do not constitute an exhaustive list.

4.1 Introduction

1. Member States shall *undertake an analysis of* the impact of Union policies at national and regional level, and on social,

Amendment

4. Coordination *and Synergies between European Structural and Investment Funds and* other Union Policies and Instruments

The coordination by Member States envisaged by this section shall apply in so far as a Member State intends to make use of support from the European Structural and Investment Funds and other Union instruments in the relevant policy area. The Union programmes set out in this section do not constitute an exhaustive list.

4.1 Introduction

1. Member States *and the Commission* shall, *in accordance with their respective responsibilities, take into consideration*

economic and territorial cohesion with a view to fostering effective coordination and to identifying and promoting the most suitable means of using European funds to support local, regional and national investment.

2. Member States shall ensure **consistency at programming and implementation stages** between **interventions supported by the CSF Funds** and the objectives of other Union policies. To this end, they shall seek to take into account the following aspects:

(a) **identify** and exploit complementarities between different Union instruments at national and regional level, both in the planning phase and during implementation;

(b) optimise existing structures and where necessary, establish new ones that facilitate the strategic identification of priorities for the different instruments and structures for coordination at national level, avoid duplication of effort and identify areas where additional financial support is needed;

(c) make **full** use of the potential to combine support from different instruments to support individual operations and work closely with those responsible for implementing other

the impact of Union policies at national and regional level, and on social, economic and territorial cohesion with a view to fostering **synergies and** effective coordination and to identifying and promoting the most suitable means of using European funds to support local, regional and national investment. **Member States shall also ensure complementarity between Union policies and instruments and national, regional and local interventions.**

2. Member States **and the Commission** shall, **in accordance with their respective responsibilities** ensure **coordination between the European Structural and Investment Funds and other relevant Union instruments at European and Member State level, in accordance with Article 4(6) of this Regulation.** They shall take appropriate steps to ensure **consistency at programming and implementation stages between interventions supported by the European Structural and Investment Funds** and the objectives of other Union policies. To this end, they shall seek to take into account the following aspects:

(a) **enhancing** complementarities **and synergies** between different Union instruments at European, national and regional level, both in the planning phase and during implementation;

(b) optimise existing structures and where necessary, establish new ones that facilitate the strategic identification of priorities for the different instruments and structures for coordination at **European and** national level, avoid duplication of effort and identify areas where additional financial support is needed;

(c) make use of the potential to combine support from different instruments to support individual operations and work closely with those responsible for implementation at European and national

national instruments to deliver coherent and streamlined funding opportunities for beneficiaries.

level to deliver coherent and streamlined funding opportunities for beneficiaries.

Amendment 421

Proposal for a regulation Annex I – part 4 – section 4.3

Text proposed by the Commission

4.3 Horizon 2020 and other centrally managed EU programmes in the areas of research and innovation

1. Member States and the Commission shall pay attention to strengthening coordination and complementarities between the **CSF** Funds and Horizon 2020, the Programme for the Competitiveness of Enterprises and small and medium-sized enterprises (COSME), and other relevant centrally managed Union funding programmes while also establishing a clear division of areas of intervention between them.

2. ***In particular***, Member States shall develop national and/or regional ***research and innovation (R&I) strategies for*** ‘smart specialisation’ in line with the National Reform Programme. These strategies shall be developed through involving national or regional managing authorities and stakeholders such as universities and other higher education institutions, industry and social partners in an entrepreneurial discovery process. The authorities directly concerned by Horizon 2020 shall be closely associated to this process. ***Under these strategies (inter alia)***:

(a) "Upstream actions" to prepare regional R&I players to participate in Horizon 2020

Amendment

4.3 Horizon 2020 and other centrally managed EU programmes in the areas of research and innovation

1. Member States and the Commission shall pay attention to strengthening coordination, synergies and complementarities between the ***European Structural and Investment*** Funds and Horizon 2020, the Programme for the Competitiveness of Enterprises and small and medium-sized enterprises (COSME), and other relevant centrally managed Union funding programmes while also establishing a clear division of areas of intervention between them.

2. Member States shall develop national and/or regional ‘smart specialisation’ strategies in line with the National Reform Programme, ***where appropriate. These may take the form of or be included in a national or a regional research and innovation (R&I) strategic policy framework for ‘smart specialisation’***. These strategies shall be developed through involving national or regional managing authorities and stakeholders such as universities and other higher education institutions, industry and social partners in an entrepreneurial discovery process. The authorities directly concerned by Horizon 2020 shall be closely associated to this process. ***These strategies shall include***:

(a) "Upstream actions" to prepare regional R&I players to participate in Horizon 2020

("staircase to excellence") shall be developed through capacity building. Communication and cooperation between Horizon 2020 national contact points and managing authorities of the **CSF** Funds shall be strengthened.

(b) "Downstream actions" shall provide the means to exploit and diffuse R&I results, stemming from Horizon 2020 and preceding programmes, into the market with particular attention on creating an innovation-friendly business environment for SMEs and in line with the priorities identified for the territories in the relevant smart specialisation strategy.

3. Member States shall make full use of the provisions in this regulation allowing for combining the **CSF** Funds with *those* under Horizon 2020 in the relevant programmes used to implement parts of the strategies. Joint support shall be provided to national and regional authorities for the design and implementation of such strategies, to identify opportunities for joint financing of R&I infrastructures of European interest, the promotion of international collaboration, methodological support through peer reviews, exchange of good practice, and training across regions.

4. Member States shall consider the following additional measures aimed at unlocking their potential for excellence in research and innovation, in a manner that is complementary to and creates synergies with Horizon 2020, in particular through joint funding:

(a) linking emerging centres of excellence **and innovative regions** in less developed Member States to leading counterparts elsewhere in Europe;

("stairways to excellence") to be developed, where necessary, through capacity building. Communication and cooperation between Horizon 2020 national contact points and managing authorities of the **European Structural and Investment** Funds shall be strengthened.

(b) "Downstream actions" to provide the means to exploit and diffuse R&I results, stemming from Horizon 2020 and preceding programmes, into the market with particular attention on creating an innovation-friendly environment for business and industry, including SMEs and in line with the priorities identified for the territories in the relevant smart specialisation strategy.

3. Member States shall encourage the use of the provisions in this Regulation that allow the **European Structural and Investment** Funds **to be combined** with **resources under** Horizon 2020 in the relevant programmes used to implement parts of the strategies. Joint support shall be provided to national and regional authorities for the design and implementation of such strategies, to identify opportunities for joint financing of R&I infrastructures of European interest, the promotion of international collaboration, methodological support through peer reviews, exchange of good practice, and training across regions.

4. Member States **and, where appropriate in accordance with Article 4(4), regions**, shall consider the following additional measures aimed at unlocking their potential for excellence in research and innovation, in a manner that is complementary to and creates synergies with Horizon 2020, in particular through joint funding:

(a) linking emerging centres of excellence, **in particular**, in less developed **and low performing RDI¹** Member States **and regions, and also linking innovative regions, in particular, in low performing**

- (b) building links with innovative clusters and recognising excellence in less developed regions;
- (c) establishing "ERA Chairs" to attract outstanding academics, in particular to less developed regions;
- (d) supporting access to international networks for researchers and innovators who are less involved in the ERA or from less developed regions;
- (e) contributing as appropriate to the European Innovation Partnerships;
- (f) preparing national institutions and/or clusters of excellence for participation in the Knowledge and Innovation Communities (KICs) of the European Institute of Innovation and Technology (EIT); and
- (g) hosting high-quality international researcher mobility programmes with co-funding from the "Marie Skłodowska-Curie Actions".

RDI Member States, to leading counterparts elsewhere in Europe;

- (b) building links with innovative clusters and recognising excellence, ***in particular*** in less developed regions;
- (c) establishing "ERA Chairs" to attract outstanding academics, in particular to less developed regions;
- (d) supporting access to international networks for researchers and innovators who are less involved in the ERA or ***in particular*** from less developed regions;
- (e) contributing as appropriate to the European Innovation Partnerships;
- (f) preparing national institutions and/or clusters of excellence for participation in the Knowledge and Innovation Communities (KICs) of the European Institute of Innovation and Technology (EIT); and
- (g) hosting high-quality international researcher mobility programmes with co-funding from the "Marie Skłodowska-Curie Actions".

Member States should use where appropriate, and in accordance with Article 60, the flexibility to support operations outside the programme area, with a level of investment sufficient to attain a critical mass, in order to implement these measures in the most effective way.

¹ ***Research, Development and Innovation***

Amendment 422

Proposal for a regulation Annex I – part 4 – section 4.4

Text proposed by the Commission

4.4 New Entrants Reserve (NER) 300 demonstration funding¹

Member States shall ensure, *where appropriate*, that financing from the *CSF* Funds is coordinated with support from the NER 300 Programme, which uses the revenues from auctioning 300 million allowances reserved under the new entrants reserve of the European Emissions Trading Scheme *to co-finance a wide range of large-scale demonstration projects of carbon capture and storage (CCS) as well as of innovative renewables technologies across the EU.*

Amendment

4.4 New Entrants Reserve (NER) 300 demonstration funding

1. Member States shall ensure that financing from the *European Structural and Investment* Funds is coordinated with support from the NER 300 Programme, which uses the revenues from auctioning 300 million allowances reserved under the new entrants reserve of the European Emissions Trading Scheme.

Amendment 423

Proposal for a regulation Annex I – part 4 – section 4.5

Text proposed by the Commission

LIFE¹ and the environmental acquis

1. Member States shall, *where possible*, seek to exploit synergies with Union policy instruments (both funding and non-funding instruments) serving climate change mitigation and adaptation, environmental protection and resource efficiency.

2. Member States shall, *where appropriate*, ensure complementarity and coordination with LIFE, in particular with *Integrated Projects* in the areas of nature, water, waste, air, climate change mitigation and

Amendment

4.5 LIFE and the environmental acquis

1. Member States *and the Commission* shall, *through a stronger thematic focus in programmes and the application of the principle of sustainable development in accordance with Article 8*, seek to exploit synergies with Union policy instruments (both funding and non-funding instruments) serving climate change mitigation and adaptation, environmental protection and resource efficiency.

2. Member States shall *promote and, where appropriate and in accordance with Article 4*, ensure complementarity and coordination with LIFE, in particular with *integrated projects* in the areas of nature,

climate change adaptation. This coordination shall be achieved **in particular by** promoting the funding of activities through the **CSF** Funds that complement **Integrated Projects** under the LIFE Programme as well as by promoting the use of solutions, methods and approaches validated under the LIFE Programme.

3. The relevant sectoral plans, programmes or strategies (including the Prioritised Action Framework, the River Basin Management Plan, the Waste Management Plan, the **national** mitigation plan or adaptation strategy), **as referred to in the LIFE Regulation, shall** serve as the coordination framework **for support from the different Funds.**

Amendment 424

Proposal for a regulation Annex I – part 4 – section 4.6

Text proposed by the Commission

ERASMUS for All

1. Member States shall seek to use **CSF** Funds to mainstream tools and methods developed and tested successfully under "Erasmus for All".

2. Member States shall ensure effective coordination between **CSF** Funds and

biodiversity, water, waste, air, climate change mitigation and climate change adaptation. This coordination shall be achieved **through measures such as** promoting the funding of activities through the **European Structural and Investment** Funds that complement **integrated projects** under the LIFE Programme as well as by promoting the use of solutions, methods and approaches validated under the LIFE Programme, **inter alia, including investments in green infrastructure, energy efficiency, eco-innovation, ecosystem-based solutions, and the adoption of related innovative technologies.**

3. The relevant sectoral plans, programmes or strategies (including the Prioritised Action Framework, the River Basin Management Plan, the Waste Management Plan, the mitigation plan or adaptation strategy) **may** serve as the coordination framework, **where support is foreseen for these areas.**

Amendment

4.6 ERASMUS for All

1. Member States shall seek to use **European Structural and Investment** Funds to mainstream tools and methods developed and tested successfully under "Erasmus for All" **in order to maximise the social and economic impact of investment in people and, inter alia give impetus to youth initiatives and citizens actions.**

2. Member States shall **promote and** ensure **in accordance with Article 4,** effective

‘Erasmus for All’ at national level through a clear distinction in the types of investment and target groups supported. Member States shall seek complementarity with regards to the funding of mobility actions, *while exploring possible synergies*.

3. Coordination shall be achieved by putting in place appropriate cooperation mechanisms between managing authorities and the national agencies established under the ‘Erasmus for All’ programme.

coordination between *European Structural and Investment* Funds and ‘Erasmus for All’ at national level through a clear distinction in the types of investment and target groups supported. Member States shall seek complementarity with regards to the funding of mobility actions.

3. Coordination shall be achieved by putting in place appropriate cooperation mechanisms between managing authorities and the national agencies established under the ‘Erasmus for All’ programme, *which can foster transparent and accessible communication towards citizens at Union, national and regional level*.

Amendment 425

Proposal for a regulation Annex I – part 4 – section 4.7

Text proposed by the Commission

4.7 Programme for Social Change and Innovation (PSCI)

1. Member States shall, *where appropriate*, seek effective coordination between the Programme for Social Change and Innovation and the support provided by the **CSF** Funds under the employment and social inclusion thematic objectives.

Amendment

4.7 Programme for Social Change and Innovation (PSCI)

1. Member States shall *promote and ensure in accordance with Article 4(6)* effective coordination between the Programme for Social Change and Innovation and the support provided by the *European Structural and Investment* Funds under the employment and social inclusion thematic objectives. *This includes coordination of support provided under the EURES axis of the PSCI with actions to enhance transnational labour mobility supported by the ESF in order to promote workers' geographical mobility and boost employment opportunities, as well as coordination between European Structural and Investment Funds' support for self-employment, entrepreneurship, business creation and social enterprises and the PSCI support under the microfinance and social entrepreneurship*

2. Member States shall, *where appropriate*, seek to scale-up the most successful measures developed under the progress axis of the PSCI, notably on social innovation and social policy experimentation with the support of the ESF.

3. In order to promote workers' geographical mobility and boost employment opportunities, Member States shall ensure complementarity of actions to enhance transnational labour mobility supported by the ESF, including cross-border partnerships, with support provided under the EURES axis of the PSCI.

4. Member States shall seek complementarity and coordination between CSF Funds' support for self-employment, entrepreneurship, business creation and social enterprises and the PSCI support under the microfinance and social entrepreneurship axis aimed at increasing the access to microfinance for people furthest away from the labour market and for micro-enterprises as well as supporting the development of social enterprises.

axis.

2. Member States shall seek to scale-up the most successful measures developed under the Progress axis of the PSCI, notably on social innovation and social policy experimentation with the support of the ESF.

Amendment 426

Proposal for a regulation Annex I – part 4 – section 4.8

Text proposed by the Commission

4.8 Connecting Europe facility (CEF)

1. The CEF is the dedicated Union fund for the implementation of the Union policies for Trans-European Transport Networks of infrastructure (TENs) in the field of transport, telecommunications and energy. To maximise European added

Amendment

4.8 Connecting Europe facility (CEF)

1. To maximise European added value in the fields of transport, telecommunication and energy, Member States and the Commission shall ensure that ERDF and Cohesion Fund interventions are planned in close cooperation with the support

value in these areas, Member States and the Commission shall ensure that ERDF and Cohesion Fund interventions are planned in close cooperation with the support provided from the CEF, so as to avoid duplication of efforts and ensure that optimal **links** of different types of infrastructure at local, regional and national levels, and across the Union **are provided for**. Maximum leverage of the different funding instruments shall be ensured for projects with a European and Single Market dimension, and in particular those projects implementing the priority transport, energy and digital infrastructure networks as identified in the respective TEN policy frameworks.

2. In the field of transport, **plans** shall be based on real and projected transport demand and identify missing links and bottlenecks, taking into account the development of Union cross border links, and developing links across regions within a Member State. Investment in regional connectivity to the comprehensive trans-European transport network (TEN-T) and to the core TEN-T network shall ensure that urban and rural areas benefit from the opportunities created by major networks.

3. Prioritisation of investments which have an impact beyond a certain Member State, particularly **along** the core TEN-T network corridors, shall be coordinated with TEN-T planning and core network corridors implementation plans, so that investments by the ERDF and the Cohesion Fund in transport infrastructure are fully in line with the TEN-T Guidelines.

4. Member States shall **take into account the Commission's White Paper on Transport¹ which sets out a vision for a competitive and resource-efficient transport system, highlighting that a significant reduction in greenhouse gases**

provided from the CEF, so as to ensure **complementarity**, avoid duplication of efforts and ensure the optimal **linkage** of different types of infrastructure at local, regional and national levels, and across the Union. Maximum leverage of the different funding instruments shall be ensured for projects with a European and Single Market dimension, which deliver the highest European added-value, which promote social economic and territorial cohesion and in particular those projects implementing the priority transport, energy and digital infrastructure networks as identified in the respective TEN policy frameworks **in order to build new infrastructure and substantially upgrade existing infrastructure**.

2. In the field of transport, **investment planning** shall be based on real and projected transport demand and identify missing links and bottlenecks, taking into account, **in a coherent approach**, the development of Union cross border links, and developing links across regions within a Member State. Investments in regional connectivity to the comprehensive trans-European transport network (TEN-T) and to the core TEN-T network shall ensure that urban and rural areas benefit from the opportunities created by major networks.

3. Prioritisation of investments which have an impact beyond a certain Member State, particularly **those which are part of** the core TEN-T network corridors, shall be coordinated with TEN-T planning and core network corridors implementation plans, so that investments by the ERDF and the Cohesion Fund in transport infrastructure are fully in line with the TEN-T Guidelines.

4. Member States shall **focus** on sustainable forms of transport and sustainable urban mobility as well as investing in areas that offer the greatest European added value, taking into account the need to improve the quality,

is required in the transport sector. For the CSF Funds, this means focusing on sustainable forms of transport and sustainable urban mobility as well as investing in areas that offer the greatest European added value. Once identified, investments shall be prioritised according to their contribution to mobility, sustainability, to reducing greenhouse gas emissions, and to the Single European Transport Area.

5. The **CSF** Funds shall deliver the local and regional infrastructures and their linkages to the priority Union networks in the energy and telecommunication areas.

6. Member States and the Commission shall put in place appropriate coordination and technical support mechanisms to ensure the complementarity and effective planning of ICT measures to make full use of the different Union instruments (**CSF** Funds CEF, Trans-European networks, Horizon 2020) for the financing of broadband networks and the digital service infrastructures. The selection of the most appropriate financing instrument shall take into account the revenue generating potential of the operation and its level of risk in order to make the most effective use of public funds. *If an operation has been submitted for CEF funding but has not been selected, its evaluation under the CEF shall be taken into account by the Member State in the context of selection for support by the CSF Funds.*

accessibility and reliability of transport services to promote public transport. Once identified, investments shall be prioritised according to their contribution to mobility, sustainability, to reducing greenhouse gas emissions, and to the Single European Transport Area, *in accordance with the vision set out in the Commission's White Paper on Transport for a competitive and resource-efficient transport system, highlighting that a significant reduction in greenhouse gases is required in the transport sector. The contribution of projects to sustainable European freight transport networks through the development of inland waterways should be promoted on the basis of a prior assessment of their environmental impact.*

5. The **European Structural and Investment** Funds shall deliver the local and regional infrastructures and their linkages to the priority Union networks in the energy and telecommunication areas.

6. Member States and the Commission shall put in place appropriate coordination and technical support mechanisms to ensure the complementarity and effective planning of ICT measures to make full use of the different Union instruments (**European Structural and Investment** Funds CEF, Trans-European networks, Horizon 2020) for the financing of broadband networks and the digital service infrastructures. The selection of the most appropriate financing instrument shall take into account the revenue generating potential of the operation and its level of risk in order to make the most effective use of public funds. *In the context of their evaluation of applications for support by the European Structural and Investment Funds, Member States should have regard to the evaluations of operations relating to their specific Member State that have been submitted for CEF but not selected, without prejudice to the final selection decision by the managing*

authority.

Amendment 427

Proposal for a regulation Annex I – part 4 – section 4.9

Text proposed by the Commission

IPA, ENI and EDF

1. Member States and the Commission shall seek to increase coordination between external instruments and the **CSF** Funds to improve effectiveness in achieving multiple Union policy objectives.

Coordination and complementarities with the European Development Fund, the Pre Accession Instrument and the European Neighbourhood Instrument is particularly important.

2. To support deeper territorial integration, Member States shall seek to capitalise on synergies between territorial cooperation activities under cohesion policy and the European Neighbourhood Instruments, in particular with regard to cross border cooperation activities. **Member States shall also, where appropriate, ensure that existing activities are associated with newly created** European Groupings of Territorial Cooperation, **having special regard to coordination and exchange of best practices.**

Amendment

4.9 IPA, ENI and EDF

1. Member States and the Commission shall, in accordance with their respective responsibilities, seek to increase coordination between external instruments and the **European Structural and Investment** Funds to improve effectiveness in achieving multiple Union policy objectives. Coordination and complementarities with the European Development Fund, the Pre Accession Instrument and the European Neighbourhood Instrument is particularly important.

2. To support deeper territorial integration, Member States shall seek to capitalise on synergies between territorial cooperation activities under cohesion policy and the European Neighbourhood Instruments, in particular with regard to cross border cooperation activities, **taking account of the potential offered by** European Groupings of Territorial Cooperation.

Amendment 428

Proposal for a regulation Annex I – part 5

Text proposed by the Commission

Amendment

5. Coordination with Cooperation Activities *deleted*

1. Member States shall seek complementarity between cooperation activities and other actions supported by the CSF Funds.

2. Member States shall ensure that cooperation activities make an effective contribution to the objectives of the Europe 2020 strategy and that cooperation is organised in support of wider policy goals. To achieve this Member States shall ensure complementarity and coordination with other Union-funded programmes or instruments.

3. To reinforce the effectiveness of cohesion policy Member States shall seek coordination and complementarity between the European Territorial Cooperation and the "Investment for Growth and Jobs goal" programmes, in particular to ensure coherent planning and facilitate the implementation of large-scale investment.

4. Member States shall, where appropriate, ensure that the objectives of macro-regional and sea-basin strategies form part of the overall strategic planning in cohesion policy programmes in the regions and Member States concerned. Member States shall also ensure that where macro-regional and sea basin strategies have been put in place, all the CSF Funds, where appropriate, support their implementation. To ensure efficient implementation there shall also be coordination with other Union-funded instruments as well as other relevant

instruments.

5. Member States shall, where appropriate, make use of the possibility to carry out interregional and transnational actions with beneficiaries located in at least one other Member State within the framework of the operational programmes under the "Investment for Growth and Jobs goal", including the implementation of relevant research and innovation measures emanating from their smart specialisation strategies.

Amendment 429

Proposal for a regulation Annex I – part 6 – section 6.1

Text proposed by the Commission

6. Horizontal Principles and Cross-cutting Policy Objectives

A. Horizontal principles

6.1 Partnership and multi-level governance

In accordance with Article 5, the principle of partnership and multi-level governance shall be respected by Member States in order to facilitate achieving social, economic and territorial cohesion and delivery of the Union's priorities of smart, sustainable and inclusive growth. This requires coordinated action carried out in accordance with the principles of subsidiarity and proportionality, and in partnership. ***It also shall take the form of operational and institutionalised cooperation, in particular*** with regard to the ***drawing-up*** and implementation of the ***Union's policies. Member States shall therefore make full use of the partnerships established in the framework of the CSF Funds.***

Amendment

6. Horizontal Principles and Cross-cutting Policy Objectives

6.1 Partnership and multi-level governance

1. In accordance with Article 5 ***of this Regulation***, the principle of partnership and multi-level governance shall be respected by Member States in order to facilitate achieving social, economic and territorial cohesion and delivery of the Union's priorities of smart, sustainable and inclusive growth. This requires coordinated action, ***in particular between the different levels of governance***, carried out in accordance with the principles of subsidiarity and proportionality, and in partnership, ***including operational and institutional cooperation***, with regard to the ***preparation*** and implementation of the ***Partnership Agreement and programmes.***

1a. Member States shall examine the need for strengthening the institutional capacity of partners in order to develop their potential in contributing to the effectiveness of the partnership.

Amendment 430

Proposal for a regulation Annex I – part 6 – section 6.2

Text proposed by the Commission

6.2 Sustainable development

1. ***To ensure the full mainstreaming of sustainable development into the CSF Funds, and respecting the principle of sustainable development as laid down in Article 3 of the Treaty on European Union, the obligation to integrate environmental protection requirements according to Article 11 and the polluter pays principle as set out in Article 192 of the Treaty on the Functioning of the European Union, managing authorities shall undertake actions throughout the programme lifecycle, to avoid or reduce environmentally harmful effects of interventions and ensure results in net social, environmental and climate benefits by the following actions:***

- (a) directing investments towards the most resource-efficient and sustainable options,
- (b) avoiding investments that may have a significant negative environmental or climate impact, and supporting actions to

Amendment

6.2 Sustainable development

1. ***Member States and managing authorities shall, in all phases of implementation, ensure the full mainstreaming of sustainable development into the European Structural and Investment Funds, respecting the principle of sustainable development as laid down in Article 3(3) of the Treaty on European Union, as well as the obligation to integrate environmental protection requirements according to Article 11 and the polluter pays principle as set out in Article 192(5) of the Treaty on the Functioning of the European Union.***

Managing authorities shall undertake actions throughout the programme lifecycle, to avoid or reduce environmentally harmful effects of interventions and ensure results in net social, environmental and climate benefits. Actions to be undertaken may include the following:

- (a) directing investments towards the most resource-efficient and sustainable options,
- (b) avoiding investments that may have a significant negative environmental or climate impact, and supporting actions to

mitigate any remaining impacts,
(c) taking a long-term perspective when ‘life-cycle’ costs of alternative options for investment are compared,
(d) increasing the use of green public procurement.

2. Member States shall ***ensure that*** investments made with the support of the ***CSF Funds consider climate change mitigation potential, as well as be*** resilient to the impact of climate change and natural disasters such as increased risks of flooding, heat waves and extreme weather events.

3. Member States shall track biodiversity related expenditure using the methodology based on the categories of intervention or measures adopted by the Commission.

4. Investments ***also need to*** be consistent with the water hierarchy, with a focus on demand management options ***with alternative*** supply options only ***to*** be considered when the potential for water savings and efficiency has been exhausted. Public intervention in the waste management sector shall complement efforts by the private sector, in particular producer responsibility. ***Actions should support*** innovative approaches that promote ***a closed-loop economy and need to*** be consistent with the waste hierarchy.

mitigate any remaining impacts,
(c) taking a long-term perspective when ‘life-cycle’ costs of alternative options for investment are compared,
(d) increasing the use of green public procurement.

2. Member States shall ***take into consideration the climate change mitigation and adaptation potential of*** investments made with the support of the ***European Structural and Investment Funds, in accordance with Article 8 of this Regulation, and ensure that they are*** resilient to the impact of climate change and natural disasters such as increased risks of flooding, ***droughts***, heat waves, ***forest fires*** and extreme weather events.

4. Investments ***shall*** be consistent with the water ***management*** hierarchy (***in line with the Water Framework Directive***), with a focus on demand management options. ***Alternative*** supply options ***shall*** only be considered when the potential for water savings and efficiency has been exhausted. Public intervention in the waste management sector shall complement efforts by the private sector, in particular ***in relation to*** producer responsibility. ***Investments shall encourage*** innovative approaches that promote ***high levels of recycling***. ***Investments shall*** be consistent with the waste hierarchy ***established under Directive 2008/98/EC (Waste Framework Directive)***. ***Expenditure related to biodiversity and the protection of natural resources shall be consistent with the Habitats Directive (92/43/EEC)***.

Amendment 431

Proposal for a regulation Annex I – part 6 – section 6.3

Text proposed by the Commission

6.3 Promotion of equality between men and women and non-discrimination

1. In accordance with Article 7, Member States shall pursue the objective of equality between men and women and **must** take appropriate steps to prevent any discrimination **and to ensure accessibility** during the preparation, implementation, monitoring and evaluation of operations in the programmes co-financed by the **CSF** Funds. When pursuing the objectives of Article 7, Member States shall describe **in detail** actions to be taken, in particular with regard to selection of operations, setting of objectives for interventions, and arrangements for monitoring and reporting. Member States shall also carry out gender analyses where appropriate.

2. Member States shall ensure the participation of the relevant bodies responsible for promoting gender equality, non-discrimination **and accessibility** in the partnership, and ensure adequate structures in accordance with national practices to advise on gender equality, non-discrimination and accessibility in order to provide the necessary expertise in the preparation, monitoring and evaluation of the **CSF** Funds. **The composition of the monitoring committees shall be gender balanced and include a gender expertise/responsibility function.**

3. Managing authorities shall **regularly** undertake **specific** evaluations or self-assessment exercises, in coordination with the monitoring committees, focusing on the

Amendment

6.3 Promotion of equality between men and women and non-discrimination

1. In accordance with Article 7 **of this Regulation**, Member States **and the Commission** shall pursue the objective of equality between men and women and **shall** take appropriate steps to prevent any discrimination during the preparation, implementation, monitoring and evaluation of operations in the programmes co-financed by the **European Structural and Investment** Funds. When pursuing the objectives of Article 7 **of this Regulation**, Member States shall describe actions to be taken, in particular with regard to selection of operations, setting of objectives for interventions, and arrangements for monitoring and reporting. Member States shall also carry out gender analyses where appropriate. **In particular, specific targeted actions shall be supported through the ESF.**

2. Member States shall ensure, **in accordance with Articles 5 and 7 of this Regulation**, the participation of the relevant bodies responsible for promoting gender equality and non-discrimination in the partnership, and ensure adequate structures in accordance with national practices to advise on gender equality, non-discrimination and accessibility in order to provide the necessary expertise in the preparation, monitoring and evaluation of the **European Structural and Investment** Funds.

3. Managing authorities shall undertake evaluations or self-assessment exercises, in coordination with the monitoring committees, focusing on the application of

application of the gender mainstreaming principle.

4. Member States shall address, in an appropriate manner, the needs of disadvantaged groups in order to allow them to better integrate into the labour market, and *to fully participate* in society.

Amendment 432

Proposal for a regulation Annex I – part 6 – section 6.4

Text proposed by the Commission

B. Cross-cutting policy objectives

6.4 Accessibility

1. Managing authorities shall ensure that all products, goods, services and infrastructures that are open or provided to the public and are co-financed by the *CSF* Funds are accessible to all citizens including those with disabilities. In particular, accessibility to the physical environment, transport, information and communication technologies in order to *achieve* inclusion for disadvantaged groups, including persons with disabilities *has to* be ensured. *Managing authorities shall undertake actions throughout the programme lifecycle to identify and remove existing accessibility barriers or prevent new ones.*

the gender mainstreaming principle.

4. Member States shall address, in an appropriate manner, the needs of disadvantaged groups in order to allow them to better integrate into the labour market, and *thereby facilitate their full participation* in society.

Amendment

deleted

6.4 Accessibility

1. *Member States and the Commission shall take appropriate steps to prevent any discrimination based on disability in accordance with Article 7 of this Regulation.* Managing authorities shall ensure *by means of action throughout the programme lifecycles* that all products, goods, services and infrastructures that are open or provided to the public and are co-financed by the *European Structural and Investment* Funds are accessible to all citizens including those with disabilities *in accordance with applicable Union and national law, thereby contributing to a barrier-free environment for persons with disabilities and the elderly.* In particular, accessibility to the physical environment, transport, information and communication technologies in order to *promote* inclusion of disadvantaged groups, including persons with disabilities, *shall* be ensured. *Actions to be undertaken may include directing investments towards accessibility in existing buildings and established services.*

Amendment 433

Proposal for a regulation Annex I – part 6 – section 6.5

Text proposed by the Commission

6.5 Addressing demographic change

1. The challenges resulting from demographic change shall be taken into account at all levels. Member States shall **therefore** make use of the **CSF Funds to develop tailor-made** strategies, where **appropriate**, to tackle demographic problems and to create growth linked to an ageing society.

2. Member States shall use the **CSF Funds to take action** to facilitate inclusion of all age groups. **They shall in particular enhance** job opportunities for the elderly and young people. Investments in health infrastructures shall serve the goal of a long and healthy working life for all of the Union's citizens.

3. **In** the regions most affected by demographic change, Member States shall identify measures to:

(a) support demographic renewal through better conditions for families and an improved balance between working and family life;

(b) boost employment, raise productivity and economic performance through

Amendment

6.5 Addressing demographic change

1. The challenges resulting from demographic change, **including in particular those related to a shrinking working population, an increasing proportion of retired people and depopulation**, shall be taken into account at all levels. Member States shall make use of the **European Structural and Investment Funds, in line with relevant national or regional strategies, where such strategies are in place**, to tackle demographic problems and to create growth linked to an ageing society.

2. Member States shall use the **European Structural and Investment Funds, in line with relevant national or regional strategies** to facilitate inclusion of all age groups, **including through improved access to education and social support structures with a view to enhancing job opportunities for the elderly and young people with a focus on regions with high rates of youth unemployment in comparison to the Union average rate**. Investments in health infrastructures shall serve the goal of a long and healthy working life for all of the Union's citizens.

3. **To address challenges in** the regions most affected by demographic change, Member States shall **in particular** identify measures to:

(a) support demographic renewal through better conditions for families and an improved balance between working and family life;

(b) boost employment, raise productivity and economic performance through investing in education, ICT and research

investing in education, ICT and research;

(c) focus on the adequacy and quality of education and social support structures;
and

(d) **ensure** cost-effective provision of health care and long-term care including investment in e-health, e-care and infrastructure.

and innovation;

(c) focus on the adequacy and quality of education, **training** and social support structures **as well as where appropriate, on the efficiency of social protection systems;**

(d) **promote** cost-effective provision of health care and long-term care including investment in e-health, e-care and infrastructure.

Amendment 434

Proposal for a regulation Annex I – part 6 – section 6.6

Text proposed by the Commission

6.6 Climate change mitigation and adaptation

Climate change mitigation and adaptation and risk prevention shall be integrated in the preparation, **programming**, implementation, **monitoring and evaluation** of **all funds**.

The visibility of contributions towards the goal of a spending of at least 20% of the Union budget on climate change mitigation shall be ensured.

Amendment

6.6 Climate change mitigation and adaptation

1. In accordance with Article 8 of this Regulation climate change mitigation and adaptation and risk prevention shall be integrated in the preparation **and** implementation of **Partnership Agreements and programmes**.

Amendment 435

Proposal for a regulation Annex I – part 7

Text proposed by the Commission

7. Arrangements **to Address** Territorial Challenges

Amendment

7. Arrangements **for Addressing Key** Territorial Challenges

-7.1 Member States shall take account of geographic or demographic features and take steps to address the specific territorial challenges of each region to

unlock their specific development potential, thereby also helping them to achieve smart, sustainable and inclusive growth in the most efficient way.

-7.1a. The choice and combination of thematic objectives, as well as the selection of corresponding investment and Union priorities and the specific objectives set shall reflect the needs and potential for smart, sustainable and inclusive growth of each Member State and region.

-7.1b. When preparing Partnership Agreements and programmes Member States shall therefore take into consideration that the major societal challenges faced by the European Union today – globalisation, demographic change, environmental degradation, migration, climate change, energy use, the economic and social consequences of the crisis – may have different impacts in different regions.

7.1 Member States and regions shall undertake the following steps for the purpose of preparation of their Partnership *Contracts* and programmes:

7.1 With a view to an integrated territorial approach to addressing territorial challenges Member States shall ensure that programmes under the European Structural and Investment Funds reflect the diversity of European regions, in terms of employment and labour market characteristics, interdependencies between different sectors, commuting patterns, population ageing and demographic shifts, cultural, landscape and heritage features, climate change vulnerabilities and impacts, land use and resource constraints, potential for more sustainable use of natural resources including renewables, institutional and governance arrangements, connectivity and accessibility, and linkages between rural and urban areas. In accordance with Article 14(1)(a) of this Regulation, Member States and regions shall therefore undertake the following steps for the purpose of preparation of their Partnership

(a) An analysis of the Member State's or region's development potential and capacity, particularly in relation to the key challenges identified in Europe 2020, the National Reform Programmes *and* the relevant country-specific recommendations. ***The responsible authorities shall undertake a detailed analysis of national, regional and local characteristics;***

(b) An assessment of the major challenges to be addressed by the region or Member State, the identification of the bottlenecks and missing links, innovation gaps, including the lack of planning and implementation capacity that inhibit the long-term potential for growth and jobs. This shall form the basis for the identification of the possible fields and activities for policy prioritisation, intervention and concentration;

(c) An assessment of the cross-sectoral, cross-jurisdictional or cross-border coordination challenges, particularly in the context of macro-regional and sea-basin strategies;

(d) Identification of steps to achieve improved coordination across different territorial levels and sources of funding to deliver an integrated approach linking Europe 2020 with regional and local actors.

7.2 In order to take into account the objective of territorial cohesion, the Member States and regions shall ensure that the overall approach to promoting smart, sustainable and inclusive growth:

Agreements and programmes:

(a) An analysis of the Member State's or region's ***characteristics***, development potential and capacity, particularly in relation to the key challenges identified in Europe 2020, the National Reform Programmes, ***where appropriate***, the relevant country-specific recommendations ***adopted in accordance with Article 121(2) of the Treaty on the Functioning of the European Union and relevant Council recommendations adopted in accordance with Article 148(4) of the Treaty on the Functioning of the European Union;***

(b) An assessment of the major challenges to be addressed by the region or Member State, the identification of the bottlenecks and missing links, innovation gaps, including the lack of planning and implementation capacity that inhibit the long-term potential for growth and jobs. This shall form the basis for the identification of the possible fields and activities for policy prioritisation, intervention and concentration;

(c) An assessment of the cross-sectoral, cross-jurisdictional or cross-border coordination challenges, particularly in the context of macro-regional and sea-basin strategies;

(d) Identification of steps to achieve improved coordination across different territorial levels, ***taking account of the appropriate territorial scale and context for policy design as well as Member States' institutional and legal framework***, and sources of funding to deliver an integrated approach linking Europe 2020 with regional and local actors.

7.2. In order to take into account the objective of territorial cohesion, the Member States and regions shall, ***in particular***, ensure that the overall approach to promoting smart, sustainable and inclusive growth ***in the areas concerned***:

(a) reflects the role of cities, rural areas fisheries and coastal areas, areas facing specific geographical or demographic **problems**;

(b) takes account of the specific challenges of the outermost regions, the northernmost regions with a very low population density and of island, cross-border or mountain regions;

(c) addresses urban-rural linkages, in terms of access to affordable, quality infrastructures and services, and problems in regions with a high concentration of socially marginalised communities.

(a) reflects the role of cities, **urban and** rural areas, fisheries and coastal areas, **and** areas facing specific geographical or demographic **handicaps**;

(b) takes account of the specific challenges of the outermost regions, the northernmost regions with a very low population density and of island, cross-border or mountain regions;

(c) addresses urban-rural linkages, in terms of access to affordable, high quality infrastructure and services, and problems in regions with a high concentration of socially marginalised communities.

Amendment 436

Proposal for a regulation

Annex I – part 7 a (new) – section 7a.1 (new)

Text proposed by the Commission

Amendment

7a. Cooperation Activities

7a.1 Coordination and complementarity

1. Member States shall seek complementarity between cooperation activities and other actions supported by the European Structural and Investment Funds.

2. Member States shall ensure that cooperation activities make an effective contribution to the objectives of the Europe 2020 strategy and that cooperation is organised in support of wider policy goals. To achieve this Member States and the Commission shall, in accordance with their respective responsibilities, ensure complementarity and coordination with other Union-funded programmes or instruments.

3. To reinforce the effectiveness of cohesion policy Member States shall seek coordination and complementarity between the European Territorial

Cooperation and the "Investment for Growth and Jobs goal" programmes, in particular to ensure coherent planning and facilitate the implementation of large-scale investment.

4. Member States shall, where appropriate, ensure that the objectives of macro-regional and sea-basin strategies form part of the overall strategic planning, in Partnership Agreements, in accordance with Article 14(2) of this Regulation, and in programmes in the regions and Member States concerned in accordance with the relevant Articles of the Fund specific rules. Member States shall seek also to ensure that where macro-regional and sea basin strategies have been put in place, the European Structural and Investment Funds support their implementation in accordance with Article 14(2) and the relevant Articles of the Fund specific rules and in line with the needs of the programme area identified by the Member States. To ensure efficient implementation there shall also be coordination with other Union-funded instruments as well as other relevant instruments.

5. Member States shall, where appropriate, make use of the possibility to carry out interregional and transnational actions with beneficiaries located in at least one other Member State within the framework of the operational programmes under the "Investment for Growth and Jobs goal", including on the implementation of relevant research and innovation measures emanating from their 'smart specialisation' strategies.

6. Member States and regions shall make the best use of territorial cooperation programmes in overcoming barriers to cooperation beyond administrative borders, while contributing to the Union strategy for smart, sustainable and inclusive growth as well as strengthening economic, social and territorial cohesion.

In this context, particular attention shall be paid to the regions covered by Article 349 TFEU.

Amendment 437

Proposal for a regulation

Annex I – part 7 a (new) – section 7a.2 (new)

Text proposed by the Commission

Amendment

7a.2 Cross-border, transnational and interregional cooperation under the ERDF

1. Member States and regions shall seek to make use of cooperation to achieve critical mass, inter alia, in the field of ICT and research and innovation, and also to promote the development of joint smart specialisation approaches and partnerships among educational institutions. Interregional cooperation shall, where appropriate, include fostering cooperation between innovative research-intensive clusters and exchanges between research institutions taking into consideration the experience of "Regions of Knowledge" and "Research Potential in Convergence and Outermost Regions" under the Seventh Framework Programme for Research.

2. Member States and regions shall, in the areas concerned, seek to draw on cross-border and transnational cooperation to:

(a) ensure that areas that share major geographical features (islands, lakes, rivers, sea basins or mountain ranges) support the joint management and promotion of their natural resources;

(b) exploit the economies of scale that can be achieved, in particular with regard to investment related to the shared use of common public services;

(c) promote coherent planning and development of cross-border network

infrastructure, in particular missing cross-border links, and environmentally friendly and interoperable transport modes in larger geographical areas;

(d) achieve critical mass, particularly in the field of research and innovation and ICT, education and in relation to measures improving the competitiveness of SMEs;

(e) strengthen cross-border labour market services to foster the mobility of workers across borders;

(f) improve cross-border governance.

3. Member States and regions shall seek to make use of interregional cooperation to reinforce the effectiveness of Cohesion Policy by encouraging exchange of experience between regions and cities to enhance design and implementation of programmes under the Investment for Growth and Jobs goal and the European Territorial Cooperation goal.

Amendment 438

Proposal for a regulation

Annex I – part 7 a (new) – section 7a.3 (new)

Text proposed by the Commission

Amendment

7a.3 Contribution of mainstream programmes to macro-regional and sea-basin strategies

1. In accordance with Article 14(2)(a)(ii) and the relevant Articles of the Fund specific rules Member States shall seek to ensure successful mobilisation of Union funding for macro-regional and sea-basin strategies in line with the needs of the programme area identified by the Member States. This can be done, among other actions, by prioritising operations deriving from these strategies by organising specific calls for them or giving priority to these operations in the selection process

through identification of operations which can be jointly financed from different programmes.

2. Member States shall consider making use of relevant transnational programmes as frameworks to support the range of policies and funds needed to implement macro-regional and sea-basin strategies.

3. Member States shall promote, where appropriate, the use of European Structural and Investment Funds in the context of macro-regional strategies, for the creation of European transport corridors, including supporting modernisation of customs; the prevention, preparedness and response to natural disasters, water management at river basin level, green infrastructure, integrated maritime cooperation across borders and sectors, R&I and ICT networks and management of shared marine resources in the sea basin and protection of marine biodiversity.

Amendment 439

Proposal for a regulation

Annex I – part 7 a (new) – section 7a.4 (new)

Text proposed by the Commission

Amendment

7a.4 Transnational cooperation under the ESF

1. Member States shall seek to address policy areas identified in the relevant Council recommendations in order to maximize mutual learning.

2. Member States shall, where appropriate, select the themes for transnational activities and establish appropriate implementation mechanisms in accordance with their specific needs.

Amendment 440

Proposal for a regulation Annex II – paragraph 1

Text proposed by the Commission

Method for establishing the performance framework

1. The performance framework shall consist of milestones established for each priority for the *years 2016 and* 2018 and targets established for 2022. The milestones and targets shall be presented in accordance with the format set out in table 1.

2. Milestones are intermediate targets *for* the achievement of the specific objective of a priority, expressing the intended progress towards the targets set for the end of the period. ***Milestones established for 2016 shall include financial indicators and output indicators.*** Milestones established for 2018 shall include financial indicators, output indicators and where appropriate, result indicators. Milestones may also be established for key implementation steps.

3. Milestones shall be:

– relevant, capturing essential information on the progress of a priority;

– transparent, with objectively verifiable targets and the source data identified and publicly available;

– verifiable, without imposing a disproportionate administrative burden;

– consistent across operational programmes, where appropriate.

Amendment

Method for establishing the performance framework

1. The performance framework shall consist of milestones established for each priority for the *year* 2018 and targets established for 2022. The milestones and targets shall be presented in accordance with the format set out in table 1.

2. Milestones are intermediate targets, ***directly linked to*** the achievement of the specific objective of a priority, expressing the intended progress towards the targets set for the end of the period. Milestones established for 2018 shall include financial indicators, output indicators and where appropriate, result indicators, ***which are closely linked to the supported policy interventions. Result indicators shall not be taken into account for the purposes of Article 20(3) and Article 20(4).*** Milestones may also be established for key implementation steps.

3. Milestones ***and targets*** shall be

– ***realistic, achievable,*** relevant, capturing essential information on the progress of a priority;

– ***consistent with the nature and character of the specific objectives of the priority;***

– transparent, with objectively verifiable targets and the source data identified and, ***where possible,*** publicly available;

– verifiable, without imposing a disproportionate administrative burden;

– consistent across operational programmes, where appropriate.

3a. In duly justified cases, such as a significant change in the economic, environmental and labour market conditions in a Member State or region, and in addition to amendments resulting from changes in allocations for a given priority, the Member State may propose the revision of milestones and targets in accordance with Article 26 of this Regulation.

(Note: For paragraph 1 consistency with the agreed decommitment rules will need to be ensured.)

Amendment 441

Proposal for a regulation Annex II a (new)

Text proposed by the Commission

Amendment

IMPLEMENTATION OF FINANCIAL INSTRUMENTS: FUNDING AGREEMENTS

1. When a financial instrument is implemented under paragraphs 4(a) and 4(b) of Article 33 of this Regulation, the funding agreement shall include the terms and conditions for making contributions from the programme to the financial instrument and shall include at least the following elements:

(a) the investment strategy or policy including implementation arrangements, financial products to be offered, final recipients targeted, and envisaged combination with grant support (as appropriate);

(b) a business plan or equivalent documents for the financial instrument to be implemented, including the expected leverage effect referred to in Article 32(2);

(c) the target results the financial instrument concerned is expected to achieve to contribute to the specific objectives and results of the relevant

priority;

(d) provisions for monitoring of the implementation of investments and of deal flows including reporting by the financial instrument to the fund of funds and/or the managing authority to ensure compliance with Article 40;

(e) audit requirements, such as minimum requirements for documentation to be kept at the level of the financial instrument (and at the level of the fund of funds where appropriate), and requirements in relation to the maintenance of separate records for the different forms of support in compliance with Article 32(5) and (6) (where applicable), including provisions and requirements regarding access to documents by national audit authorities, Commission auditors and the European Court of Auditors in order to ensure a clear audit trail in accordance with Article 34;

(f) requirements and procedures for managing the phased contribution provided by the programme in accordance with Article 35 and for the forecast of deal flows, including requirements for fiduciary/separate accounting as set out in Article 33(8);

(g) requirements and procedures for managing interest and other gains generated within the meaning of Article 37, including acceptable treasury operations/investments, and the responsibilities and liabilities of the parties concerned;

(h) provisions regarding the calculation and payment of management costs incurred or the management fees of the financial instrument;

(i) provisions regarding the re-utilisation of resources attributable to the support of the European Structural and Investment Funds until the end of the eligibility

period in compliance with Article 38;

(j) provisions regarding the use of resources attributable to the support of the European Structural and Investment Funds following the end of the eligibility period in compliance with Article 39 and an exit policy for the contribution from the European Structural and Investment Funds out of the financial instrument;

(k) conditions for a possible withdrawal or partial withdrawal of programme contributions from programmes to financial instruments, including the fund of funds where applicable;

(l) provisions to ensure that bodies implementing financial instruments manage financial instruments with independence and in accordance with the relevant professional standards, act in the exclusive interest of the parties providing contributions to the financial instrument;

(m) provisions for the winding-up of the financial instrument.

In addition, where financial instruments are organised through a fund of funds, the funding agreement between the managing authority and the body that implements the fund of funds must also make provisions for the appraisal and selection of bodies implementing the financial instruments, including calls for expression of interest or public procurement procedures.

2. Strategy documents referred to under Article 33(4) for financial instruments implemented under Article 33(4)(c) shall include at least the following elements:

(a) the investment strategy or policy of the financial instrument, general terms and conditions of envisaged debt products, target recipients and actions to be supported;

(b) a business plan or equivalent documents for the financial instrument to

be implemented, including the expected leverage effect referred to in Article 32(2);

(c) the use and re-use of resources attributable to the support of the European Structural and Investment Funds in accordance with Articles 37, 38 and 39 of this Regulation;

(d) monitoring and reporting of the implementation of the financial instrument to ensure compliance with Article 40;

Amendment 442

Proposal for a regulation Annex IIb (new)

Text proposed by the Commission

Amendment

Annex IIb

Definition of flat-rates for net-revenue generating projects

	<i>Sector</i>	<i>Flat rates</i>
<i>1</i>	<i>ROAD</i>	<i>30%</i>
<i>2</i>	<i>RAIL</i>	<i>20%</i>
<i>3</i>	<i>URBAN TRANSPORT</i>	<i>20%</i>
<i>4</i>	<i>WATER</i>	<i>25%</i>
<i>5</i>	<i>SOLID WASTE</i>	<i>20%</i>

Amendment 443

Proposal for a regulation Annex III ter – point I – paragraph 1

Text proposed by the Commission

Amendment

1. The number of young unemployed persons *between the ages of 15-24* shall be identified in the NUTS 2 level regions that

1. The number of young unemployed persons *under the age of 30* shall be identified in the NUTS 2 level regions that

have youth unemployment rates of more than **25%** in 2012 (hereinafter the "eligible regions").

have youth unemployment rates of more than **20%** in 2012 (hereinafter the "eligible regions"), *or in subregions that have youth unemployment rates of more than 22,5% in 2012.*

Amendment 444

Proposal for a regulation Annex IIIquater (new)

Text proposed by the Commission

Amendment

Methodology for determining minimum share of ESF

The additional percentage share to be added to the share of Structural Funds resources referred to in Article 84(3) allocated in a Member State to the ESF which corresponds to the share of that Member State for the programming period 2007-2013 shall be determined as follows, based on employment rates (for persons between the ages of 20-64) of reference year 2012:

- where the employment rate is 65% or less the share shall be increased by 1,7%;***
- where the employment rate is above 65% but not higher than 70% the share shall be increased by 1,2%;***
- where the employment rate is above 70% but not higher than 75% the share shall be increased by 0,7%;***
- where the employment rate is above 75%, no increase is required.***

(The total percentage share of a Member State after the addition shall not exceed 52% of Structural Funds resources referred to in Article 84 (3))

For Croatia the share of Structural Funds resources, excluding the European Territorial Cooperation goal, allocated to the ESF for the programming period 2007-2013 shall be the average share of

convergence regions of those Member States which acceded to the Union on or after 1 January 2004.

Amendment 445

Proposal for a regulation Annex IV– part 2 – introductory part

Text proposed by the Commission

Verifications of additionality in accordance with Article 86(3) are subject to the following rules:

Amendment

Verifications of additionality in accordance with Article 86(5) are subject to the following rules:

Amendment 446

Proposal for a regulation Annex IV– part 2 – section 2.1 – point c

Text proposed by the Commission

(c) Once there is agreement by the Commission and the Member State, Table 1 above will be included in the Partnership **Contract** of the Member State concerned as the reference level of the public or equivalent structural expenditure to be maintained in the years 2014-2020.

Amendment

(c) Once there is agreement by the Commission and the Member State, Table 1 **and Table 2, where applicable**, above will be included in the Partnership **Agreement** of the Member State concerned as the reference level of the public or equivalent structural expenditure to be maintained in the years 2014-2020.

Amendment 447

Proposal for a regulation Annex IV– part 2 – section 2.2 – point b

Text proposed by the Commission

(b) Following the mid-term verification, the Commission may revise, in consultation with a Member State, the reference level of public or equivalent structural expenditure in the Partnership **Contract** if the economic situation of the Member State has significantly changed

Amendment

(b) Following the mid-term verification, the Commission may revise, in consultation with a Member State, the reference level of public or equivalent structural expenditure in the Partnership **Agreement** if the economic situation of the Member State has significantly changed

since adoption of the Partnership Contract and the change was not taken into account when setting the reference level in the Partnership Contract.

from the one estimated at the time of adoption of the Partnership Agreement.

Amendment 448

Proposal for a regulation

Annex V – Table 1 – Ex ante conditionalities – Thematic ex-ante conditionalities

Text proposed by the Commission

Thematic objectives	Ex ante conditionality	Criteria for fulfilment
<p>1. Strengthening research, technological development and innovation (R&D target) (referred to in Article 9(1))</p>	<p>1.1. <i>Research and innovation</i>: The existence of a national or regional research and innovation strategy for smart specialisation in line with the National Reform Program, to leverage private research and innovation expenditure, which complies with the features of well-performing national or regional research and innovation systems.</p>	<ul style="list-style-type: none"> – A national or regional research and innovation strategy for smart specialisation is in place that: – is based on a SWOT analysis to concentrate resources on a limited set of research and innovation priorities; <ul style="list-style-type: none"> – outlines measures to stimulate private RTD investment; – contains a monitoring and review system. – A Member State has adopted a framework outlining available budgetary resources for research and innovation; – A Member State has adopted a multi-annual plan for budgeting and prioritization of investments linked to EU priorities (European Strategy Forum on Research Infrastructures -ESFRI).
<p>2. Enhancing access to, and use and quality of, information</p>	<p>2.1. Digital growth: The existence within the national or regional innovation strategy for smart specialisation of an explicit</p>	<ul style="list-style-type: none"> – A chapter for digital growth within the national or regional innovation strategy for smart specialisation is in place that contains:

<p>and communication technologies (Broadband target) (referred to in Article 9(2))</p>	<p><i>chapter</i> for digital growth to stimulate demand for affordable, good quality and interoperable ICT-enabled private and public services and increase uptake by citizens, including vulnerable groups, businesses and public administrations including cross border initiatives.</p>	<ul style="list-style-type: none"> – budgeting and prioritisation of actions through a SWOT analysis carried out in alignment with the Scoreboard of the Digital Agenda for Europe; – an analyses of balancing support for demand and supply of information and communication technologies (ICT) should have been conducted; – measurable targets for outcomes of interventions in the field of digital literacy, skills, e-inclusion, e-accessibility, and e-health which are aligned with existing relevant sectoral national or regional strategies. – assessment of needs to reinforce ICT capacity-building.
	<p>2.2. <i>Next Generation Access (NGA) Infrastructure</i>: The existence of national NGA Plans which take account of regional actions in order to reach the EU high-speed Internet access targets, focusing on areas where the market fails to provide an open infrastructure at an affordable cost and to an adequate quality in line with the EU competition and state aid rules, and provide accessible services to vulnerable groups.</p>	<ul style="list-style-type: none"> – A national NGA Plan is in place that contains: <ul style="list-style-type: none"> – a plan of infrastructure investments through demand aggregation and a mapping of infrastructure and services, regularly updated; – sustainable investment models that enhance competition and provide access to open, affordable, quality and future proof infrastructure and services; – measures to stimulate private investment.
<p>3. Enhancing the competitiveness</p>	<p>3.1. Specific actions have been carried out for the effective implementation of the Small</p>	<ul style="list-style-type: none"> – The specific actions include: <ul style="list-style-type: none"> – a monitoring mechanism to ensure the implementation of the SBA including a

<p>of small and medium-sized enterprises, the agricultural sector (for the EAFRD) and the fisheries and aquaculture sector (for the EMFF) (referred to in Article 9(3))</p>	<p>Business Act (SBA) and its Review of 23 February 2011 including the "Think Small First" principle.</p> <p>3.2. Transposition into national law of Directive (2011/7/EU) of the European Parliament and of the Council of 16 February 2011 on combating late payment in commercial transactions¹.</p>	<p>body in charge of coordinating SME issues across different administrative levels ("SME Envoy");</p> <ul style="list-style-type: none"> – measures to reduce the time to set-up business to 3 working days and the cost to €100; – measures to reduce the time needed to get licenses and permits to take up and perform the specific activity of an enterprise to 3 months; – a mechanism for systematic assessment of the impact of legislation on SMEs using an "SME test" while taking into account differences in the size of enterprises, where relevant. <p>– Transposition of that Directive in accordance with Article 12 of the Directive (by 16 March 2013).</p>
<p>4. Supporting the shift towards a low-carbon economy in all sectors (referred to in Article 9(4))</p>	<p>4.1. Energy efficiency: Transposition into national law of Directive (2010/31/EU) of the European Parliament and of the Council of 19 May 2010 on the energy performance of buildings in accordance with Article 28 of the Directive¹.</p> <p>Compliance with Article 6(1) of Decision No 406/2009/EC of the European Parliament and of the</p>	<ul style="list-style-type: none"> – Implementation of minimum requirements related to the energy performance of buildings required in line with Article 3, Article 4 and Article 5 of Directive 2010/31/EU; – Adoption of measures necessary to establish a system of certification of the energy performance of buildings in accordance with Article 11 of Directive 2010/31/EU; – Realisation of the required rate of renovation of public buildings; – Final customers are provided with individual meters;

	<p><i>Council of 23 April 2009 on the effort of Member States to reduce their greenhouse gas emissions to meet the Community's greenhouse gas emission reduction commitments up to 2020¹.</i></p> <p><i>Transposition into national law of Directive 2006/32/EC of the European Parliament and of the Council of 5 April 2006 on energy end-use efficiency and energy services¹.</i></p> <p><i>Transposition into national law of Directive 2004/8/EC of the European Parliament and of the Council of 11 February 2004 on the promotion of cogeneration based on a useful demand in the internal energy market and amending Directive 92/42/EEC¹.</i></p>	<p>– <i>Efficiency in heating and cooling is promoted according to Directive 2004/8/EC.</i></p>
	<p>4.2. Renewable energy: <i>Transposition into national law of Directive 2009/28/EC of the European Parliament and of the Council of 23 April 2009 on the promotion of the use of energy from renewable sources and amending and subsequently</i></p>	<p>– <i>A Member State has put in place transparent support schemes, priority in grid access and in dispatching, standard rules relating to the bearing and sharing of costs of technical adaptations which have been made public;</i></p> <p>– <i>A Member State has adopted a national renewable energy action plan in accordance with Article 4 of Directive 2009/28/EC.</i></p>

	<i>repealing Directives (2001/77/EC) and (2003/30/EC)¹.</i>	
5. Promoting climate change adaptation, risk prevention and management (Climate change target) (referred to in Article 9(5))	5.1. <i>Risk prevention and risk management</i> : The existence of national or regional risk assessments for disaster management. taking into account climate change adaptation	<ul style="list-style-type: none"> – A national or regional risk assessment shall be in place that includes: <ul style="list-style-type: none"> - A description of the process, methodology, methods and non-sensitive data used for national risk assessment; <ul style="list-style-type: none"> – A description of single-risk and multi-risk scenarios; – Taking into account, where appropriate, national climate change adaptation strategies.
6. Protecting the environment and promoting the sustainable use of resources (referred to in Article 9(6))	6.1. <i>Water sector</i> : The existence of a) a water pricing policy which provides adequate incentives for users to use water resources efficiently and b) an adequate contribution of the different water uses to the recovery of the costs of water services, in accordance with Article 9 of Directive 2000/60/EC of the European Parliament and of the Council of 23 October 2000 establishing a framework for Community action in the field of water policy¹.	<ul style="list-style-type: none"> – A Member State has ensured contribution of the different water uses to the recovery of the costs of water services by sector in accordance with Article 9 of Directive 2000/60/EC. – The adoption of a river basin management plan for the river basin district where investments will take place in accordance with Article 13 of Directive 2000/60/EC of the European Parliament and of the Council of 23 October 2000 establishing a framework for Community action in the field of water policy¹.

	<p>6.2. <i>Waste sector:</i> Implementation of Directive 2008/98/EC of the European Parliament and of the Council of 19 November 2008 on waste and repealing certain Directives¹, in particular the development of waste management plans in accordance with the Directive and with the waste hierarchy.</p>	<ul style="list-style-type: none"> – <i>A Member State has reported</i> to the Commission on progress towards targets of Article 11 of Directive 2008/98/EC, reasons for failure, and intended actions to meet the targets; – <i>A Member State has ensured that its competent authorities establish, in accordance with Articles 1, 4, 13 and 16 of Directive 2008/98/EC,</i> one or more waste management plans as required by Article 28 of the Directive; – <i>No later by 12 December 2013, a Member State has established, in accordance with Articles 1 and 4 of Directive 2008/98/EC,</i> waste prevention programmes, as required by Article 29 of the Directive; – <i>A Member State has taken necessary</i> measures to achieve 2020 target on re-use and recycling in accordance with Article 11 of Directive 2008/98/EC.
<p>7. Promoting sustainable transport and removing bottlenecks in key network infrastructures (referred to in Article 9(7))</p>	<p>7.1. Road: The existence of a comprehensive national transport plan which contains an appropriate prioritisation of investments in the core Trans European Network of Transport Infrastructure (TEN-T) network, in the comprehensive network (investments other than the core TEN-T) and in secondary connectivity (including public transport at regional and local level).</p>	<ul style="list-style-type: none"> – <i>A comprehensive transport plan is in place that contains:</i> <ul style="list-style-type: none"> – <i>prioritisation of investments in the core TEN-T network, the comprehensive network and secondary connectivity;</i> – <i>the prioritisation should take into account the contribution of investments to mobility, sustainability, the reduction of greenhouse gas emissions and contribution to the Single European transport area;</i> – a realistic and mature project pipeline (including timetable, budgetary framework); – a strategic environmental assessment fulfilling the legal requirements for the transport plan; – measures to strengthen capacity of intermediary bodies and beneficiaries to

		<p>deliver the project pipeline.</p>
	<p>7.2. <i>Railway</i>: The existence within the comprehensive national transport plan of an explicit chapter on railway development which contains an appropriate prioritisation of investments in the core Trans European Network of Transport Infrastructure (TEN-T) network, in the comprehensive network (investments other than the core TEN-T) and in secondary connectivity of the railway system according to their contributions to mobility, sustainability, national and European wide network effects. The investments cover mobile assets and interoperability and capacity building.</p>	<ul style="list-style-type: none"> – <i>A chapter</i> on railway development within the <i>comprehensive transport plan is in place that contains:</i> <ul style="list-style-type: none"> – <i>a realistic and mature project pipeline (including a timetable, budgetary framework);</i> – <i>a strategic environmental assessment fulfilling the legal requirements for the transport plan;</i> – <i>measures to strengthen</i> capacity of intermediary bodies and beneficiaries to deliver the project pipeline.

8. Promoting employment and supporting labour mobility (Employment target) (referred to in Article 9(8))	8.1. <i>Access to employment for job-seekers and inactive people, including local employment initiatives and support for labour mobility</i> : Active labour market policies are designed and delivered in <i>coherence with</i> the Employment guidelines ¹ ;	– Employment services have the capacity to and do deliver: <ul style="list-style-type: none"> – personalised services and active and preventive labour market measures at an early stage, which are open for all jobseekers; – <i>anticipating and counselling on long-term employment opportunities created by structural shifts in the labour market such as the shift to a low carbon economy</i>; – <i>transparent and systematic information on new job vacancies</i>. – Employment services have set up <i>networks with employers and education institutes</i> .
	8.2. <i>Self-employment, entrepreneurship and business creation</i> : the existence of a comprehensive strategy for inclusive start-up <i>support in accordance with the Small Business Act I and in coherence with the Employment guidelines and the Broad Guidelines for the economic policies of the Member States and of the Union¹, regarding the enabling conditions for job creation</i> .	– A <i>comprehensive strategy</i> in place <i>which includes</i> : <ul style="list-style-type: none"> – measures <i>to reduce</i> the time to set up businesses <i>to three working days and the cost to EUR 100</i>; – measures <i>to reduce</i> the time needed to get licenses and permits to take up and perform the specific activity of an enterprise <i>business to three months</i>; – actions linking suitable business development services and financial services (access to capital), including the outreach to disadvantaged groups and areas.
	8.3. <i>Modernisation and strengthening of labour market institutions , including actions to enhance transnational labour</i>	– Actions to reform employment services, aiming at providing them the capacity to deliver ¹ : <ul style="list-style-type: none"> – personalised services and active and preventive labour market measures at an

	<p>mobility¹:</p> <ul style="list-style-type: none"> - Labour market institutions are modernised and strengthened in accordance with the Employment Guidelines; - Reforms of labour market institutions will be preceded by a clear strategy and <i>ex ante</i> assessment including the gender dimension 	<p>early stage, which are open for all jobseekers;</p> <ul style="list-style-type: none"> – <i>counselling on long-term employment opportunities created by structural shifts in the labour market such as the shift to the low carbon economy;</i> – <i>transparent and systematic information on new job opening accessible at Union level.</i> – Reform of employment services will include the creation of networks <i>with employers and education institutes.</i>
	<p>8.4. <i>Active and healthy ageing:</i> Active ageing policies are designed and delivered in accordance with the Employment Guidelines¹</p>	<ul style="list-style-type: none"> – <i>Actions to deliver on active and healthy ageing challenges¹:</i> <ul style="list-style-type: none"> – <i>relevant</i> stakeholders are involved in the design <i>and implementation</i> of active ageing policies; – a Member State has measures in place to promote active ageing <i>and to reduce early retirement.</i>
	<p>8.5. <i>Adaptation of workers, enterprises and entrepreneurs to change:</i> The existence of policies aimed at favouring anticipation and good management of change and restructuring <i>at all relevant levels (national, regional, local and sectoral)¹.</i></p>	<ul style="list-style-type: none"> – <i>Effective instruments</i> are in place to support social partners and public authorities to develop proactive approaches towards change and restructuring.
	<p>8.6. Sustainable integration into the labour market of young people <i>aged 15-24</i> not in employment,</p>	<ul style="list-style-type: none"> – A comprehensive strategic policy framework for achieving the objectives of the Youth Employment Package and in particular for establishing a Youth Guarantee scheme in

	<p>education or training: The existence of a comprehensive strategic policy framework for achieving the objectives of the Youth Employment Package and in particular for establishing a Youth Guarantee scheme in accordance with the Council recommendation of [xxx]</p>	<p>accordance with the Council recommendation of [xxx] is in place that:</p> <ul style="list-style-type: none"> – is based on evidence that measures the results for young people aged 15-24 not in employment, education or training: <ul style="list-style-type: none"> - provides for a system for collecting and analysing data and information on the Youth Guarantee scheme at relevant levels which provides a sufficient evidence-base to develop targeted policies and monitors developments, with counterfactual evaluations whenever possible – identifies the relevant public authority in charge of establishing and managing the Youth Guarantee scheme and coordinating partnerships across all levels and sectors; – involves all stakeholders that are relevant for addressing youth unemployment; – is based on early intervention and activation; – comprises supportive measures for labour market integration, including measures enhancing skills and labour market related measures.
<p>9. Investing in education, skills and lifelong learning (Education target) (referred to in Article 9(10))</p>	<p>9.1. <i>Early school leaving</i>: The existence of a comprehensive strategy to reduce early school leaving (ESL) in accordance with Council Recommendation of 28 June 2011 on policies to reduce early school leaving¹.</p>	<ul style="list-style-type: none"> – A system for collecting and analysing data and information on ESL at national, regional and local level is in place that: <ul style="list-style-type: none"> – provides a sufficient evidence-base to develop targeted policies; – is used systematically to monitor developments at the respective level. – A strategy on ESL is in place that: <ul style="list-style-type: none"> – is based on evidence; – is comprehensive (e.g. covering all educational sectors including early childhood development) and adequately addresses prevention, intervention and compensation measures;

		<ul style="list-style-type: none"> – <i>sets out objectives that are consistent with the Council Recommendation on policies to reduce early school leaving;</i> – <i>cuts across-sectors, and involves and coordinates</i> all policy sectors and stakeholders that are relevant to address ESL.
	<p>9.2. <i>Higher education:</i> The existence of national or regional <i>strategies</i> for increasing tertiary education attainment, quality and efficiency <i>in accordance with the Communication of the Commission of 20 September 2011 on the modernisation of Europe's higher education systems</i>¹.</p>	<ul style="list-style-type: none"> – A national or regional <i>strategy</i> for tertiary education is in place <i>that includes</i>: <ul style="list-style-type: none"> – measures to increase participation and attainment that: <ul style="list-style-type: none"> – <i>improve guidance provided to prospective students;</i> – increase higher education participation among low income groups and other under-represented groups. – increase participation by adult learners; – <i>(where necessary)</i> reduce drop-out rates/improve completion rates; – measures to increase quality that: <ul style="list-style-type: none"> – encourage innovative content and programme design; – <i>promotes high standards of quality in teaching;</i> – measures to increase employability and entrepreneurship that: <ul style="list-style-type: none"> – encourage the development of "transversal skills", including entrepreneurship in <i>all</i> higher education programmes; – reduce gender differences in terms of academic and vocational choices <i>and</i>

		<p><i>encouraging students to choose careers in sectors were they are under represented in order to reduce the gender segregation of the labour market.</i></p> <p>– <i>ensure informed teaching using knowledge from research and developments in business practices.</i></p>
	<p>9.3. <i>Lifelong learning</i>: The existence of a national and/or regional policy framework for lifelong learning <i>in line with Union level policy guidance</i>¹.</p>	<p>– A national or regional policy framework for lifelong learning is in place that contains:</p> <ul style="list-style-type: none"> – measures to support <i>lifelong learning (LLL)</i> implementation and skills upgrading and providing for the involvement of, and partnership with stakeholders, <i>including social partners and civil society associations</i>; – measures for the <i>effective</i> provision of skills development for young people in vocational training, adults, <i>women</i> returning in the labour market, low skilled and older workers, and other disadvantaged groups; – <i>measures to widen access to LLL including through the effective implementation of transparency tools (European Qualifications Framework, National Qualifications Framework, European Credit system for Vocational Education and Training, European Quality Assurance in Vocational Education and Training) and the development and integration of lifelong learning services (education and training, guidance, validation)</i>; – measures to improve the relevance of education and training and to adapt it to the needs of identified target groups.

<p>10. Promoting social inclusion and combating poverty (Poverty target) (referred to in Article 9(9))</p>	<p>10.1. Active inclusion Integration of marginalised communities such as the Roma: - The existence and the implementation of a national strategy for poverty reduction in accordance with Commission Recommendation of 3 October 2008 on the active inclusion of the people excluded from the labour market¹ and the Employment guidelines.</p>	<p>– A national strategy for poverty reduction is in place that:</p> <ul style="list-style-type: none"> – is based on evidence. This requires a system for collecting and analysing data and information which provides sufficient evidence to develop policies for poverty reduction. This system is used to monitor developments; – is in accordance with the national poverty and social exclusion target (as defined in the National Reform Programme), which includes the extension of employment opportunities for disadvantaged groups; – contains a mapping of the territorial concentration beyond the regional/on NUTS 3 level of marginalised and disadvantaged groups including the Roma; – demonstrates that social partners and relevant stakeholders are involved in the design of active inclusion; – includes measures for the shift from residential to community based care; – indicates clearly measures to prevent and combat segregation in all fields.
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	<p>- A national Roma inclusion <i>strategy is in place in accordance with the EU Framework for national Roma integration strategies¹</i></p> <p>- <i>The provision of support for relevant stakeholders in accessing the Funds.</i></p>	<ul style="list-style-type: none"> - A national Roma inclusion strategy is in place that: <ul style="list-style-type: none"> - sets achievable national goals for Roma integration to bridge the gap with the general population. These targets should address, <i>as a minimum</i>, the four EU Roma integration goals relating to access to education, employment, healthcare and housing; - <i>is coherent with the National Reform Programme;</i> - identifies where relevant those disadvantaged micro-regions or segregated neighbourhoods, where communities are most deprived, using already available socio-economic and territorial indicators (i.e. very low educational level, long-term unemployment, etc). - <i>allocates a sufficient funding from national budgets, which will be complemented, where appropriate, by international and EU funding.</i> - includes strong monitoring methods to evaluate the impact of Roma integration actions and a review mechanism for the adaptation of the strategy. - is designed, implemented and monitored in close cooperation and continuous dialogue with Roma civil society, regional and local authorities. - <i>contains a national contact point for the national Roma integration strategy with the authority to coordinate the development and implementation of the strategy.</i> - <i>Relevant</i> stakeholders are provided support for submitting project applications and for implementing and managing the selected projects.
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	<p>10.2. Health: The existence of a national or regional strategy for health ensuring access to quality health services and economic sustainability.</p>	<ul style="list-style-type: none"> – A national or regional strategy for health is in place that: <ul style="list-style-type: none"> – Contains coordinated measures to improve access to quality health services; – contains measures to stimulate efficiency in the health sector, including through deployment of effective innovative technologies, service delivery models and infrastructure; – contains a monitoring and review system. – A Member State or region has adopted a framework outlining available budgetary resources for health care.
<p>11. Enhancing institutional capacity and efficient public administration (referred to in Article 9(11))</p>	<p><i>Member States administrative efficiency:</i></p> <p>- The existence of a strategy for reinforcing the Member States' administrative efficiency including public administration reform¹</p>	<ul style="list-style-type: none"> – A strategy for reinforcing a Member State's administrative efficiency is in place and in the process of being implemented¹. The strategy includes: <ul style="list-style-type: none"> – an analysis and strategic planning of legal, organisational and/or procedural reform actions; – the development of quality management systems; – integrated actions for simplification and rationalisation of administrative procedures; – the development and implementation of human resources strategies and policies covering the recruitment plans and career paths of staff, competence building and resourcing; – the development of skills at all levels;

		– the development of procedures and tools for monitoring and evaluation.
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Thematic objectives	Investment priorities	<u>Ex ante</u> conditionality	Criteria for fulfilment
1. Strengthening research, technological development and innovation (R&D target) (referred to in Article 9(1))	ERDF: – All investment priorities under thematic objective no. 1.	1.1. <i>Research and innovation:</i> The existence of a national or regional research and innovation strategy for smart specialisation in line with the National Reform Program, to leverage private research and innovation expenditure, which complies with the features of well-performing national or regional research and innovation systems.	<ul style="list-style-type: none"> – A national or regional smart specialisation strategy is in place that: <ul style="list-style-type: none"> – is based on a SWOT or similar analysis to concentrate resources on a limited set of research and innovation priorities; – outlines measures to stimulate private RTD investment; – contains a monitoring mechanism. – A framework outlining available budgetary resources for research and innovation has been adopted.
	ERDF: – Enhancing research and innovation infrastructure (R&I) and capacities to develop R&I	1.2 Research and Innovation infrastructure	<ul style="list-style-type: none"> – An indicative multi-annual plan for budgeting and prioritization of investments linked to EU priorities, and, where appropriate, the European Strategy Forum on Research Infrastructures -ESFRI has been adopted.

	<i>excellence and promoting centres of competence, in particular those of European interest.</i>		
2. Enhancing access to, and use and quality of, information and communication technologies (Broadband target) (referred to in Article 9(2))	ERDF: – <i>Developing ICT products and services, e-commerce and enhancing demand for ICT.</i> – <i>Strengthening ICT applications for e-government, e-learning, e-inclusion, e-culture and e-health.</i>	2.1. <i>Digital growth: A strategic policy framework</i> for digital growth to stimulate affordable, good quality and interoperable ICT-enabled private and public services and increase uptake by citizens, including vulnerable groups, businesses and public administrations including cross border initiatives.	– <i>A strategic policy framework</i> for digital growth, <i>for instance</i> , within the national or regional innovation smart specialisation <i>strategy</i> is in place that contains: <ul style="list-style-type: none"> – budgeting and prioritisation of actions through a SWOT <i>or similar</i> analysis <i>consistent</i> carried out in alignment with the Scoreboard of the Digital Agenda for Europe¹; – an analyses of balancing support for demand and supply of information and communication technologies (ICT) should have been conducted; – <i>indicators to measure progress</i> of interventions in <i>areas such as</i> digital literacy, e-inclusion, e-accessibility, and e-health <i>within the limits of Article 168 TFEU</i> which are aligned with existing relevant sectoral <i>Union</i>, national or regional strategies; – assessment of needs to reinforce ICT capacity-building.
	ERDF: – <i>Extending broadband deployment and</i>	2.2. <i>Next Generation Network (NGN) Infrastructure:</i> The existence of national <i>or regional NGN</i> Plans which take account of regional	– A national <i>and / or regional NGN</i> Plan is in place that contains: <ul style="list-style-type: none"> – a plan of infrastructure investments <i>based on an economic analysis taking account of existing private and public infrastructures and</i>

	<i>the roll-out of high-speed networks and supporting the adoption of future and emerging technologies and networks for the digital economy.</i>	actions in order to reach the EU high-speed Internet access targets ¹ , focusing on areas where the market fails to provide an open infrastructure at an affordable cost and to a quality in line with the EU competition and state aid rules, and provide accessible services to vulnerable groups.	<p><i>planned investments;</i></p> <ul style="list-style-type: none"> – sustainable investment models that enhance competition and provide access to open, affordable, quality and future proof infrastructure and services; – measures to stimulate private investment.
3. Enhancing the competitiveness of small and medium-sized enterprises, the agricultural sector (for the EAFRD) and the fisheries and aquaculture sector (for the EMFF) (referred to in Article 9(3))	<i>ERDF:</i> – <i>Supporting the capacity of SMEs to engage in growth in regional, national and international market, and in innovation processes.</i>	3.1. Specific actions have been carried out <i>to underpin the promotion of entrepreneurship taking into account</i> the Small Business Act (SBA).	<ul style="list-style-type: none"> – The specific actions <i>are:</i> <ul style="list-style-type: none"> – measures <i>have been put in place with the objective of reducing</i> the time <i>and cost</i> to set-up business <i>taking account of the targets of the SBA;</i> – measures <i>have been put in place with the objective of reducing</i> the time needed to get licenses and permits to take up and perform the specific activity of an enterprise <i>taking account of the targets of the SBA;</i> – a mechanism <i>is in place to monitor the implementation of the SBA and assess</i> the impact of legislation on SMEs.

<p>4. Supporting the shift towards a low-carbon economy in all sectors (referred to in Article 9(4))</p>	<p>ERDF+CF: – Supporting energy efficiency, smart energy management and renewable energy use in public infrastructures, including in public buildings, and in the housing sector.</p>	<p>4.1. Actions have been carried out to promote cost-effective improvements of energy end use efficiency and cost-effective investment in Energy efficiency when constructing or renovating buildings.</p>	<ul style="list-style-type: none"> – The actions are: – Measures to ensure minimum requirements are in place related to the energy performance of buildings consistent with Article 3, Article 4 and Article 5 of Directive 2010/31/EU. Adoption of measures necessary to establish a system of certification of the energy performance of buildings in accordance with Article 11 of Directive 2010/31/EU; – Measures necessary to establish a system of certification of the energy performance of buildings consistent with Article 11 of Directive 2010/31/EU. – Measures consistent with art. 13 of Directive 2006/32/EC on energy end-use efficiency and energy services to ensure the provision to final customers of individual meters in so far as it is technically possible, financially reasonable and proportionate in relation to the potential energy savings.
	<p>ERDF+CF: – Promoting the use of high-efficiency co-generation of heat and power based on useful demand.</p>	<p>4.2. Actions have been carried out to promote high-efficiency co-generation of heat and power.</p>	<ul style="list-style-type: none"> – The actions are: – Support for co-generation is based on useful heat demand and primary energy savings consistent with Article 7.1 and 9.1. (a) and (b) of Directive 2004/8/EC), Member States or their competent bodies have evaluated the existing legislative and regulatory framework with regard to authorisation procedures or other procedures in order to: <ul style="list-style-type: none"> a) encourage the design of co-generation units to match economically justifiable demands for useful heat output and avoid production of more heat than useful heat; and

			b) reduce the regulatory and non-regulatory barriers to an increase in co-generation.
	ERDF+CF: – Promoting the production and distribution of energy derived from renewable sources.	4.3. Actions have been carried out to promote the production and distribution of renewable energy sources¹. ¹ <i>OJ L 140, 5.6.2009, p. 16.</i>	– Transparent support schemes, priority in grid access or guaranteed access and priority in dispatching, as well as standard rules relating to the bearing and sharing of costs of technical adaptations which have been made public are in place consistent with Article 14 (1) Article 16 (2) and 16 (3) of Directive 2009/28/EC. – A Member State has adopted a national renewable energy action plan consistent with Article 4 of Directive 2009/28/EC.
5. Promoting climate change adaptation, risk prevention and management (Climate change target) (referred to in Article 9(5))	ERDF+CF: – Promoting investment to address specific risks, ensuring disaster resilience and developing disaster management systems.	5.1. Risk prevention and risk management: The existence of national or regional risk assessments for disaster management. taking into account climate change adaptation ¹	– A national or regional risk assessment with the following elements shall be in place: – A description of the process, methodology, methods and non-sensitive data used for risk assessment as well as of the risk-based criteria for the prioritisation of investment; – A description of single-risk and multi-risk scenarios; – Taking into account, where appropriate, national climate change adaptation strategies.

<p>6. Preserving and protecting the environment and promoting resource efficiency (referred to in Article 9(6))</p>	<p>ERDF+CF: – <i>Investing in the water sector to meet the requirements of the Union's environmental acquis and to address needs identified by Member States for investment going beyond those requirements.</i></p>	<p>6.1. <i>Water sector:</i> The existence of a) a water pricing policy which provides adequate incentives for users to use water resources efficiently and b) an adequate contribution of the different water uses to the recovery of the costs of water services at a rate determined in the approved river basin management plan for investment supported by the programmes.</p>	<ul style="list-style-type: none"> – <i>In sectors supported by the ERDF and the CF</i>, a Member State has ensured a contribution of the different water uses to the recovery of the costs of water services by sector consistent with Article 9, paragraph 1, first indent of Directive 2000/60/EC having regard, where appropriate, to the social, environmental and economic effects of the recovery as well as the geographic and climatic conditions of the region or regions affected. – The adoption of a river basin management plan for the river basin district consistent with Article 13 of Directive 2000/60/EC of the European Parliament and of the Council of 23 October 2000 establishing a framework for Community action in the field of water policy.
	<p>ERDF+CF: – <i>Investing in the waste sector to meet the requirements of the Union's environmental acquis and to address needs identified by Member States for investment going beyond those</i></p>	<p>6.2. <i>Waste sector: Promoting economically and environmentally sustainable investments in the waste sector particularly by</i> the development of waste management plans consistent with Directive 2008/98/EC on waste, and with the waste hierarchy.</p>	<ul style="list-style-type: none"> – An implementation report as requested by Article 11(5) of Directive 2008/98/EC has been submitted to the Commission on progress towards meeting the targets set out in Article 11 of Directive 2008/98/EC. – The existence of one or more waste management plans as required by Article 28 of Directive 2008/98/EC; – The existence of waste prevention programmes, as required by Article 29 of the Directive; – Necessary measures to achieve the targets on preparation for re-use and recycling by 2020 consistent with Article 11.2 of Directive 2008/98/EC have been adopted.

	requirements.		
7. Promoting sustainable transport and removing bottlenecks in key network infrastructures (referred to in Article 9(7))	<p>ERDF+CF:</p> <ul style="list-style-type: none"> – Supporting a multimodal Single European Transport Area by investing in the Trans-European Transport (TEN-T) network. – Developing and rehabilitating comprehensive, high quality and interoperable railway systems, and promoting noise-reduction measures. – Developing and improving environment-friendly 	<p>7.1. Transport: The existence of a comprehensive plan(s) or framework(s) for transport investment in accordance with the Member States’ institutional set-up (including public transport at regional and local level) which supports infrastructure development and improves connectivity to the TEN-T comprehensive and core networks.</p>	<ul style="list-style-type: none"> – The existence of a comprehensive transport plan(s) or framework(s) for transport investment which fulfils legal requirements for strategic environmental assessment and sets out: <ul style="list-style-type: none"> – the contribution to the single European Transport Area consistent with Article 10 of Regulation No. [TEN-T], including priorities for investments in: <ul style="list-style-type: none"> – the core TEN-T network and the comprehensive network where investment from the ERDF and CF is envisaged; and – secondary connectivity; – a realistic and mature pipeline for projects envisaged for support from the ERDF and CF; – measures to ensure the capacity of intermediary bodies and beneficiaries to deliver the project pipeline.

<p><i>(including low-noise) and low-carbon transport systems including inland waterways and maritime transport, ports, multimodal links and airport infrastructure, in order to promote sustainable regional and local mobility.</i></p> <p>ERDF:</p> <p><i>– Enhancing regional mobility through connecting secondary and tertiary nodes to TEN-T infrastructure,</i></p>		
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<p><i>including multimodal nodes.</i></p>		
<p>ERDF+CF: – <i>Supporting a multimodal Single European Transport Area by investing in the Trans-European Transport (TEN-T) network.</i> – <i>Developing and rehabilitating comprehensive, high quality and interoperable railway systems,</i></p>	<p>7.2. <i>Railway:</i> The existence within the comprehensive transport <i>plan(s) or framework(s)</i> of an explicit <i>section</i> on railway development <i>in accordance with the Member States’ institutional set-up (including public transport at regional and local level) which supports infrastructure development and improves connectivity to the TEN-T comprehensive and core networks.</i> The investments cover mobile assets, interoperability and capacity building.</p>	<ul style="list-style-type: none"> – <i>The existence of a section</i> on railway development within the transport <i>plan(s) or framework(s) as set out above which fulfils legal requirements for strategic environmental assessment and sets out a realistic and mature project pipeline (including a timetable, budgetary framework);</i> – <i>Measures to ensure</i> the capacity of intermediary bodies and beneficiaries to deliver the project pipeline.

<p><i>and promoting noise-reduction measures.</i></p> <p><i>– Developing and improving environment-friendly (including low-noise) and low-carbon transport systems including inland waterways and maritime transport, ports, multimodal links and airport infrastructure, in order to promote sustainable regional and local mobility.</i></p> <p><i>ERDF:</i></p> <p><i>– Enhancing regional</i></p>		
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	<p><i>mobility through connecting secondary and tertiary nodes to TEN-T infrastructure, including multimodal nodes.</i></p>		
	<p><i>ERDF+CF:</i></p> <ul style="list-style-type: none"> <i>– Supporting a multimodal Single European Transport Area by investing in the Trans-European Transport (TEN-T) network.</i> <i>– Developing and rehabilitating comprehensive, high quality and interoperable</i> 	<p><i>7.3. Other modes of transport, including inland-waterways and maritime transport, ports, multimodal links and airport infrastructure: The existence within the comprehensive transport plan(s) or framework(s) of an explicit section on inland-waterways and maritime transport, ports, multimodal links and airport infrastructure, which contribute to improve connectivity to the TEN-T comprehensive and core networks and to promote sustainable regional and local mobility.</i></p>	<ul style="list-style-type: none"> <i>– The existence of a section on inland-waterways and maritime transport, ports, multimodal links and airport infrastructure within the transport plan(s) or framework(s) which:</i> <ul style="list-style-type: none"> <i>– fulfils legal requirements for strategic environmental assessment;</i> <i>– sets out a realistic and mature project pipeline (including a timetable, budgetary framework);</i> <i>– Measures to ensure the capacity of intermediary bodies and beneficiaries to deliver the project pipeline.</i>

	<p><i>railway systems, and promoting noise-reduction measures.</i></p> <p><i>– Developing and improving environment-friendly (including low-noise) and low-carbon transport systems including inland waterways and maritime transport, ports, multimodal links and airport infrastructure, in order to promote sustainable regional and local mobility.</i></p> <p><i>ERDF:</i></p> <p><i>– Enhancing</i></p>		
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	<p><i>regional mobility through connecting secondary and tertiary nodes to TEN-T infrastructure, including multimodal nodes.</i></p>		
	<p>ERDF: – Improving energy efficiency and security of supply through the development of smart energy distribution, storage and transmission systems and through the integration of distributed generation from renewable sources.</p>	<p>7.4 Development of smart energy distribution, storage and transmission systems.</p> <p><i>The existence of comprehensive plans for investments in smart energy infrastructure and of regulatory measures, which contribute to improve energy efficiency and security of supply.</i></p>	<ul style="list-style-type: none"> – <i>Comprehensive plans describing the national energy infrastructure priorities are in place :</i> <ul style="list-style-type: none"> – <i>in accordance with Article[s] 22 of Directives 2009/72/EC and 2009/73/EC, where applicable, and</i> – <i>consistent with the relevant regional investment plans under Article 12 and with the Union-wide ten-year network development plan according to Article 8(3)(b) of Regulations (EC) No 714/2009 and with (EC) No 715/2009 and</i> – <i>compatible with Article 3.4 of the [TEN-E] Regulation on Guidelines for trans-European energy infrastructures;</i> – <i>These plans contain:</i> <ul style="list-style-type: none"> – <i>A realistic and mature project pipeline for projects envisaged for support from the ERDF;</i>

			<ul style="list-style-type: none"> – <i>Measures to achieve the objectives of social and economic cohesion and environmental protection, in line with Articles 3.10 of Directive 2009/72/EC and 3.7 of Directive 2009/73/EC;</i> – <i>Measures to optimise the use of energy and promote energy efficiency, in line with Articles 3.11 of Directive 2009/72/EC and 3.8 of Directive 2009/73/EC.</i>
8. Promoting <i>sustainable and quality</i> employment and supporting labour mobility (Employment target) (referred to in Article 9(8))	<p>ESF:</p> <p>– <i>Access to employment for job-seekers and inactive people, including long-term unemployed and people who are far from the labour market, also through local employment initiatives and support for labour mobility.</i></p>	8.1. Active labour market policies are designed and delivered in <i>the light of</i> the Employment guidelines ¹ .	<ul style="list-style-type: none"> – Employment services have the capacity to and do deliver: <ul style="list-style-type: none"> – personalised services, <i>counselling</i> and active and preventive labour market measures at an early stage, which are open for all jobseekers <i>while focusing on disadvantage groups including people from marginalised communities;</i> – <i>systematic information on new job vacancies transparent for all and continuous labour market analysis to identify structural shifts in the demand for occupations and skills.</i> – Employment services have set up <i>formal or informal cooperation arrangements with relevant stakeholders.</i>
	<p>ESF:</p> <p>– <i>Self employment, entrepreneurship</i></p>	8.2. <i>Self-employment, entrepreneurship and business creation:</i> the existence of a strategic policy framework for inclusive start-	<ul style="list-style-type: none"> – <i>A strategic policy framework for inclusive start-up support is in place with the following elements:</i> <ul style="list-style-type: none"> – <i>measures have been put in place with the objective of reducing the</i>

<p><i>p and business creation including innovative small, medium sized and micro enterprises.</i></p> <p>ERDF:</p> <p>– <i>Supporting the development of business incubators and investment support for self-employment, micro-enterprises and business creation.</i></p>	<p>up.</p>	<p>time and cost to set-up business taking account of the targets of the SBA;</p> <ul style="list-style-type: none"> – measures have been put in place with the objective of reducing the time needed to get licenses and permits to take up and perform the specific activity of an enterprise taking account of the targets of the SBA; – actions linking suitable business development services and financial services (access to capital), including the outreach to disadvantaged groups and/or areas where needed.
<p>ESF:</p> <p>– <i>Modernisation of labour market institutions, such as public and private employment</i></p>	<p>8.3. Labour market institutions are modernised and strengthened in the light of the Employment Guidelines;</p> <p>Reforms of labour market institutions will be preceded by a clear strategy and ex ante assessment including the gender dimension</p>	<ul style="list-style-type: none"> – Actions to reform employment services, aiming at providing them with the capacity to deliver¹: – personalised services, counselling and active and preventive labour market measures at an early stage, which are open for all jobseekers while focusing on disadvantage groups including people from marginalised communities; – systematic information on new job vacancies transparent for all

	<p><i>services, improving matching to the needs of the labour market, including actions enhancing through mobility schemes and better cooperation between institutions and relevant stakeholders.</i></p> <p>ERDF:</p> <p><i>– Investing in infrastructure for employment services.</i></p>		<p><i>and continuous labour market analysis to identify structural shifts in the demand for occupations and skills.</i></p> <p>– Reform of employment services will include the creation of <i>formal or informal cooperation</i> networks <i>with relevant stakeholders.</i></p>
	<p>ESF:</p> <p><i>– Active and healthy ageing</i></p>	<p>8.4. <i>Active and healthy ageing:</i> Active ageing policies are designed and delivered in <i>the light of</i> the Employment Guidelines¹</p>	<p>– <i>Relevant</i> stakeholders are involved in the design and <i>follow-up</i> of active ageing policies <i>with a view to retaining elderly workers on the labour market and promote their employment;</i></p> <p>– a Member State has measures in place to promote active ageing.</p>

	<p>ESF: – <i>Adaptation of workers, enterprises and entrepreneurs to change.</i></p>	<p>8.5. <i>Adaptation of workers, enterprises and entrepreneurs to change:</i> The existence of policies aimed at favouring anticipation and good management of change and restructuring.</p>	<ul style="list-style-type: none"> – <i>Instruments</i> are in place to support social partners and public authorities to develop proactive approaches towards change and restructuring <i>which include:</i> <ul style="list-style-type: none"> – <i>measures to promote anticipation of change including their monitoring;</i> – <i>measures to promote the preparation and management of the restructuring process, including their monitoring;</i> – <i>actions to encourage the adaptation of workers challenges in particular the existence of policies and measures aimed at the implementation of the Article 5 of Directive 2000/78/EC.</i>
		<p>8.6. <i>Sustainable integration into the labour market of young people not in employment, education or training, in particular in the context of the Youth Guarantee (for young people under the age of 30 including graduates and those leaving training systems without qualifications):</i> The existence of a comprehensive strategic policy framework for achieving the objectives of the Youth Employment Package and in particular for establishing a Youth Guarantee scheme in accordance with the Council recommendation of</p>	<ul style="list-style-type: none"> – A comprehensive strategic policy framework for achieving the objectives of the Youth Employment Package and in particular for establishing a Youth Guarantee scheme in accordance with the Council recommendation of [xxx] is in place that: <ul style="list-style-type: none"> – is based on evidence that measures the results for young people not in employment, education or training, <i>in particular in the context of the Youth Guarantee (for young people under the age of 30 including graduates and those leaving training systems without qualifications):</i> – provides for a system for collecting and analysing data and information on the Youth Guarantee scheme at relevant levels which provides a sufficient evidence-base to develop targeted policies and monitors developments, with counterfactual evaluations whenever possible; – identifies the relevant public authority in charge of establishing and managing the Youth Guarantee scheme and coordinating partnerships across all levels and sectors;

		[xxx]	<ul style="list-style-type: none"> – involves all stakeholders that are relevant for addressing youth unemployment; – is based on early intervention and activation; – comprises supportive measures for labour market integration, including measures enhancing skills and labour market related measures.
<p>9. Investing in education, training and vocational training for skills and lifelong learning (Education target) (referred to in Article 9(10))</p>	<p>ESF: – Preventing and reducing early school-leaving</p> <p>ERDF: – Investing in education, skills and lifelong learning by developing education and training infrastructure.</p>	<p>9.1. Early school leaving: The existence of a strategic policy framework to reduce early school leaving (ESL) within the limits of Article 165 TFEU.</p>	<ul style="list-style-type: none"> – A system for collecting and analysing data and information on ESL at relevant levels is in place that: <ul style="list-style-type: none"> – provides a sufficient evidence-base to develop targeted policies and monitors developments. – A strategic policy framework on ESL is in place that: <ul style="list-style-type: none"> – is based on evidence; – covers relevant educational sectors including early childhood development and targets in particular vulnerable groups that are most at risk of ESL including people from marginalised communities, addresses prevention, intervention and compensation measures; – involves all policy sectors and stakeholders that are relevant to address ESL.
	<p>ESF: – Improving the quality, efficiency and openness of</p>	<p>9.2. Higher education: The existence of national or regional strategic policy framework for increasing tertiary education attainment, quality and efficiency within the limits of</p>	<ul style="list-style-type: none"> – A national or regional strategic policy framework for tertiary education is in place with the following elements: <ul style="list-style-type: none"> – where necessary, measures to increase participation and attainment that:

<p><i>tertiary and equivalent education with a view to increasing participation and attainment levels.</i></p> <p>ERDF:</p> <p><i>– Investing in education, skills and lifelong learning by developing education and training infrastructure.</i></p>	<p>Article 165 TFEU.</p>		<ul style="list-style-type: none"> – increase higher education participation among low income groups and other under-represented groups with special regard to vulnerable groups, including people from marginalised communities; – increase participation by adult learners; – reduce drop-out rates/improve completion rates; – measures to increase quality that: <ul style="list-style-type: none"> – encourage innovative content and programme design; – measures to increase employability and entrepreneurship that: <ul style="list-style-type: none"> – encourage the development of "transversal skills", including entrepreneurship in relevant higher education programmes; – reduce gender differences in terms of academic and vocational choices.
<p>ESF:</p> <p><i>– Enhancing access to lifelong learning, upgrading the skills and competences of the workforce.</i></p>	<p>9.3. <i>Lifelong learning:</i> The existence of a national and/or regional strategic policy framework for lifelong learning within the limits of Article 165 TFEU.</p>	<ul style="list-style-type: none"> – 	<ul style="list-style-type: none"> – A national or regional strategic policy framework for lifelong learning is in place that contains: <ul style="list-style-type: none"> – measures to support the developing and linking services for LLL, including their implementation and skills upgrading (i.e. validation, guidance, education and training) and providing for the involvement of, and partnership with relevant stakeholders; – measures for the provision of skills development corresponding to the needs of various target groups where these are identified as

	<p>ERDF:</p> <p><i>– Investing in education, skills and lifelong learning by developing education and training infrastructure.</i></p>		<p><i>priorities in national or regional strategic policy frameworks (for example young people in vocational training, adults, parents returning in the labour market, low skilled and older workers, disabled people in particular, migrants and other disadvantaged groups);</i></p> <p>– measures to improve the relevance of education and training and to adapt it to the needs of identified target groups <i>with special needs, such as the permanently unemployed and marginalized communities.</i></p>
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<p>10. Promoting social inclusion, combating poverty and any discrimination</p> <p>(poverty target)</p> <p>(referred to in Article 9(9))</p>	<p>ESF:</p> <p>– Active inclusion, including with a view to promoting equal opportunities and active participation and improving employability.</p> <p>ERDF:</p> <p>– Investing in health and social infrastructure which contribute to national, regional and local development, reducing inequalities in terms of health status, promoting social inclusion</p>	<p>10.1. The existence and the implementation of a national strategic policy framework for poverty reduction aiming at the active inclusion of people excluded from the labour market¹ in the light of Employment guidelines.</p>	<p>– A national strategic policy framework for poverty reduction, aiming at active inclusion, is in place that:</p> <ul style="list-style-type: none"> – provides a sufficient evidence base to develop policies for poverty reduction and monitor developments; – contains measures supporting the achievement of the national poverty and social exclusion target (as defined in the National Reform Programme), which includes the promotion of sustainable and quality employment opportunities for people at the highest risk of social exclusion; – involves relevant stakeholders in combating poverty; – depending on the identified needs, includes measures for the shift from institutional to community based care; – indicates clearly measures to prevent and combat segregation in all fields; – Relevant stakeholders are provided support for submitting project applications and for implementing and managing the selected projects.
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	<p><i>through improved access to social, cultural and recreational services and the transition from institutional to community based services.</i></p> <p><i>– Support for physical, economic and social regeneration of deprived communities in urban and rural areas.</i></p>		
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	<p>ESF: – <i>Integration of marginalised Roma communities.</i></p> <p>ERDF: – <i>Investing in health and social infrastructure which contribute to national, regional and local development, reducing inequalities in terms of health status, promoting social inclusion through improved access to social, cultural and recreational services and the transition from</i></p>	<p>10.2. A national Roma inclusion <i>strategic policy framework</i> is in place</p>	<ul style="list-style-type: none"> – A national Roma inclusion strategy is in place that: <ul style="list-style-type: none"> – sets achievable national goals for Roma integration to bridge the gap with the general population. These targets should address the four EU Roma integration goals relating to access to education, employment, healthcare and housing; – identifies where relevant those disadvantaged micro-regions or segregated neighbourhoods, where communities are most deprived, using already available socio-economic and territorial indicators (i.e. very low educational level, long-term unemployment, etc). – includes strong monitoring methods to evaluate the impact of Roma integration actions and a review mechanism for the adaptation of the strategy. – is designed, implemented and monitored in close cooperation and continuous dialogue with Roma civil society, regional and local authorities. – <i>Upon request and where necessary relevant</i> stakeholders <i>can be</i> provided <i>with</i> support for submitting project applications and for implementing and managing the selected projects.
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	<p><i>institutional to community based services.</i></p> <p><i>– Support for physical, economic and social regeneration of deprived communities in urban and rural areas.</i></p> <p><i>– Investing in education, skills and lifelong learning by developing education and training infrastructure.</i></p>		
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	<p>ESF: – <i>Enhancing access to affordable, sustainable and high-quality services, including health care and social services of general interest.</i></p> <p>ERDF: – <i>Investing in health and social infrastructure which contribute to national, regional and local development, reducing inequalities in terms of health status, promoting social inclusion</i></p>	<p>10.3. Health: The existence of a national or regional <i>strategic policy framework</i> for health <i>within the limits of Article 168 TFEU ensuring economic sustainability.</i></p>	<ul style="list-style-type: none"> – A national or regional <i>strategic policy framework</i> for health is in place that: <ul style="list-style-type: none"> – Contains coordinated measures to improve access to quality health services; – contains measures to stimulate efficiency in the health sector, through deployment of service delivery models and infrastructure; – contains a monitoring and review system. – A Member State or region has adopted a framework outlining available budgetary resources <i>on an indicative basis and a cost-effective concentration of resources on prioritised needs</i> for health care.
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through improved access to social, cultural and recreational services and the transition from institutional to community based services.

<p>11. Enhancing institutional capacity of public authorities and stakeholders and efficient public administration (referred to in Article 9(11))</p>	<p>ESF: – <i>Investment in institutional capacity and in the efficiency of public administrations and public services with a view to reforms, better regulation and good governance.</i></p> <p>ERDF: – <i>Enhancing institutional capacity and an efficient public administration by strengthening of institutional capacity and the efficiency of public administrations and public services related</i></p>	<p><i>Member States administrative efficiency:</i></p> <p>- The existence of a strategy for reinforcing the Member States' administrative efficiency including public administration reform¹</p>	<p>– A strategy for reinforcing a Member State's public authorities administrative efficiency and their skills to implement participative methods is in place and in the process of being implemented¹. The strategy includes:</p> <ul style="list-style-type: none"> – an analysis and strategic planning of legal, organisational and/or procedural reform actions; – the development of quality management systems; – integrated actions for simplification and rationalisation of administrative procedures; – the development and implementation of human resources strategies and policies covering identified main gaps in this field; – the development of skills at all levels; – the development of procedures and tools for monitoring and evaluation.
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<p><i>to implementation of the ERDF, and in support of actions in institutional capacity and in the efficiency of public administration supported by the ESF.</i></p> <p><i>CF:</i></p> <p><i>– Enhancing institutional capacity and an efficient public administration by strengthening of institutional capacity and the efficiency of public administrations and public services related to implementation</i></p>		
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	<i>of the Cohesion Fund.</i>	
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Amendment 449

Proposal for a regulation

Annex V – Table 2 – Ex ante conditionalities – General ex-ante conditionalities

Text proposed by the Commission

Area	Ex-ante conditionality	Criteria for fulfilment
1. Anti-discrimination	The existence of a mechanism which ensures effective implementation and application of Directive 2000/78/EC of 27 November 2000 establishing a general framework for equal treatment in employment and occupation and Directive 2000/43/EC of 29 June 2000 implementing the principle of equal treatment between persons irrespective of racial or ethnic origin	<ul style="list-style-type: none"> – Effective implementation and application of the EU Directive 2000/78/EC and Directive 2000/43/EC on non-discrimination is ensured through: <ul style="list-style-type: none"> – institutional arrangements for the implementation, application and supervision of the EU directives on non-discrimination; – a strategy for training and dissemination of information for staff involved in the implementation of the funds; – Measures to strengthen administrative capacity for implementation and application of the EU directives on non-discrimination.
2. Gender equality	The existence of a strategy <i>for the promotion of</i> gender equality and a mechanism which ensures its effective implementation.	<ul style="list-style-type: none"> – Effective implementation and application of an explicit strategy for the promotion of gender equality is ensured through: <ul style="list-style-type: none"> – a system for collecting and analyzing data and indicators broken down

		<p>by sex and to develop evidences-based gender policies;</p> <ul style="list-style-type: none"> – a plan and ex-ante criteria for the integration of gender equality objectives through gender standards and guidelines; – implementation mechanisms including involvement of a gender body and the relevant expertise to draft monitor and evaluate the interventions.
3. Disability	The existence of a mechanism which ensures effective implementation and application of the UN Convention on the rights of persons with disabilities.	<ul style="list-style-type: none"> – Effective implementation and application of the UN Convention on the rights of persons with disabilities is ensured through: <ul style="list-style-type: none"> – Implementation of measures in line with Article 9 of the UN Convention to prevent, identify and eliminate obstacles and barriers to accessibility of persons with disabilities; – institutional arrangements for the implementation and supervision of the UN Convention in line with Article 33 of the Convention; – a plan for training and dissemination of information for staff involved in the implementation of the funds; – measures to strengthen administrative capacity for implementation and application of the UN Convention including appropriate arrangements for monitoring compliance with accessibility requirements.
4.. Public procurement	The existence of <i>a mechanism which ensures effective implementation and application of Directives 2004/18/EC and 2004/17/EC and their adequate supervision and surveillance.</i>	<ul style="list-style-type: none"> – <i>Effective implementation and application of Directives 2004/18/EC and 2004/17/EC is ensured through:</i> <ul style="list-style-type: none"> – <i>complete transposition of Directives 2004/18/EC and 2004/17/EC;</i>

		<ul style="list-style-type: none"> – <i>institutional arrangements for the implementation, application and supervision of EU public procurement law;</i> – <i>measures</i> which ensure <i>adequate supervision and surveillance of</i> transparent contract award procedures <i>and adequate information thereon;</i> – <i>a strategy</i> for training and dissemination of information for staff involved in the implementation of the funds; – <i>Measures to strengthen</i> administrative capacity for implementation and application of EU public procurement <i>law.</i>
5. State aid	The existence of <i>a mechanism which ensures effective implementation and</i> application of EU State aid law	<ul style="list-style-type: none"> – <i>Effective implementation and</i> application of EU State aid <i>law is ensured through:</i> – <i>institutional arrangements for the implementation, application and supervision of EU State aid law;</i> – <i>a strategy</i> for training and dissemination of information for staff involved in the implementation of the funds; – <i>measures to strengthen</i> administrative capacity for implementation and application of EU State aid rules.
6. Environmental legislation relating to Environmental Impact	The existence of <i>a mechanism which ensures the effective implementation and</i> application of Union environmental legislation related to EIA and SEA <i>in accordance with Directive (85/337/EEC) of 27 June</i>	<ul style="list-style-type: none"> – <i>Effective implementation and application of Union environmental legislation is ensured through:</i> – <i>complete and correct transposition of EIA and SEA directives;</i> – <i>institutional</i> arrangements for the <i>implementation, application and</i>

<p>Assessment (EIA) and, Strategic Environmental Assessment (SEA)</p>	<p>1985 on the assessment of the effects of certain public and private projects on the environment and with Directive (2001/42/EC) of 27 June 2001 on the assessment of the effects of certain plans and programmes on the environment.</p>	<p>supervision of EIA and SEA Directives;</p> <ul style="list-style-type: none"> – a strategy for training and dissemination of information for staff involved in the implementation of EIA and SEA Directives; – measures to ensure sufficient administrative capacity.
<p>7. Statistical systems and result indicators</p>	<p>The existence of a statistical system necessary to undertake evaluations to assess the effectiveness and impact of the programmes.</p> <p>The existence of an effective system of result indicators necessary to monitor progress towards results and to undertake impact evaluation.</p>	<ul style="list-style-type: none"> – A multi-annual plan for timely collection and aggregation of data is in place that includes: <ul style="list-style-type: none"> – the identification of sources and mechanisms to ensure statistical validation; – arrangements for publication and public availability. – an effective system of results indicators including: <ul style="list-style-type: none"> – the selection of result indicators for each programme providing information on those aspects of the well-being and progress of people that motivate policy actions financed by the programme; – the establishment of targets for these indicators; – the respect for each indicator of the following requisites: robustness and statistical validation, clarity of normative interpretation, responsiveness to policy, timely collection and public availability of data; – adequate procedures in place to ensure that all operations financed by the programme adopt an effective system of indicators.

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Amendment

Area	Ex-ante conditionality	Criteria for fulfilment
1. Anti-discrimination	The existence of a mechanism which ensures effective implementation and application of Directive 2000/78/EC of 27 November 2000 establishing a general framework for equal treatment in employment and occupation and Directive 2000/43/EC of 29 June 2000 implementing the principle of equal treatment between persons irrespective of racial or ethnic origin	<ul style="list-style-type: none"> – Effective implementation and application of the EU Directive 2000/78/EC and Directive 2000/43/EC on non-discrimination is ensured through: <ul style="list-style-type: none"> – institutional arrangements for the implementation, application and supervision of the EU directives on non-discrimination; – a strategy for training and dissemination of information for staff involved in the implementation of the funds; – Measures to strengthen administrative capacity for implementation and application of the EU directives on non-discrimination; – <i>arrangements for collecting disaggregated data on the Roma, the disabled, women, and young and elderly people, and using them in monitoring and evaluation.</i>
2. Gender equality	The existence of a strategy <i>in order to reach the Union</i> gender equality	<ul style="list-style-type: none"> – Effective implementation and application of an explicit strategy for the

	<p><i>objectives</i> and a mechanism which ensures its effective implementation <i>through gender mainstreaming and specific actions</i>.</p>	<p>promotion of gender equality is ensured through:</p> <ul style="list-style-type: none"> – a system for collecting and analyzing data and indicators broken down by sex and to develop evidences-based gender policies; – a plan and ex-ante criteria for the integration of gender equality objectives through gender <i>equality</i> standards and guidelines <i>for all of the European Structural and Investment Funds</i>; – implementation mechanisms including involvement of a gender body <i>or gender experts</i> and the relevant expertise to draft monitor and evaluate the interventions.
<p>3. Disability</p>	<p>The existence of a mechanism which ensures effective implementation and application of the UN Convention on the rights of persons with disabilities.</p>	<ul style="list-style-type: none"> – Effective implementation and application of the UN Convention on the rights of persons with disabilities is ensured through: <ul style="list-style-type: none"> – Implementation of measures in line with Article 9 of the UN Convention to prevent, identify and eliminate obstacles and barriers to accessibility of persons with disabilities; – institutional arrangements for the implementation and supervision of the UN Convention in line with Article 33 of the Convention; – a plan for training and dissemination of information for staff involved in the implementation of the funds; – measures to strengthen administrative capacity for implementation and application of the UN Convention including appropriate arrangements for monitoring compliance with accessibility requirements.

4. Public procurement	The existence of <i>arrangements for the effective application of EU public procurement law in the field of the European Structural and Investment Funds.</i>	<ul style="list-style-type: none"> – <i>Arrangements for the effective application of EU public procurement rules through appropriate mechanisms;</i> – <i>Arrangements</i> which ensure transparent contract award procedures; – <i>Arrangements</i> for training and dissemination of information for staff involved in the implementation of the funds; – <i>Arrangements to ensure</i> administrative capacity for implementation and application of EU public procurement <i>rules.</i>
5. State aid	The existence of <i>arrangements for the effective application of EU state aid law in the field of the European Structural and Investment Funds.</i>	<ul style="list-style-type: none"> – <i>Arrangements for the effective application of EU State aid rules;</i> – <i>Arrangements</i> for training and dissemination of information for staff involved in the implementation of the funds; – <i>Arrangements to ensure</i> administrative capacity for implementation and application of EU State aid rules.
6. Environmental legislation relating to Environmental Impact Assessment (EIA) and, Strategic Environmental	The existence of <i>arrangements for the effective application of Union environmental legislation related to EIA and SEA.</i>	<ul style="list-style-type: none"> – <i>Arrangements</i> for the <i>effective</i> application of EIA and SEA Directives; – <i>Arrangements</i> for training and dissemination of information for staff involved in the implementation of EIA and SEA Directives; – <i>Arrangements</i> to ensure sufficient administrative capacity.

Assessment (SEA)		
7. Statistical systems and result indicators	<p>The existence of a statistical <i>basis</i> necessary to undertake evaluations to assess the effectiveness and impact of the programmes.</p> <p>The existence of <i>a</i> system of result indicators necessary <i>to select actions, which most effectively contribute to desired results</i>, to monitor progress towards results and to undertake impact evaluation.</p>	<ul style="list-style-type: none"> – <i>Arrangements</i> for timely collection and aggregation of <i>statistical</i> data <i>with the following elements</i> is in place: <ul style="list-style-type: none"> – the identification of sources and mechanisms to ensure statistical validation; – arrangements for publication and public availability <i>of aggregated data</i>; – an effective system of results indicators including: <ul style="list-style-type: none"> – the selection of result indicators for each programme providing information on <i>what motivates the selection of</i> policy actions financed by the programme; – the establishment of targets for these indicators; – the respect for each indicator of the following requisites: robustness and statistical validation, clarity of normative interpretation, responsiveness to policy, timely collection of data; – procedures in place to ensure that all operations financed by the programme adopt an effective system of indicators.

Amendment 450

Proposal for a regulation

Annex VI – part 1 – paragraph 1 – introductory part

Text proposed by the Commission

The list of operations referred to Article 105(2) shall contain, in at least one of the official languages of the Member State, the following data fields:

Note: does not affect French version (linguistic amendment to English)

Amendment

The list of operations referred to **in** Article 105(2) shall contain, in at least one of the official languages of the Member State, the following data fields:

Amendment 451

Proposal for a regulation

Annex VI – part 1 – paragraph 1 – indent 8

Text proposed by the Commission

- Operation postcode;

Amendment

- Operation postcode; **or other appropriate location indicator;**

Amendment 452

Proposal for a regulation

Annex VI – part 1 – paragraph 1 – indent 10

Text proposed by the Commission

- Name of category of intervention for the operation;

Amendment

- Name of category of intervention for the operation **in accordance with Article 87(2)(b)(vi);**

Amendment 453

Proposal for a regulation

Annex VI – part 1 – paragraph 2

Text proposed by the Commission

The headings of the data fields **and the names of the operations** shall be also

Amendment

The headings of the data fields shall be also provided in at least one other official

provided in at least one other official language of the European Union.

language of the European Union.

Amendment 454

Proposal for a regulation Annex VI – part 2 – title

Text proposed by the Commission

Amendment

Information and **publicity** measures for the public

Information and **communication** measures for the public

Amendment 455

Proposal for a regulation Annex VI – part 2 – paragraph 1

Text proposed by the Commission

Amendment

The Member State, the managing authority and the beneficiaries shall take the steps necessary to provide information and **publicity** to the public on operations supported by an operational programme in accordance with this Regulation.

The Member State, the managing authority and the beneficiaries shall take the steps necessary to provide information and **communication** to the public on operations supported by an operational programme in accordance with this Regulation.

Amendment 456

Proposal for a regulation Annex VI – part 2 – section 2.1 – paragraph 1

Text proposed by the Commission

Amendment

1. The Member State and the managing authority shall ensure that the information and **publicity** measures are implemented in accordance with the communication strategy and that these measures aim at the widest possible media coverage using various forms and methods of communication at the appropriate level.

1. The Member State and the managing authority shall ensure that the information and **communication** measures are implemented in accordance with the communication strategy and that these measures aim at the widest possible media coverage using various forms and methods of communication at the appropriate level.

Amendment 457

Proposal for a regulation

Annex VI – part 2 – section 2.1 – paragraph 2

Text proposed by the Commission

2. The Member State or the managing authority shall be responsible for organising at least the following information and publicity measures:

(a) a major information activity publicising the launch of the operational **programme**;

(b) **at least** one major information activity a year which promotes the funding opportunities and the strategies pursued and presents the achievements of the operational **programme**, including, where relevant, major projects, joint action plans and other project examples;

(c) displaying the **flag** of the European Union **in front of, or at a place visible to the public**, at the premises of each managing authority;

(d) publishing electronically the list of operations in accordance with section 1;

(e) giving examples of operations, by operational programme, on the single website or on the operational programme's website that is accessible through the single website portal; the examples should be in a widely spoken official language of the European Union other than the official language or languages of the Member State concerned;

(f) updating information about the operational programme's implementation, including its main achievements, on the single website or on the operational programme's website that is accessible through the single website portal.

Amendment

2. The Member State or the managing authority shall be responsible for organising at least the following information and **communication** measures:

(a) a major information activity publicising the launch of the operational **programme(s), even prior to the approval of the relevant communication strategies**;

(b) one major information activity a year which promotes the funding opportunities and the strategies pursued and presents the achievements of the operational **programme(s)**, including, where relevant, major projects, joint action plans and other project examples;

(c) displaying the **emblem** of the European Union at the premises of each managing authority;

(d) publishing electronically the list of operations in accordance with section 1;

(e) giving examples of operations, by operational programme, on the single website or on the operational programme's website that is accessible through the single website portal; the examples should be in a widely spoken official language of the European Union other than the official language or languages of the Member State concerned;

(f) updating information about the operational programme's implementation, including, **when appropriate**, its main achievements, on the single website or on the operational programme's website that is accessible through the single website portal.

Amendment 458

Proposal for a regulation

Annex VI – part 2 – section 2.1 – paragraph 3

Text proposed by the Commission

3. The managing authority shall involve in information and **publicity** measures, in accordance with national laws and practices, the following bodies:

- (a) the partners referred to in Article 5;
- (b) information centres on Europe, as well as Commission representation offices in the Member States;
- (c) educational and research institutions.

These bodies shall widely disseminate the information described in Article 105(1)(a) and (b).

Amendment 459

Proposal for a regulation

Annex VI – part 2 – section 2.2 – subparagraph 1 a (new)

Text proposed by the Commission

Amendment

3. The managing authority shall involve in information and **communication** measures, in accordance with national laws and practices, the following bodies **where appropriate**:

- (a) the partners referred to in Article 5;
- (b) information centres on Europe, as well as Commission representation offices, **and Information Offices of the European Parliament** in the Member States;
- (c) educational and research institutions.

These bodies shall widely disseminate the information described in Article 105(1).

Where an information or publicity measure relates to an operation or to several operations co-financed by more than one Fund, the reference provided for in point (b) may be replaced by the reference to the European Structural and Investment Funds.

Amendment 460

Proposal for a regulation

Annex VI – part 2 – section 2.2 – paragraph 2 – point a

Text proposed by the Commission

Amendment

(a) providing on the beneficiary's website,

(a) providing on the beneficiary's website,

where such a website exists, a short description of the operation, including its aims and results, and highlighting the financial support from the European Union;

where such a website exists, a short description of the operation, *proportionate to the level of support*, including its aims and results, and highlighting the financial support from the European Union;

Amendment 461

Proposal for a regulation

Annex VI – part 2 – section 2.2 – paragraph 2 – point b

Text proposed by the Commission

(b) placing at least one poster with information about the project (minimum size A3), including the financial support from the European Union, at a location readily visible to the public, such as the entrance area of a building.

Amendment

(b) placing, *for operations not falling under paragraphs 4 and 5*, at least one poster with information about the project (minimum size A3), including the financial support from the European Union, at a location readily visible to the public, such as the entrance area of a building.

Amendment 462

Proposal for a regulation

Annex VI – part 2 – section 2.2 – paragraph 3

Text proposed by the Commission

For operations supported by the ESF, and in appropriate cases for operations supported by the ERDF or Cohesion Fund, the beneficiary shall ensure that those taking part in an operation have been informed of this funding.

Any document, including any attendance or other certificate, *concerning such an operation* shall include a statement to the effect that the operational programme was supported by the Fund or Funds.

Amendment

For operations supported by the ESF, and in appropriate cases for operations supported by the ERDF or Cohesion Fund, the beneficiary shall ensure that those taking part in an operation have been informed of this funding.

Any document, *relating to the implementation of an operation which is used for the public or for participants*, including any attendance or other certificate, shall include a statement to the effect that the operational programme was supported by the Fund or Funds.

Amendment 463

Proposal for a regulation

Annex VI – part 2 – section 2.2 – paragraph 5

Text proposed by the Commission

No later than three months after completion of an operation, the beneficiary shall put up a permanent plaque or billboard of significant size at a location readily visible to the public for each operation that fulfils the following criteria:

- (a) the total public support to the operation exceeds EUR 500 000;
- (b) the operation consists in the purchase of a physical object or in the financing of infrastructure or of construction operations.

The plaque or billboard shall state the ***type***, name and ***purpose*** of the operation ***and*** shall be prepared in accordance with the technical characteristics adopted by the Commission in accordance with Article 105(4).

Amendment

No later than three months after completion of an operation, the beneficiary shall put up a permanent plaque or billboard of significant size at a location readily visible to the public for each operation that fulfils the following criteria:

- (a) the total public support to the operation exceeds EUR 500 000;
- b) the operation consists in the purchase of a physical object or in the financing of infrastructure or of construction operations.

The plaque or billboard shall state the name and ***the main objective*** of the operation. ***It*** shall be prepared in accordance with the technical characteristics adopted by the Commission in accordance with Article 105(4).

Amendment 464

Proposal for a regulation

Annex 6 – section 3 – title

Text proposed by the Commission

3. Information measures for potential beneficiaries and beneficiaries

Amendment

3. *Does not affect English version (linguistic amendment to Finnish).*

Amendment 465

Proposal for a regulation

Annex VI – part 3 – section 3.1 – paragraph 2

Text proposed by the Commission

2. The managing authority shall ensure that potential beneficiaries ***are informed*** on at

Amendment

2. The managing authority shall ensure that potential beneficiaries ***have access to the relevant information, including updated***

least the following:

- (a) the conditions of eligibility of expenditure to be met in order to qualify for support under an operational programme;
- (b) a description of the procedures for examining applications for funding and of the time periods involved;
- (c) the criteria for selecting the operations to be supported;
- (d) the contacts at national, regional or local level that are able to provide information on the operational programmes;
- (e) ***that applications should*** propose communication activities, proportional to the size of the operation, ***in order to inform the public about the operation's aims and the EU support to the operation.***

information where necessary, and taking into account the accessibility of electronic or other communication services for certain potential beneficiaries, on at least the following:

(-a) the funding opportunities and the launching of application calls;

- (a) the conditions of eligibility of expenditure to be met in order to qualify for support under an operational programme;
- (b) a description of the procedures for examining applications for funding and of the time periods involved;
- (c) the criteria for selecting the operations to be supported;
- (d) the contacts at national, regional or local level that are able to provide information on the operational programmes;
- (e) ***the responsibility of potential beneficiaries*** to inform the public about ***the aim of the operation*** and the support ***from the Funds to the operation in accordance to point 2.2 above. The Managing Authority may request potential beneficiaries*** to propose ***indicative*** communication activities, proportional to the size of the operation, ***in the applications.***

Amendment 466

Proposal for a regulation Annex VI – part 3 – section 3.2 – title

Text proposed by the Commission

Information ***measures*** for ***beneficiaries***

1. The managing authority shall inform beneficiaries that acceptance of funding constitutes an acceptance of their inclusion in the list of operations published in

Amendment

Information ***Measures*** for ***Beneficiaries***

1. The managing authority shall inform beneficiaries that acceptance of funding constitutes an acceptance of their inclusion in the list of operations published in

accordance with Article 105(2).

2. The managing authority shall provide information and **publicity kits**, including templates in electronic format, to help beneficiaries to meet their obligations set out in section 2.2.

Amendment 467

Proposal for a regulation Annex VI – part 4 – paragraph 1

Text proposed by the Commission

The communication strategy drawn up by the managing authority shall include **at least** the following elements:

- (a) a description of the approach taken, including the main information and **publicity** measures to be taken by the Member State or the managing authority aimed at potential beneficiaries, beneficiaries, multipliers and the wider public, having regard to the aims described in Article 105;
- (b) a description of materials that will be made available in formats accessible for people with disabilities;
- (c) a description of how beneficiaries will be supported in their communication activities;
- (d) the indicative budget for implementation of the strategy;
- (e) a description of the administrative bodies, including the staff resources, responsible for implementing the information and **publicity** measures;
- (f) the arrangements for the information and **publicity** measures referred to in section 2, including the website or website portal at which such data may be found;

accordance with Article 105(2).

2. The managing authority shall provide information and **communication tools**, including templates in electronic format, to help beneficiaries to meet their obligations set out in section 2.2, **where appropriate**.

Amendment

The communication strategy drawn up by the managing authority **and, where appropriate, by the Member State** shall include, the following elements:

- (a) a description of the approach taken, including the main information and **communication** measures to be taken by the Member State or the managing authority aimed at potential beneficiaries, beneficiaries, multipliers and the wider public, having regard to the aims described in Article 105;
- (b) a description of materials that will be made available in formats accessible for people with disabilities;
- (c) a description of how beneficiaries will be supported in their communication activities;
- (d) the indicative budget for implementation of the strategy;
- (e) a description of the administrative bodies, including the staff resources, responsible for implementing the information and **communication** measures;
- (f) the arrangements for the information and **communication** measures referred to in section 2, including the website or website portal at which such data may be found;

(g) an indication of how the information and **publicity** measures shall be assessed in terms of visibility and awareness of policy, operational programmes and operations, and of the role played by the Funds and the European Union;

(h) where appropriate, a description of the use of the main results of the previous operational programme;

(i) an annual update setting out the information and communication activities to be carried out.

(g) an indication of how the information and **communication** measures shall be assessed in terms of visibility and awareness of policy, operational programmes and operations, and of the role played by the Funds and the European Union;

(h) where appropriate, a description of the use of the main results of the previous operational programme;

(i) an annual update setting out the information and communication activities to be carried out ***in the following year***.

EXPLANATORY STATEMENT

In the context of the continuing economic and financial crisis and related uncertainties, the need to consolidate public budgets has forced to be more innovative and seek a bigger impact from the available funding. Cohesion Policy, with the use of its instruments, namely the Structural Funds (European Regional Development Fund and European Social Fund) and the Cohesion Fund has long proved its added value as an indispensable investment tool to deliver growth and job creation effectively, by accurately addressing the investment needs of all regions. It has not only contributed to the reduction of the disparities between Member states and regions, but also to the economic recovery and the development of the Union as a whole. The same applies to the Agriculture Development Fund as well as the Fisheries' Fund.

Cohesion Policy 2.0

Your Rapporteurs are convinced that the post-2013 reform of Cohesion Policy is both suitable and necessary for ensuring a sustainable economic recovery and targeting competitiveness. The vision of the Committee on Regional Development for the new EU Cohesion Policy is based on a clear and balanced strategic framework designed around a limited number of objectives and priorities. This ensures a thematic focus, but allowing nevertheless for a certain degree of flexibility and adaptation to certain characteristics. It focuses also on a strengthened multilevel approach to ensure a coherent and coordinated action between the EU and all other levels of governance .

European Structural and Investment Funds

Moreover, your Rapporteurs support enhancing synergies between the 5 Funds as well as and with other relevant funds (Horizon 2020, PSCI, Erasmus for All, COSME, LIFE, etc). with clearly defined strategic objectives and greater result oriented process through the introduction of a performance framework on the basis of a place-based approach and also by committing Member States and regions to establish national and regional targets in advance. Guaranteeing better regulation, further simplification of the implementation rules, transparency and flexibility and developing a new generation of indicators to measure the quality and performance of the projects funded are further elements that they are strongly advocating. The introduction of Smart Specialisation creates creates new possibilities for interregional cooperation between the frontrunners and the followers in several sectors.

A sound management and control system, as well as a clear and in the same time flexible regulation of the use of financial instruments in the context of the tightening of the global financial market conditions represent other determined commitments to deliver the most suitable and functional framework to carry forward a policy able to foster growth and employment and thus ensure the necessary trust within the current economic outlook.

That is why, in the post-2013 context, the European Structural and Investment Funds (415 billion) remain the most effective and efficient investment instruments in the Multiannual Financial Framework to achieve growth and jobs and to relieve the pressure on national budgets. All the above are the principles guiding the European Parliament as a whole, forming the Mandate in the ongoing inter-institutional negotiations.

Negotiation transparency

Last but not least, your Rapporteurs would like to underline the fact that since the beginning of the negotiations, well over a year now, they have been engaging in an open and transparent process, (providing precise, updated and timely information to all the members of the Negotiating Team), but most importantly to all the Members of the Committee on Regional Development. The Rapporteurs firmly believe that the continuous/constant interaction with the Members of the Committee, with the exchange of views that were held during the successive monthly meetings of the Committee on Regional Development, has been pivotal in solidifying the Negotiating Team's position and furthering the negotiations to this point. Your Rapporteurs stress their determination to continue to actively engaging with the Members of the Committee until the successful conclusion of the negotiating procedure.

9.7.2013

OPINION OF THE COMMITTEE ON EMPLOYMENT AND SOCIAL AFFAIRS*

for the Committee on Regional Development

on the proposal for a regulation of the European Parliament and of the Council 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 covered by the Common Strategic Framework and laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and repealing Council Regulation (EC) No 1083/2006 (COM(2013)0246 – C7-0107/2013 – 2011/0276(COD))

Rapporteur: **Ádám Kósa**(*)

(*) Associated committees – Rule 50 of the Rules of Procedure

SHORT JUSTIFICATION

The new proposal by the Commission comprises many new elements which have given rise to serious disagreements within both the Council and the European Parliament, in the latter case not only between political groups but also between Members with similar political affiliations. What is at stake is far from negligible: nothing less than the cohesion of the ever growing community, the easing – on the basis of common solidarity – of tensions arising from the mutual interdependence among the various Member States, regions and peoples. Such solidarity is inconceivable – particularly on the basis of employment and social considerations – unless equal opportunities are ensured; hence it is necessary to tackle inequalities caused by historical, economic and social differences as equitably and lastingly as possible, this being the pre-eminent objective in a new century in which Europe has grown into an economic giant while a fine-meshed and harmonious tissue of solidarity is still lacking.

Meanwhile, despite Europe's conspicuous past successes and achievements in the field of integration, it is currently contending with many types of crisis. It faces simultaneous challenges of an institutional, financial and economic, social and demographic nature, as well as in the fields of energy policy and transport and logistics. At the same time, these may also be seen as presenting opportunities, provided that they are based on appropriate changes, i.e. changes which are based on a sustainable balance and are continuous and predictable. Any more radical change therefore needs to be approached with caution and circumspection, particularly as regards a functioning system of implementing institutions.

The present legislative proposal is based on a way of thinking dating back more than half a

century, which stresses peace and development and is based on the solidarity generated in the early days among the founding Member States and nurtured not only by social solidarity but also, increasingly, by the concept of cohesion. This led to the mentality which in recent decades has become the most important and at the same time the most attractive reason for enlargements, as far as the newer Member States are concerned, in an ever growing Union. This is true in that, to this day, the strength of the common market and common action has lain in a system which guaranteed a certain degree of detailed redistribution on the basis of solidarity.

Everyone should enjoy equal opportunities to benefit from European solidarity, with due regard for the characteristics of the Member States and the size of their populations, and in particular in such a way that the legislative instrument to be adopted should at the same time not be unacceptably detrimental to individual Member States. This is no small task. However, it should not mean any dispensation from the desideratum of increasing discipline in the management of common funds – on the contrary, indeed: the European tax-payers' money must not fall victim to thoughtlessness and irresponsibility.

At the same time, strictness must not be an end in itself or impose ever more impracticable administrative requirements on the Member States responsible for implementation, while entitlements are reduced. Both powers and obligations (responsibility) must be proportionate to entitlements and expectations, as must their division among institutions. The rapporteur strongly believes that growing powers should not be accompanied by relative reductions in the responsibility of the Commission. Reductions in the burdens borne by national administrative or regional or local implementing agencies or by the Member States should only be altered proportionately and to a justifiable extent, on the basis of appropriate calculations and factual arguments.

The purpose of the legislative instrument should be nothing other than to ensure that every cent earmarked for solidarity and cohesion among Europe's citizens reaches its intended destination, not that ultimately, with the passing of large-scale enlargements and with the increasing establishment of the common and more integrated market, less funding reaches the places where it is needed.

AMENDMENTS

The Committee on Employment and Social Affairs calls on the Committee on Regional Development, as the committee responsible, to incorporate the following amendments in its report:

Amendment 1

Proposal for a regulation Recital 2 a (new)

Text proposed by the Commission

Amendment

(2a) From conception to implementation, the Structural Funds should take account of the priorities and principles of the Small Business Act for Europe, especially the ‘Think Small First’ principle.

Amendment 2

Proposal for a regulation

Recital 9

Text proposed by the Commission

Amendment

(9) For the Partnership Contract and each programme respectively, a Member State should organise a partnership with the representatives of competent regional, local, urban and other public authorities, economic and social partners, and bodies representing civil society, including environmental partners, non-governmental organisations, and bodies responsible for promoting equality and non-discrimination. The purpose of such a partnership is to respect the principle of multi-level governance, ensure the ownership of planned interventions by stakeholders and build on the experience and know-how of relevant actors. ***The Commission should be empowered to adopt delegated acts providing for a code of conduct in order to*** ensure that partners are involved in the preparation, implementation, monitoring and evaluation of Partnership Contracts and programmes in a consistent manner.

(9) For the Partnership Contract and each programme respectively, a Member State should organise a partnership, ***in accordance with its National Reform Programme***, with the representatives of competent regional, local, urban and other public authorities, economic and social partners, and bodies representing civil society, including environmental partners, non-governmental organisations, and bodies responsible for promoting ***gender*** equality and non-discrimination, ***as well as non-governmental organisations promoting social inclusion and organisations active in the areas of culture, education and youth policy. Specific attention should be paid to groups that might be affected by the programmes and might have difficulties in influencing them. Cooperation with the partners should follow best practice. Each Member State should ensure an adequate level of technical assistance in order to facilitate their involvement and participation in all stages of the programming process.*** The purpose of such a partnership is to respect the principle of multi-level governance, ensure the ownership of planned interventions by stakeholders and build on the experience and know-how of relevant actors.

Therefore the partners should represent the different territorial levels, and reflect the institutional structure, of the Member States. The partners should select and appoint the members they wish to represent them on the monitoring committee. Member States should ensure that partners are involved in the preparation, implementation, monitoring and evaluation of Partnership Contracts and programmes in a consistent manner.

Amendment 3

Proposal for a regulation Recital 11

Text proposed by the Commission

(11) In the context of its effort to increase economic, territorial and social cohesion, the Union should, at all stages of implementation of the CSF Funds, aim at eliminating inequalities and promoting equality between men and women, as well as combating discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation.

Amendment

(11) In the context of its effort to increase economic, territorial and social cohesion, the Union should, at all stages of implementation of the CSF Funds, aim at eliminating inequalities and promoting equality between men and women, ***taking into account Article 2 TEU and Articles 8 and 10 TFEU***, as well as combating discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation, ***as well as ensuring accessibility for persons with disabilities***.

Amendment 4

Proposal for a regulation Recital 11 a (new)

Text proposed by the Commission

Amendment

(11a) The European Union and most Member States are party to the United Nations Convention on the Rights of Persons with Disabilities while the remaining Member States are in the process of ratifying it. It is important in

the implementation of the relevant projects that the obligations stemming from this Convention with regard, inter alia, to education, employment, and accessibility are considered by all projects supported by the CSF Funds.

Amendment 5

Proposal for a regulation Recital 13

Text proposed by the Commission

(13) *In order to achieve the targets and objectives of the Union strategy for smart, sustainable and inclusive growth, the CSF Funds should focus their support on a limited number of common thematic objectives.* The precise scope of each of the CSF Funds should be set out in Funds-specific rules *and may be limited to only some of the thematic objectives defined in this Regulation.*

Amendment

(13) The precise scope of each of the CSF Funds should be set out in Funds-specific rules.

Amendment 6

Proposal for a regulation Recital 14

Text proposed by the Commission

(14) *In order to maximise the contribution of the CSF Funds and to provide clear strategic direction to the programming process at the level of Member States and the regions, a Common Strategic Framework should be established.* The Common Strategic Framework should facilitate sectoral and territorial coordination of Union intervention under the CSF Funds and with other relevant Union policies and instruments.

Amendment

(14) *A Common Strategic Framework should be defined in order to promote a harmonious, balanced and sustainable development of the Union and to provide clearer strategic direction to the programming process at the level of Member States and regions. The Common Strategic Framework should facilitate sectoral and territorial coordination of Union intervention under the CSF Funds and with other relevant Union policies and instruments. The Commission should be empowered to adopt a delegated act in order to supplement the Common Strategic Framework with a set of key*

actions translating the objectives of the Union into recommendations for the CSF Funds.

Amendment 7

Proposal for a regulation

Recital 16

Text proposed by the Commission

(16) On the basis of the Common Strategic Framework ***adopted by the Commission***, each Member State should prepare, in cooperation with its partners and in dialogue with the Commission, a Partnership Contract. The Partnership Contract should ***translate*** the elements set out in the Common Strategic Framework into the national context and set out firm commitments to the achievement of Union objectives through the programming of the CSF Funds.

Amendment

(16) On the basis of the Common Strategic Framework, each Member State should prepare, in cooperation with its partners, ***particularly those referred to in this Regulation***, and in dialogue with the Commission, a Partnership Contract ***in accordance with its National Reform Programme***. The Partnership Contract should ***select*** the elements set out in the Common Strategic Framework ***and put them*** into the national context and set out firm commitments to the achievement of Union objectives through the programming of the CSF Funds ***and lay down provisions to guarantee access to such funds for SMEs and micro-enterprises, in particular, and to ensure that they have access to such funds, and that CSF Funds are used in an efficient and effective manner.***

Amendment 8

Proposal for a regulation

Recital 17

Text proposed by the Commission

(17) Member States should concentrate support to ensure a significant contribution to the achievement of Union objectives in line with their specific national and regional development needs. Ex ante conditionalities should be defined to ensure that the necessary framework conditions

Amendment

(17) Member States should concentrate support to ensure a significant contribution to the achievement of Union objectives in line with their specific national and regional development needs. Ex ante conditionalities ***and criteria for their fulfilment*** should be defined to ensure that

for the effective use of Union support are in place. The fulfilment of those ex ante conditionalities should be assessed by the Commission in the framework of its assessment of the Partnership Contract and programmes. In cases where *there is a failure* to fulfil an ex ante conditionality, the Commission should have the power to suspend payments to the programme.

the necessary framework conditions for the effective use of Union support are in place. ***Such ex ante conditionalities should be relevant to the effectiveness of the contribution of the CSF Funds in the applicable cases of investment.*** The fulfilment of those ex ante conditionalities should be assessed by the Commission in the framework of its assessment of the Partnership Contract and programmes, ***taking due account of the previous experience.*** In cases where, ***in spite of the Commission's recommendations, a Member State fails significantly*** to fulfil an ex ante conditionality, the Commission ***should be given*** the power to suspend payments to the programme. ***When deciding whether to suspend payments, the Commission should take account of the economic and social effects of such a suspension. The suspensions should be lifted and funds be made available again as soon as the Member State takes the necessary action.***

Amendment 9

Proposal for a regulation Recital 18

Text proposed by the Commission

(18) A performance framework should be defined for each programme with a view to monitoring progress towards the objectives and targets set for each programme over the course of the programming period. The Commission should undertake a performance review in cooperation with the Member States in 2017 and 2019. ***A performance reserve should be foreseen and allocated in 2019 where milestones set in the performance framework have been attained. Due to their diversity and multi-country character, there should be no performance reserve for 'European Territorial Cooperation' programmes.*** In

Amendment

(18) A performance framework should be defined for each programme with a view to monitoring progress towards the objectives and targets set for each programme over the course of the programming period. ***The performance framework should include ambitious but realistic targets and milestones and should take due account of the particular circumstances and the nature of the interventions foreseen by the Member State.*** The Commission should undertake a performance review in cooperation with the Member States ***twice during the programme period, in the years to be agreed between the Member State***

cases where the shortfall in the achievement of milestones or targets is significant, the Commission should be able to suspend payments to the programme **or, at the end of the programming period, apply financial corrections, in order to ensure that the Union budget is not used in a wasteful or inefficient way.**

and **the Commission. The Commission should provide the Member State with the necessary technical assistance if it is not achieving the stated aims.** In cases where the shortfall in the achievement of milestones or targets is significant, the Commission should be able to suspend payments to the programme. **When deciding to suspend payments, the Commission should take account of any changes in economic and social circumstances that might affect the achievement of milestones or targets, and of the economic and social effects of the suspension. The suspensions should be lifted and funds be made available again as soon as the Member State takes the necessary action.**

Amendment 10

Proposal for a regulation Recital 19

Text proposed by the Commission

(19) Establishing a closer link between cohesion policy and the economic governance of the Union will ensure that the effectiveness of expenditure under the CSF Funds is underpinned by sound economic policies and that the CSF Funds can, if necessary, be redirected to addressing the economic problems a country is facing. ***This process has to be gradual, starting with amendments to the Partnership Contract and to the programmes in support of Council recommendations to address macroeconomic imbalances and social and economic difficulties. Where, despite the enhanced use of CSF Funds, a Member State fails to take effective action in the context of the economic governance process, the Commission should have the right to suspend all or part of the payments and commitments. Decisions on suspensions should be proportionate and***

Amendment

(19) Establishing a closer link between cohesion policy and the economic governance of the Union will ensure that the effectiveness of expenditure under the CSF Funds is underpinned by sound economic policies and that the CSF Funds can, if necessary, be redirected to addressing the economic problems a country is facing taking into account ***its National Reform Programme.***

*effective, taking into account **the impact of the individual programmes for addressing the economic and social situation in the relevant Member State and previous amendments to the Partnership Contract.** When deciding on suspensions, the Commission should also respect equality of treatment between Member States, taking into account in particular the impact of the suspension on the economy of the Member State concerned. The suspensions should be lifted and funds be made available again to the Member State concerned as soon as the Member State takes the necessary action.*

Amendment 11

Proposal for a regulation Recital 21 a (new)

Text proposed by the Commission

Amendment

(21a) In order to better mobilise potential at a local level, it is necessary to strengthen and facilitate community-led local development by laying down common rules and close coordination for all CSF Funds. Responsibility for the implementation of local development strategies should be given to local action groups representing the interests of the community, as an essential principle. Existing LEADER-groups should be recognized.

Amendment 12

Proposal for a regulation Recital 36

Text proposed by the Commission

Amendment

(36) It is useful to specify the types of action that may be undertaken at the initiative of the Commission and of the

(36) It is useful to specify the types of action that may be undertaken at the initiative of the Commission and of the

Member States as technical assistance with support from the CSF Funds.

Member States as technical assistance with support from the CSF Funds. ***Member State should ensure that an adequate level of technical assistance is allocated to partners referred to in this Regulation, including thematic umbrella organisations and non-governmental organisations, churches, socio-economic partners and networks and associations representing local, urban and regional authorities, in order to facilitate their involvement in the whole programming process.***

Amendment 13

Proposal for a regulation Recital 57

Text proposed by the Commission

(57) It is necessary to fix the limits of those resources for the ‘Investment for growth and jobs’ goal and to adopt objective criteria for their allocation to regions and Member States. In order to encourage the necessary acceleration of development of infrastructure in transport and energy as well as information and communication technologies across the Union, a Connecting Europe Facility should be created. The allocation of the annual appropriations from the Funds and the amounts transferred from the Cohesion Fund to the Connecting Europe Facility to a Member State should be limited to a ceiling that would be fixed taking into account the capacity of that particular Member State to absorb these appropriations. In addition, in line with the headline target on poverty reduction, it is necessary to reorient the scheme for food support for the most deprived persons to promote social inclusion and the harmonious development of the Union. A mechanism is envisaged which transfers resources to this instrument and ensures

Amendment

(57) It is necessary to fix the limits of those resources for the ‘Investment for growth and jobs’ goal and to adopt objective criteria for their allocation to regions and Member States. In order to encourage the necessary acceleration of development of infrastructure in transport and energy as well as information and communication technologies across the Union, a Connecting Europe Facility should be created. The allocation of the annual appropriations from the Funds and the amounts transferred from the Cohesion Fund to the Connecting Europe Facility to a Member State should be limited to a ceiling that would be fixed taking into account the capacity of that particular Member State to absorb these appropriations. In addition, in line with the headline target on poverty reduction, it is necessary to reorient the scheme for food support for the most deprived persons to promote social inclusion and the harmonious development of the Union. A mechanism is envisaged which transfers resources to this instrument and ensures

that these will be constituted from ESF allocations *through an implicit corresponding decrease of the minimum percentage of the Structural Funds to be allocated to the ESF in each country.*

that these will be constituted from ESF allocations.

Amendment 14
Proposal for a regulation
Recital 57 bis

Text proposed by the Commission

(57 bis) Given the urgent priority to address youth unemployment in the Union's most affected regions, a Youth Employment Initiative should be created and funded from a specific allocation and from targeted investment from the European Social Fund. The Youth Employment Initiative should aim to support young people not in employment, education or training residing in the eligible regions. The Youth Employment Initiative should be implemented as a part of the Investment for growth and jobs goal.

Amendment

(57 bis) Given the urgent priority to address youth unemployment in the Union's most affected regions ***and in the Union as a whole***, a Youth Employment Initiative should be created and funded from a specific allocation and from targeted investment from the European Social Fund. The Youth Employment Initiative should aim to support young people not in employment, education or training residing in the eligible regions, ***including those leaving training systems without qualifications, by providing a good-quality offer of either employment, continuing education, an apprenticeship or a traineeship within four months of their becoming unemployed or leaving formal education.*** The Youth Employment Initiative should be implemented as a part of the Investment for growth and jobs goal.

Amendment 15

Proposal for a regulation
Recital 58

Text proposed by the Commission

(58) In order to strengthen the focus on results and achievement of the Europe 2020 objectives and targets, five per cent of the resources for the 'Investment for growth and jobs' goal should be set aside as a performance reserve for each Fund,

Amendment

deleted

and category of region in each Member State.

Amendment 16

Proposal for a regulation Recital 65

Text proposed by the Commission

(65) Where an urban or **territorial** development strategy requires an integrated approach because it involves investments under more than one priority axis of one or several operational programmes, action supported by the Funds should be carried out as an integrated territorial investment within an operational programme.

Amendment

(65) Where an urban or **rural** development strategy requires an integrated approach because it involves investments under more than one priority axis of one or several operational programmes, action supported by the Funds should be carried out as an integrated territorial investment within an operational programme.

Amendment 17

Proposal for a regulation Recital 70

Text proposed by the Commission

(70) It is important to bring the achievements of the Union's Funds to the attention of the general public. Citizens have the right to know how the Union's financial resources are invested. The responsibility to ensure that the appropriate information is communicated to the public should lie with both the managing authorities and the beneficiaries. To ensure more efficiency in communication to the public at large and stronger synergies between the communication activities undertaken at the initiative of the Commission, the resources allocated to communication actions under this Regulation shall also contribute to cover the corporate communication of the political priorities of the European Union as far as they are related to the general

Amendment

(70) It is important to bring the achievements of the Union's Funds to the attention of the general public. Citizens have the right to know how the Union's financial resources are invested. The responsibility to ensure that the appropriate information is communicated to the public should lie with both the managing authorities and the beneficiaries, **but especially with the Commission. New technology makes it possible to publish in a graphic manner on a single centralised website financial flows for each country and the results achieved through use of the Funds.** To ensure more efficiency in communication to the public at large and stronger synergies between the communication activities undertaken at the initiative of the Commission, the resources

objectives of this Regulation.

allocated to communication actions under this Regulation shall also contribute to cover the corporate communication of the political priorities of the European Union as far as they are related to the general objectives of this Regulation.

Amendment 18

Proposal for a regulation Recital 71

Text proposed by the Commission

(71) For the purpose of ensuring a wide dissemination of information about the achievements of the Funds and the role of the Union therein and to inform potential beneficiaries about funding opportunities, detailed rules about information and communication measures, as well as certain technical characteristics of such measures, should be defined in this Regulation.

Amendment

(71) For the purpose of ensuring a wide dissemination of information about the achievements of the Funds and the role of the Union therein and, ***in particular via the organisations representing the various stakeholders***, to inform potential beneficiaries about funding opportunities, detailed rules about information and communication measures, as well as certain technical characteristics of such measures, should be defined in this Regulation.

Amendment 19

Proposal for a regulation Recital 85

Text proposed by the Commission

(85) In order to safeguard the Union's financial interests and provide the means to ensure effective programme implementation, there should be measures allowing for the suspension by the Commission of payments at the level of priority axis or operational programme.

Amendment

(85) In order to safeguard the Union's financial interests and provide the means to ensure effective programme implementation, there should be measures allowing for the suspension by the Commission of payments at the level of priority axis or operational programme.
When deciding whether to suspend payments, the Commission should take account of the economic and social effects of the suspension on the region in

question.

Amendment 20

Proposal for a regulation

Recital 88

Text proposed by the Commission

(88) In order to supplement and amend certain non-essential elements of this Regulation, the power to adopt acts in accordance with Article 290 of the Treaty should be delegated to the Commission in respect of a ***code of conduct on the objectives and criteria to support the implementation of partnership, the adoption of the elements of the Common Strategic Framework related to indicative actions of high European added value and corresponding principles for delivery, and priorities for cooperation, additional rules on the allocation of the performance reserve***, the definition of the area and population covered by the local development strategies, detailed rules on financial instruments (*ex ante* assessment, combination of support, eligibility, types of activities not supported), the rules on certain types of financial instruments set up at national, regional, transnational or cross-border level, rules concerning funding agreements, transfer and management of assets, the arrangements for management and control, the rules on payment requests, and establishment of a system of capitalisation of annual instalments, the definition of the flat rate for revenue generating operations, the definition of the flat rate applied to indirect costs for grants based on existing methods and corresponding rates applicable in Union policies, the responsibilities of Member States concerning the procedure for reporting irregularities and recovery of sums unduly paid, the modalities of exchange of information of operations, the

Amendment

(88) In order to supplement and amend certain non-essential elements of this Regulation, the power to adopt acts in accordance with Article 290 of the Treaty should be delegated to the Commission in respect of a ***supplement to the Common Strategic Framework, the indicative definition of the area and population covered by the local development strategies, detailed rules on financial instruments (ex ante assessment, combination of support, eligibility, types of activities not supported), the rules on certain types of financial instruments set up at national, regional, transnational or cross-border level, rules concerning funding agreements, transfer and management of assets, the arrangements for management and control, the rules on payment requests, and establishment of a system of capitalisation of annual instalments, the definition of the flat rate for revenue generating operations, the definition of the flat rate applied to indirect costs for grants based on existing methods and corresponding rates applicable in Union policies, the responsibilities of Member States concerning the procedure for reporting irregularities and recovery of sums unduly paid, the modalities of exchange of information of operations, the arrangements for the adequate audit trail, the conditions of national audits, the accreditation criteria for managing authorities and certifying authorities, the identification of commonly accepted data carriers, and the criteria for establishing the level of financial correction to be applied.***

arrangements for the adequate audit trail, the conditions of national audits, the accreditation criteria for managing authorities and certifying authorities, the identification of commonly accepted data carriers, and the criteria for establishing the level of financial correction to be applied. The Commission should also be empowered to amend, *by means of delegated acts, Annexes I and VI, both of which contain non-essential elements to this Regulation*, in order to address future adaptation needs. It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level.

The Commission should also be empowered to amend *Annex VI* in order to address future adaptation needs. It is of its particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level.

Amendment 21

Proposal for a regulation Recital 90

Text proposed by the Commission

(90) The Commission should be empowered to adopt, by means of implementing acts, as regards all CSF Funds, decisions approving the Partnership Contracts, *decisions on the allocation of the performance reserve, decisions suspending payments linked to Member States' economic policies*, and, in the case of decommitment, decisions to amend decisions adopting programmes; and as regards the Funds, decisions identifying the regions and Member States fulfilling the Investment for growth and jobs criteria, decisions setting out the annual breakdown of commitment appropriations to the Member States, decisions setting out the amount to be transferred from each Member State's CF allocation to the Connecting Europe Facility, decisions setting out the amount to be transferred from each Member State's Structural Funds allocation for food for deprived people, decisions adopting and amending

Amendment

(90) The Commission should be empowered to adopt, by means of implementing acts, as regards all CSF Funds, decisions approving the *agreed* Partnership Contracts, and, in the case of decommitment, decisions to amend decisions adopting programmes; and as regards the Funds, decisions identifying the regions and Member States fulfilling the Investment for growth and jobs criteria, decisions setting out the annual breakdown of commitment appropriations to the Member States, decisions setting out the amount to be transferred from each Member State's CF allocation to the Connecting Europe Facility, decisions setting out the amount to be transferred from each Member State's Structural Funds allocation for food for deprived people, decisions adopting and amending operational programmes, decisions on major projects, decisions on joint action plans, decisions suspending payments and

operational programmes, decisions on major projects, decisions on joint action plans, decisions suspending payments and decisions on financial corrections.

decisions on financial corrections.

Amendment 22

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

Text proposed by the Commission

(2) ‘Common Strategic Framework’ means the *elements that provide clear* strategic direction to the programming process *and facilitate* sectoral and territorial coordination of Union intervention under the CSF Funds and with other relevant Union policies and instruments *in line with the objectives and targets of the Union strategy for smart, sustainable and inclusive growth;*

Amendment

(2) ‘Common Strategic Framework’ means the *document providing a* strategic direction to the programming process *at the level of Member States and regions, facilitating* sectoral and territorial coordination of Union intervention under the CSF Funds and with other relevant Union policies and instruments, *and establishing the mechanisms for ensuring the coherence and consistency of the programming of the CSF Funds with the economic and employment policies of the Member States and of the Union in order to achieve socially and environmentally sustainable development. The Commission shall be empowered to adopt delegated acts, in accordance with Article 142, concerning a supplement to the CSF translating the objectives and targets of the Union strategy for smart, sustainable and inclusive growth into key actions for the CSF Funds by establishing for each thematic objective key actions as recommendations to be taken into account by each CSF Fund in accordance with investment priorities, considering the different needs, challenges and opportunities of regions and the necessary flexibility for regional sustainable development, and suggesting the priorities for cooperation under the CSF Funds;*

Amendment 23

Proposal for a regulation
Article 2 – paragraph 2 – point 6

Text proposed by the Commission

(6) ‘programming’ means the process of organisation, decision-making and allocation of financial resources in several stages intended to implement, on a multi-annual basis, the joint action by the Union and the Member States to achieve Union strategy for smart, sustainable and inclusive growth;

Amendment

(6) ‘programming’ means the process of organisation, decision-making and allocation of financial resources in several stages, ***with the involvement of partners and in line with the multi-level governance approach as laid down in Article 5***, intended to implement, on a multi-annual basis, the joint action by the Union and the Member States to achieve Union strategy for smart, sustainable and inclusive growth;

Amendment 24

Proposal for a regulation
Article 2 – paragraph 2 – point 12

Text proposed by the Commission

(12) ‘State aid’ means aid falling under Article 107(1) *of the Treaty* which shall be deemed for the purposes of this Regulation also to include de minimis aid within the meaning of Commission Regulation (EC) No 1998/2006 of 15 December 2006 on the application of Articles 87 and 88 of the Treaty to de minimis aid, Commission Regulation (EC) No 1535/2007 of 20 December 2007 on the application of Articles 87 and 88 of the EC Treaty to de minimis aid in the sector of agricultural production and Commission Regulation (EC) No 875/2007 of 24 July 2007 on the application of Articles 87 and 88 of the EC Treaty to de minimis aid in the fisheries sector and amending Regulation (EC) No 1860/2004;

Amendment

(12) ‘State aid’ means aid falling under Article 107(1) TFEU which shall be deemed for the purposes of this Regulation also to include de minimis aid within the meaning of Commission Regulation (EC) No 1998/2006 of 15 December 2006 on the application of Articles 87 and 88 of the Treaty to de minimis aid, Commission Regulation (EC) No 1535/2007 of 20 December 2007 on the application of Articles 87 and 88 of the EC Treaty to de minimis aid in the sector of agricultural production and Commission Regulation (EC) No 875/2007 of 24 July 2007 on the application of Articles 87 and 88 of the EC Treaty to de minimis aid in the fisheries sector and amending Regulation (EC) No 1860/2004, Commission Regulation (EU) No 360/2012 of 25 April 2012 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid

granted to undertakings providing services of general economic interest¹, as well as aid in the form of public services granted to certain undertakings entrusted with the operation of services of general economic interest within the meaning of the Commission Decision 2012/21/EU of 20 December 2011 on the application of Article 106(2) of the Treaty on the Functioning of the European Union to State aid in the form of public service compensation granted to certain undertakings entrusted with the operation of services of general economic interest².

¹ OJ L 114, 26.4.2012, p. 8.

² OJ L 7, 11.1.2012, p. 3.

Justification

As provision of services of general economic interest is one of forms of state aid it should be included in the definition of "state aid".

Amendment 25

Proposal for a regulation Article 2 – paragraph 2 – point 20

Text proposed by the Commission

(20) ‘Partnership Contract’ means the document prepared by the Member State with the involvement of partners in line with the multi-level governance approach, which sets out the Member State's strategy, priorities and arrangements for using the CSF Funds in an effective and efficient way to pursue the Union strategy for smart, sustainable and inclusive growth, and which is approved by the Commission following assessment and dialogue with the Member State;

Amendment

(20) ‘Partnership Contract’ means the document prepared by the Member State with the involvement of partners in line with the multi-level governance approach ***as laid down in Article 5***, which sets out the Member State's strategy, priorities and arrangements for using the CSF Funds in an effective and efficient way to pursue the Union strategy for smart, sustainable and inclusive growth, ***taking account of its National Reform Programme, while recognising the different needs of its regions, and guaranteeing the necessary flexibility for sustainable regional development***, and which is approved by the Commission following assessment and

dialogue with the Member State;

Amendment 26

Proposal for a regulation

Article 2 – paragraph 2 – point 26 a (new)

Text proposed by the Commission

Amendment

(26a) 'ex ante conditionality' means a concretely and precisely pre-defined critical factor, which is a necessary prerequisite for, and has a genuine link to, and direct impact on, the effective and efficient implementation of the concrete content of investment to be financed from any of the CSF Funds.

Amendment 27

Proposal for a regulation

Article 4 – paragraph 1

Text proposed by the Commission

Amendment

1. The CSF Funds shall provide support, through multi-annual programmes, which complements national, regional and local intervention, to deliver the Union strategy for smart, sustainable and inclusive growth, taking account of the Integrated Guidelines, the country-specific recommendations under Article 121(2) of the Treaty and the relevant Council recommendations adopted under 148(4) of the Treaty.

1. The CSF Funds shall provide support, through multi-annual programmes, which complements national, regional and local intervention, to deliver the Union strategy for smart, sustainable and inclusive growth ***in accordance with National Reform Programmes***, taking account of ***Article 9 TFEU***, the ***relevant*** Integrated Guidelines, the ***relevant*** country-specific recommendations under Article 121(2) TFEU and the relevant Council recommendations adopted under 148(4) TFEU.

Amendment 28

Proposal for a regulation

Article 4 – paragraph 2

Text proposed by the Commission

2. The Commission and the Member States shall ensure that support from the CSF Funds is consistent with the policies and priorities of the Union and complementary to other instruments of the Union.

Amendment

2. The Commission and the Member States shall ensure that support from the CSF Funds is consistent with the **relevant** policies and priorities, **including the horizontal targets**, of the Union and complementary to other instruments of the Union.

Amendment 29

Proposal for a regulation
Article 4 – paragraph 5

Text proposed by the Commission

5. Arrangements for the implementation and use of the CSF Funds, and in particular the financial and administrative resources required for the implementation of the CSF Funds, in relation to the reporting, evaluation, management and control shall take into account the principle of proportionality having regard to the level of support allocated.

Amendment

5. Arrangements for the implementation and use of the CSF Funds, and in particular the financial and administrative resources required for the implementation of the CSF Funds, in relation to the reporting, evaluation, management and control shall take into account the principle of proportionality having regard to the level of support allocated **and the size of the beneficiaries**.

Amendment 30

Proposal for a regulation
Article 4 – paragraph 9

Text proposed by the Commission

9. The Commission and the Member States shall ensure the effectiveness of the CSF Funds, in particular through monitoring, reporting and evaluation.

Amendment

9. The Commission and the Member States shall ensure the effectiveness of the CSF Funds, in particular through monitoring, reporting and evaluation, **informing the potential beneficiaries about funding opportunities and making publicly known the role and the achievements of cohesion policy**.

Amendment 31

Proposal for a regulation Article 4 – paragraph 10

Text proposed by the Commission

10. The Commission and the Member States shall carry out their respective roles in relation to the CSF Funds with the aim of reducing the administrative burden for beneficiaries.

Amendment

10. The Commission and the Member States shall carry out their respective roles in relation to the CSF Funds with the aim of reducing the administrative burden for beneficiaries, ***for national, regional and local public authorities, and bodies acting at different levels of administration as managing authorities.***

Amendment 32

Proposal for a regulation Article 5 – paragraph 1 – introductory part

Text proposed by the Commission

1. For the Partnership Contract and each programme respectively, ***a*** Member ***State*** shall organise a partnership with the following partners:

Amendment

1. For the Partnership Contract and each programme respectively, Member ***States and regional authorities*** shall organise a partnership with the following partners:

Amendment 33

Proposal for a regulation Article 5 – paragraph 1 – point a

Text proposed by the Commission

(a) ***competent regional, local, urban and other public authorities;***

Amendment

(a) other ***relevant*** public authorities;

Amendment 34

Proposal for a regulation

Article 5 – paragraph 1 – point c

Text proposed by the Commission

(c) bodies representing civil society, including environmental partners, non-governmental organisations, and bodies responsible for promoting equality and non-discrimination.

Amendment

(c) bodies representing civil society, including environmental partners, non-governmental organisations, ***among them non-profit organisations promoting social inclusion and those active in the areas of culture, education and youth policy***, and bodies responsible for promoting ***gender*** equality and non-discrimination.

Amendment 35

Proposal for a regulation

Article 5 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

1a. A Member State shall include in the partnership those institutions, organisations and groups that might influence, or might be affected by, the implementation of the programmes. Specific consideration shall be given to groups that might be affected by the programmes and might face difficulties in influencing them, in particular vulnerable and marginalised groups.

Amendment 36

Proposal for a regulation

Article 5 – paragraph 2

Text proposed by the Commission

2. In accordance with the multi-level governance approach, the partners shall be involved by Member States in the preparation of Partnership Contracts and progress reports and in the preparation,

Amendment

2. In accordance with the multi-level governance approach ***and with the Partnership Contract, as referred to in paragraph 1***, the partners ***representing the different territorial levels and reflecting***

implementation, monitoring and evaluation of programmes. The partners shall participate in the monitoring committees for programmes.

the institutional structure of the Member States shall be involved by Member States in ***all stages of*** the preparation of Partnership Contracts and progress reports and in the preparation, implementation, monitoring and evaluation of programmes ***in a timely and consistent manner***. The partners shall participate in the monitoring committees for programmes.

Amendment 37

Proposal for a regulation Article 5 – paragraph 3

Text proposed by the Commission

3. The Commission shall be empowered to adopt delegated acts in accordance with Article 142 to provide for a European code of conduct that lays down objectives and criteria to support the implementation of partnership and to facilitate the sharing of information, experience, results and good practices among Member States.

Amendment

3. The Commission shall be empowered to adopt delegated acts in accordance with Article 142 to provide, ***after consulting the European economic and social partners and European partner organisations***, for a European code of conduct that lays down objectives and criteria to support the implementation of partnership and to facilitate the sharing of information, experience, results and good practices among Member States.

Amendment 38

Proposal for a regulation Article 5 – paragraph 4 a (new)

Text proposed by the Commission

Amendment

4a. When implementing CSF Funds, the authorities responsible shall encourage appropriate participation and access to financial measures for the partners referred to in Article 5(1)(c), particularly in the fields of combating poverty, social inclusion, gender equality and equality of opportunity.

Amendment 39

Proposal for a regulation Article 7 – title

Text proposed by the Commission

Promotion of *equality between men and women* and non-discrimination

Amendment

Promotion of *equal opportunities* and non-discrimination

Amendment 40

Proposal for a regulation Article 7 – paragraph 1

Text proposed by the Commission

The Member States and the Commission shall ensure *that* equality between men *and women* and the integration of gender perspective *is promoted in* the preparation and implementation of programmes.

Amendment

The Member States and the Commission shall ensure equality between *women and men* and the *coherent* integration of gender perspective *at all stages of* the preparation, *programming* and implementation, *monitoring and evaluation of the CSF Funds in a timely and consistent manner, and using the methods of the gender budgeting assessment.*

Amendment 41

Proposal for a regulation Article 7 – paragraph 2

Text proposed by the Commission

The Member States and the Commission shall take appropriate steps to prevent any discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation during the preparation and implementation of programmes.

Amendment

The Member States and the Commission shall take appropriate steps to *promote equal opportunities*, prevent any discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation *and make sure that segregation is not reproduced* during the preparation and implementation of programmes *while paying particular attention to those who face discrimination on multiple grounds.*

Amendment 42

Proposal for a regulation Article 7 a (new)

Text proposed by the Commission

Amendment

Article 7 a

Accessibility for persons with disabilities
The Member States and the Commission shall make sure that accessibility for persons with disabilities is ensured in all stages of the preparation and implementation of programmes.

Amendment 43

Proposal for a regulation Article 9 – paragraph 1 – point 3

Text proposed by the Commission

Amendment

(3) enhancing the competitiveness of small *and* medium-sized enterprises, the agricultural sector (for the EAFRD) and the fisheries and aquaculture sector (for the EMFF);

(3) enhancing the competitiveness of small, medium-sized *and micro-*enterprises, *as well as of businesses run by self-employed people and of* the agricultural sector (for the EAFRD) and the fisheries and aquaculture sector (for the EMFF);

Amendment 44

Proposal for a regulation Article 9 – paragraph 1 – point 6

Text proposed by the Commission

Amendment

(6) protecting the environment and promoting resource efficiency;

(6) protecting the environment and *biodiversity and* promoting *energy and* resource efficiency;

Amendment 45

Proposal for a regulation Article 9 – paragraph 1 – point 8

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Text proposed by the Commission

Amendment

(8) promoting employment and supporting labour mobility;

(8) promoting **sustainable and quality** employment and supporting **voluntary** labour mobility;

Amendment 46

Proposal for a regulation

Article 9 – paragraph 1 – point 9

Text proposed by the Commission

Amendment

(9) promoting social inclusion and combating poverty;

(9) promoting social inclusion and combating poverty **and discrimination**;

Amendment 47

Proposal for a regulation

Article 9 – paragraph 1 – point 10

Text proposed by the Commission

Amendment

(10) investing in education, skills and lifelong learning;

(10) investing in education, **training, including vocational training**, skills and lifelong learning;

Amendment 48

Proposal for a regulation

Article 9 – paragraph 1 – point 10 a (new)

Text proposed by the Commission

Amendment

(10a) investing in accessibility for persons with reduced mobility, including the elderly and persons with disabilities

Amendment 49

Proposal for a regulation

Article 9 – paragraph 1 – point 11

Text proposed by the Commission

(11) enhancing institutional capacity and ***an*** efficient public administration.

Amendment

(11) enhancing institutional capacity and efficient public administration ***and promoting capacity building for stakeholders.***

Amendment 50

Proposal for a regulation Article 10

Text proposed by the Commission

In order to promote the harmonious, balanced and sustainable development of the Union, a Common Strategic Framework ***shall provide*** clear strategic direction to the programming process ***and facilitate sectoral and territorial coordination of Union intervention under the CSF Funds and with other relevant Union policies and instruments in line with*** the objectives and targets of the Union strategy for smart, sustainable and inclusive growth.

Amendment

In order to promote the harmonious, balanced and sustainable development of the Union, a Common Strategic Framework, ***as set out in Annex I, provides a*** strategic direction to the programming process ***at the level of Member States and regions and to the contribution of the CSF Funds to the achievement of*** the objectives and targets of the Union strategy for smart, sustainable and inclusive growth, ***considering the different needs, challenges and opportunities of regions and the necessary flexibility for sustainable regional development.***

Amendment 51

Proposal for a regulation Article 11

Text proposed by the Commission

Content

The Common Strategic Framework shall establish:

(a) means to achieve coherence and consistency of the programming of the

Amendment

Content

In cooperation with the European economic and social partners, the Common Strategic Framework shall establish:

CSF Funds with the country-specific recommendations under Article 121(2) of the Treaty and the relevant Council recommendations adopted under 148(4) of the Treaty;

(b) coordination mechanisms among the CSF Funds, and with other relevant Union policies and instruments, including external instruments for cooperation;

(c) horizontal principles and **cross-cutting** policy objectives for the implementation of the CSF Funds;

(d) arrangements to address territorial challenges and the steps to be taken to encourage an integrated approach that reflects the role of urban, rural, coastal and fisheries areas, as well as the specific challenges for areas with particular territorial features referred to in Articles 174 and 349 of the Treaty;

(e) for each thematic objective, the indicative actions of high European added value to be supported by each CSF Fund and the corresponding principles for delivery;

(f) priorities for cooperation for the CSF Funds, where appropriate, taking account of macro-regional and sea basin strategies.

(c) horizontal principles and policy objectives for the implementation of the CSF Funds;

(e) coordination mechanisms among the CSF Funds, and with other relevant Union policies and instruments, including external instruments for cooperation;

(f) mechanisms for ensuring the coherence and consistency of the programming of the CSF Funds with instruments of other Union policies and, in accordance with the National Reform Programme, the relevant country-specific recommendations under Article 121(2) TFEU and the relevant Council recommendations adopted under 148(4) TFEU.

The Commission shall be empowered to

adopt a delegated act, within 3 months of the adoption of this Regulation, in accordance with Article 142 in order to supplement the Common Strategic Framework with the following:

(a) for each thematic objective, recommendations on key actions to be supported by each CSF Fund;

(b) the key territorial challenges for urban, rural, coastal and fisheries areas, as well as for areas with particular territorial features referred to in Articles 174 and 349 TFEU, to be addressed by the CSF Funds;

(c) priority areas for cooperation activities for each of the CSF Funds, where appropriate, taking account of macro-regional and sea basin strategies in accordance with Member States' priorities.

Amendment 52

Proposal for a regulation Article 12

Text proposed by the Commission

Amendment

Adoption and review

deleted

The elements of the Common Strategic Framework related to coherence and consistency with the economic policies of Member States and the Union, the coordination mechanisms among the CSF Funds and with other relevant Union policies and instruments, the horizontal principles and cross-cutting policy objectives and the arrangements to address territorial challenges are laid down in Annex I.

The Commission shall be empowered to adopt delegated acts in accordance with Article 142 laying down the specific elements of the Common Strategic Framework related to the establishment of

indicative actions of high European added value and corresponding principles for delivery for each thematic objective and of priorities for cooperation.

Where there are major changes in the Union strategy for smart, sustainable and inclusive growth, the Commission shall review the Common Strategic Framework and, where appropriate, adopt by means of delegated acts in accordance with Article 142, amendments to Annex I.

Within 6 months of adoption of a revision to the Common Strategic Framework, Member States shall propose amendments, where necessary, to their Partnership Contract and programmes to ensure their consistency with the revised Common Strategic Framework.

Amendment 53

Proposal for a regulation Article 13 – paragraph 1

Text proposed by the Commission

1. Each Member State shall prepare a Partnership Contract for the period from 1 January 2014 to 31 December 2020.

Amendment

1. Each Member State shall prepare, **with the regional authorities**, a Partnership Contract for the period from 1 January 2014 to 31 December 2020.

Amendment 54

Proposal for a regulation Article 13 – paragraph 2

Text proposed by the Commission

2. The Partnership Contract shall be drawn up by Member States in cooperation with the partners referred to in Article 5. The Partnership Contract shall be prepared in dialogue with the Commission.

Amendment

2. The Partnership Contract shall be drawn up by Member States **and regional authorities** in cooperation with the partners referred to in Article 5. The Partnership Contract shall be prepared in dialogue with the Commission.

Amendment 55

Proposal for a regulation Article 13 – paragraph 4

Text proposed by the Commission

4. Each Member State shall transmit its Partnership Contract to the Commission within **3** months of the adoption of the Common Strategic Framework.

Amendment

4. Each Member State shall transmit its Partnership Contract to the Commission within **six** months of the adoption of the Common Strategic Framework.

Amendment 56

Proposal for a regulation Article 14 – paragraph 1 – point a – point i

Text proposed by the Commission

(i) an analysis of disparities and development needs with reference to the thematic objectives, the **Common Strategic Framework and** the targets set in the country-specific recommendations under Article 121(2) **of the Treaty** and the relevant Council recommendations adopted under Article 148(4) **of the Treaty**;

Amendment

(i) an analysis of disparities and **sustainable** development needs with reference to the thematic objectives, **to the horizontal principles set out in Articles 6, 7, 7a and 8 of this Regulation and the recommended actions defined in the CSF, taking into account** the targets set in the **relevant** country-specific recommendations under Article 121(2) **TFEU** and the relevant Council recommendations adopted under Article 148(4) **TFEU, and the Member State's National Reform Programme**;

Amendment 57

Proposal for a regulation Article 14 – paragraph 1 – point a – point ii

Text proposed by the Commission

(ii) a summary analysis of the **ex ante evaluations of the** programmes justifying the selection of the thematic objectives **and** the indicative allocations of the CSF

Amendment

(ii) a summary analysis of the programmes justifying the selection of the thematic objectives, the indicative allocations of the CSF Funds **and a summary of the main**

Funds;

results expected for each of the CSF Funds;

Amendment 58

Proposal for a regulation

Article 14 – paragraph 1 – point a – point iii

Text proposed by the Commission

Amendment

(iii) for each thematic objective, a summary of the main results expected for each of the CSF Funds;

deleted

Amendment 59

Proposal for a regulation

Article 14 – paragraph 1 – point b – point ii

Text proposed by the Commission

Amendment

(ii) the arrangements to ensure an integrated approach to the use of the CSF Funds for the territorial development of urban, rural, coastal and fisheries areas and areas with particular territorial features, in particular the implementation arrangements for Articles 28, 29 and 99 accompanied, where appropriate, by **a** list of the cities to participate in the urban development platform referred to in Article 8 of the ERDF Regulation;

(ii) the arrangements to ensure an integrated approach to the use of the CSF Funds for the territorial development of urban, rural, coastal and fisheries areas and areas with particular territorial features, in particular the implementation arrangements for Articles 28, 29 and 99 accompanied, where appropriate, by **an indicative** list of the cities to participate in the urban development platform referred to in Article 8 of the ERDF Regulation;

Amendment 60

Proposal for a regulation

Article 14 – paragraph 1 – point c

Text proposed by the Commission

Amendment

(c) an integrated approach to address the specific needs of geographical areas most affected by poverty or of target groups at **highest** risk of discrimination or exclusion,

(c) an integrated approach to address the specific needs of geographical areas most affected by poverty or of target groups at **high** risk of discrimination or **poverty and**

with special regard to marginalised communities, *where appropriate*, including the indicative financial allocation for the relevant CSF Funds;

social exclusion, with special regard to *persons with disabilities and* marginalised communities, including the indicative financial allocation for the relevant CSF Funds, *with a view to helping implement the national strategies for combating poverty*;

Amendment 61

Proposal for a regulation

Article 14 – paragraph 1 – point c a (new)

Text proposed by the Commission

Amendment

(ca) the way in which the CSF Funds will contribute to the delivery of integrated national anti-poverty strategies detailed in the National Reform Programmes promoting the inclusion of all groups facing or at risk of poverty and social exclusion, underpinned by National Social Reports;

Amendment 62

Proposal for a regulation

Article 14 – paragraph 1 – point c a (new)

Text proposed by the Commission

Amendment

(ca) an integrated approach to address the specific needs of the geographical areas most affected by unemployment, with special regard to youth unemployment, specifying both the measures to combat it as part of each fund strategy, and the financial allocations committed to such measures;

Amendment 63

Proposal for a regulation

Article 14 – paragraph 1 – point d – point ii

Text proposed by the Commission

(ii) a summary of the assessment of the fulfilment of ex ante conditionalities and of the actions to be taken at national and regional level, and the timetable for their implementation, where ex ante conditionalities are not fulfilled;

Amendment

(ii) a summary of the assessment of the fulfilment of **relevant** ex ante conditionalities and of the actions to be taken at national and regional level, and the timetable for their implementation, where ex ante conditionalities are not fulfilled;

Amendment 64

Proposal for a regulation

Article 14 – paragraph 1 – point d – point iv

Text proposed by the Commission

(iv) the actions taken to involve the partners and their role in the preparation of the Partnership Contract and the progress report as defined in Article 46 of this Regulation;

Amendment

(iv) the actions taken to **implement the multi-level governance approach and to involve the partners referred to in Article 5 and the effectiveness of those actions, the indicative list of partners and their role** in the preparation of the Partnership Contract and the progress report as defined in Article 46 of this Regulation;

Amendment 65

Proposal for a regulation

Article 14 – paragraph 1 – point d – point iv a (new)

Text proposed by the Commission

Amendment

(iv a) an identification of the legal and administrative barriers to the implementation of partnership in the national context and actions envisaged to address those obstacles;

Amendment 66

Proposal for a regulation

Article 14 – paragraph 1 – point d – point iv b (new)

Text proposed by the Commission

Amendment

(iv b) an identification of relevant existing national, regional and local partnerships and multilevel governance structures and ways they will be taken into account;

Amendment 67

Proposal for a regulation

Article 14 – paragraph 1 – point e – point i

Text proposed by the Commission

Amendment

(i) an assessment of whether there is a need to reinforce the administrative capacity of the authorities and, ***where appropriate***, beneficiaries, and actions to be taken for this purpose;

(i) an assessment of whether there is a need to reinforce the administrative capacity of the authorities and beneficiaries ***and partners referred to in Article 5(1) (a), (b) and (c)***, and actions to be taken for this purpose;

Amendment 68

Proposal for a regulation

Article 15 – paragraph 2

Text proposed by the Commission

Amendment

2. The Commission shall adopt a decision, by means of implementing acts, approving the Partnership Contract no later than ***six*** months after its submission by the Member State, provided that any observations made by the Commission have been satisfactorily taken into account. The Partnership Contract shall not enter into force before 1 January 2014.

2. The Commission shall adopt a decision, by means of implementing acts, approving the ***elements of the*** Partnership Contract ***falling under Article 14 (a) (iii), (iv), (vi) and (vii) and (d) (i) - (iii)*** no later than ***four*** months after its submission by the Member State, provided that any observations made by the Commission have been satisfactorily taken into account. The Partnership Contract shall not enter into force before 1 January 2014.

Amendment 69

Proposal for a regulation Article 16

Text proposed by the Commission

Member States shall concentrate support, in accordance with the Fund-specific rules, on actions bringing the greatest added value in relation to the Union strategy for smart, sustainable and inclusive growth, addressing the challenges identified in the country-specific recommendations under Article 121(2) of the Treaty and the relevant Council recommendations adopted under 148(4) of the Treaty, and taking into account national *and* regional needs.

Amendment

Member States shall concentrate support, in accordance with the Fund-specific rules, on actions bringing the greatest added value in relation to ***the achievement of the headline targets of*** the Union strategy for smart, sustainable and inclusive growth, addressing the challenges identified in the country-specific recommendations, ***as translated in the context of the National Reform Programme and other strategies,*** under Article 121(2) of the Treaty and the relevant Council recommendations adopted under 148(4) of the Treaty, and taking into account national, regional *and local* needs.

Amendment 70

Proposal for a regulation Article 17 – paragraph 1

Text proposed by the Commission

1. Ex ante conditionalities shall be defined for each CSF Fund in the Fund-specific rules.

Amendment

1. Ex ante conditionalities ***and corresponding criteria for their fulfilment*** shall be defined for each CSF Fund in the Fund-specific rules.

Amendment 71

Proposal for a regulation Article 17 – paragraph 2

Text proposed by the Commission

2. Member States shall assess whether the ***applicable*** ex ante conditionalities are fulfilled.

Amendment

2. Member States shall assess whether the ex ante conditionalities, ***relevant to the effectiveness of the contribution of the CSF Funds in the applicable cases of***

investment, are fulfilled in line with the division of powers between the different levels of government. The assessment shall be based on a common methodology and involve the partners referred to in Article 5.

Amendment 72

Proposal for a regulation Article 17 – paragraph 5

Text proposed by the Commission

5. The Commission shall assess the information provided on the fulfilment of ex ante conditionalities in the framework of its assessment of the Partnership Contract and programmes. ***It may decide, when adopting a programme, to suspend all or part of interim payments to the programme pending the satisfactory completion of actions to fulfil an ex ante conditionality.*** The failure to complete actions to fulfil an ex ante conditionality by the deadline set out in the programme ***shall*** constitute a basis for suspending payments by the Commission.

Amendment

5. The Commission shall assess the information provided on the fulfilment of ex ante conditionalities in the framework of its assessment of the Partnership Contract and programmes. The failure to complete actions to fulfil an ex ante conditionality by the deadline set out in the programme ***may*** constitute a basis for suspending payments by the Commission. ***When deciding whether to suspend payments, the Commission shall take account of the economic and social effects of the suspension.*** The failure to maintain an already fulfilled ex-ante conditionality during the implementation of the programme may also constitute a basis for suspending payments by the Commission. ***The suspensions shall be lifted and funds be made available again as soon as the Member State takes the necessary action.***

Amendment 73

Proposal for a regulation Article 17 – paragraph 5 a (new)

Text proposed by the Commission

Amendment

5a. When acting pursuant to paragraph 5, the Commission shall take due account of the situation in the Member State concerned and of its previous experience

with regard to the fulfilment of the relevant ex ante conditionality.

Amendment 74
Proposal for a regulation
Article 18

Text proposed by the Commission

Amendment

Performance reserve

deleted

5% of the resources allocated to each CSF Fund and Member State, with the exception of resources allocated to the European territorial cooperation goal, to the Youth Employment Initiative, and to Title V of the EMFF Regulation, shall constitute a performance reserve to be allocated in accordance with Article 20.

Amendment 75

Proposal for a regulation
Article 19 – paragraph 1

Text proposed by the Commission

Amendment

1. The Commission, in cooperation with the Member States, shall undertake a review of the performance of the programmes in each Member State ***in 2017 and 2019***, with reference to the performance framework set out in the respective Partnership Contract and programmes. The method for establishing the performance framework is set out in Annex II.

1. The Commission, in cooperation with the Member States, shall undertake a review of the performance of the programmes in each Member State, with reference to the performance framework set out in the respective Partnership Contract and programmes. The ***performance review shall take place twice during the programme period. The Member State and the Commission shall agree the years in which the review is to take place.*** The method for establishing the performance framework is set out in Annex II.

Justification

In order to ensure flexibility, taking account of situation in different Member States, the

modalities of the performance review should be mutually agreed by the Member State and the Commission.

Amendment 76

Proposal for a regulation Article 19 – paragraph 2

Text proposed by the Commission

2. The review shall examine the achievement of the milestones of the programmes at the level of priorities, on the basis of the information and the assessments presented in the progress reports submitted by the Member States in the years **2017 and 2019**.

Amendment

2. The review shall examine the achievement of the milestones of the programmes at the level of priorities, on the basis of the information and the assessments presented in the progress reports submitted by the Member States in the years ***of the performance review***.

Amendment 77

Proposal for a regulation Article 19 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2a. The review shall take into account any changes in the economic and social circumstances that may influence the achievement of the milestones of the programmes.

Amendment 78

Proposal for a regulation Article 19 – paragraph 2 b (new)

Text proposed by the Commission

Amendment

2b. Apart from the above-mentioned review, continuous monitoring, carried out by the Commission, functioning as an early warning system is necessary to detect programmes which have not

contributed to the delivery of the goals and objectives of the CFS Funds, in order to prevent the suspension of payments.

Amendment 79

Proposal for a regulation Article 20 – paragraph 1

Text proposed by the Commission

1. Where the review of performance undertaken in **2017** reveals that a priority within a programme has not attained its milestones set for the year **2016**, the Commission shall make recommendations to the Member State concerned.

Amendment

1. Where the review of performance undertaken in ***the year of the first performance review*** reveals that a priority within a programme has not attained its milestones set for the year ***preceding the year of the first performance review***, the Commission shall make recommendations to the Member State concerned.

Amendment 80

Proposal for a regulation Article 20 – paragraph 2

Text proposed by the Commission

2. On the basis of the review undertaken in **2019**, the Commission shall adopt a decision, by means of implementing acts, to determine for each CSF Fund and Member State the programmes and priorities which have attained their milestones. ***The Member State shall propose the attribution of the performance reserve for the programmes and priorities set out in that Commission decision.*** The Commission shall approve the amendment of the programmes concerned in accordance with Article 26. ***Where a Member State fails to submit the information in accordance with Article 46(2) and (3), the performance reserve for the programmes or the priorities***

Amendment

2. On the basis of the ***final*** review undertaken in ***the year of the second performance review***, the Commission shall adopt a decision, by means of implementing acts, to determine for each CSF Fund and Member State the programmes and priorities which have attained their milestones ***taking into account, inter alia external conditions and changes of the GDP of the Union and the Member State concerned.*** The Commission shall approve the amendment of the programmes concerned in accordance with Article 26.

concerned shall not be allocated.

Amendment 81

Proposal for a regulation Article 20 – paragraph 3

Text proposed by the Commission

3. Where there is evidence resulting from a performance review that a priority has failed to achieve the milestones set out in the performance framework, the Commission may suspend all or part of an interim payment of a priority of a programme in accordance with the procedure laid down in Fund-specific rules.

Amendment

3. Where there is evidence resulting from a performance review *referred to in paragraph 2* that a priority has *significantly* failed to achieve the milestones set out in the performance framework, the Commission may suspend all or part of an interim payment of a priority of a programme in accordance with the procedure laid down in Fund-specific rules *in accordance with the previous comments by the Commission. When deciding whether to suspend the payments, the Commission shall take into account the economic and social effects of the suspension. The suspension shall be lifted and funds made available again as soon as the Member State takes the necessary action.*

Amendment 82

Proposal for a regulation Chapter 4 – title

Text proposed by the Commission

Macroeconomic conditionalities

Amendment

Assistance to Member States with serious budgetary difficulties

Amendment 83

Proposal for a regulation Article 21

Text proposed by the Commission

Amendment

[...]

deleted

Amendment 84

Proposal for a regulation Article 23 – paragraph 2

Text proposed by the Commission

Amendment

2. Programmes shall be drawn up by Member States or any authority designated by them, in cooperation with the partners.

2. Programmes shall be drawn up by Member States or any authority designated by them, in cooperation with the partners ***referred to in Article 5. Each Member State shall draw up a consultation plan and shall publish the results of the consultations before the finalisation of programmes.***

Amendment 85

Proposal for a regulation Article 23 – paragraph 3

Text proposed by the Commission

Amendment

3. Programmes shall be submitted by the Member States ***at the same time as*** the Partnership Contract, with the exception of European territorial cooperation programmes, which shall be submitted within ***six*** months of the ***approval*** of the Common Strategic Framework. All programmes shall be accompanied by the ex ante evaluation as set out in Article 48.

3. Programmes shall be submitted by the Member States ***within 3 months after*** the ***submission of*** the Partnership Contract, with the exception of European territorial cooperation programmes, which shall be submitted within ***nine*** months of the ***adoption*** of the Common Strategic Framework. All programmes shall be accompanied by the ex ante evaluation as set out in Article 48.

Amendment 86

Proposal for a regulation Article 23 – paragraph 3 a (new)

Text proposed by the Commission

Amendment

3a. The implementation of multi-fund programmes (ERDF, ESF, CF, EAFRD, EMFF) is strongly encouraged. To this end, the Commission shall take any measures necessary to ensure that such programmes are prepared and implemented in line with the principle of Fund proportionality.

Amendment 87

Proposal for a regulation

Article 24 – paragraph 3 – subparagraph 1 – introductory part

Text proposed by the Commission

Amendment

Each priority shall set out indicators to assess progress of programme implementation towards achievement of objectives as the basis for monitoring, evaluation and review of performance. These shall include:

Each priority shall set out ***qualitative and quantitative indicators based on the Member State's past achievements and challenges in line with horizontal principles set out in Articles 7, 7a and 8*** to assess progress of programme implementation towards achievement of objectives as the basis for monitoring, evaluation and review of performance. These shall include:

Amendment 88

Proposal for a regulation

Article 24 – paragraph 3 – subparagraph 2

Text proposed by the Commission

Amendment

For each CSF Fund, the Fund-specific rules shall set out common indicators and may provide for programme-specific indicators.

For each CSF Fund, the Fund-specific rules shall set out common ***qualitative and quantitative*** indicators and may provide for programme-specific indicators.

Amendment 89

Proposal for a regulation Article 24 – paragraph 4

Text proposed by the Commission

Each programme, except those which cover exclusively technical assistance, shall include a description of the actions to take into account the principles set out in Articles 7 and 8.

Amendment

Each programme, except those which cover exclusively technical assistance, shall include a description of the actions to take into account the principles set out in Articles 7, **7a** and 8, **and corresponding qualitative and quantitative indicators based on the Member State's past achievements and challenges.**

Amendment 90

Proposal for a regulation Article 25 – paragraph 1

Text proposed by the Commission

1. The Commission shall assess the consistency of programmes with this Regulation, the Fund-specific rules, their effective contribution to the thematic objectives and the Union priorities specific to each CSF Fund, the Common Strategic Framework, the Partnership Contract, the country-specific recommendations under Article 121(2) of the Treaty and the Council recommendations adopted under 148(4) of the Treaty, taking account of the ex ante evaluation. The assessment shall address, in particular, the adequacy of the programme strategy, the corresponding objectives, indicators, targets and the allocation of budgetary resources.

Amendment

1. The Commission shall assess the consistency of programmes with this Regulation, the Fund-specific rules, their effective contribution to the thematic objectives and the Union priorities specific to each CSF Fund, the Common Strategic Framework, the Partnership Contract, the **relevant** country-specific recommendations under Article 121(2) of the Treaty and the **relevant** Council recommendations adopted under 148(4) of the Treaty, taking account of the ex ante evaluation. The assessment shall address, in particular, the adequacy of the programme strategy, the corresponding objectives, indicators, targets and the allocation of budgetary resources.

Amendment 91

Proposal for a regulation Article 26 – paragraph 1 – subparagraph 1

Text proposed by the Commission

Requests for amendment of programmes submitted by a Member State shall be duly substantiated and shall in particular set out the expected impact of the changes to the programme on achieving the Union strategy for smart, sustainable and inclusive growth and the specific objectives defined in the programme, taking account of the Common Strategic Framework and the Partnership Contract. They shall be accompanied by the revised programme and, where appropriate, a revised Partnership Contract.

Amendment

Requests for amendment of programmes submitted by a Member State shall be duly substantiated and shall in particular set out the expected impact of the changes to the programme on achieving the Union strategy for smart, sustainable and inclusive growth, ***on sustainable development*** and the specific objectives defined in the programme, taking account of the Common Strategic Framework and the Partnership Contract. They shall be accompanied by the revised programme and, where appropriate, a revised Partnership Contract.

Amendment 92

Proposal for a regulation

Article 26 – paragraph 1 – subparagraph 1a (new)

Text proposed by the Commission

Amendment

Amendment of programmes shall be made according to the requirements set out in Article 24, in particular those related to horizontal principles, including the partnership principle and multi-level governance approach. Requests for amendment of programmes shall be also based on revised programmes and, where appropriate, a revised Partnership Contract.

Amendment 93

Proposal for a regulation

Article 27 – paragraph 1

Text proposed by the Commission

Amendment

1. The EIB may, at the request of Member States, participate in the preparation of the Partnership Contract, as well as in

1. The EIB may, at the request of Member States, participate in the preparation of the Partnership Contract, as well as in

activities relating to the preparation of operations, *in particular major* projects, financial instruments and public-private partnerships.

activities relating to the preparation of operations, *large- and small-scale* projects *which offer significant potential for innovation*, financial instruments and public-private partnerships.

Amendment 94

Proposal for a regulation Article 28 – paragraph 1 – point d

Text proposed by the Commission

(d) designed taking into consideration local needs and potential, and include innovative features in the local context, networking and, where appropriate, cooperation.

Amendment

(d) designed taking into consideration local needs and potential, and include innovative *and socio-cultural* features in the local context, networking and, where appropriate, cooperation.

Amendment 95

Proposal for a regulation Article 29 – paragraph 3

Text proposed by the Commission

3. Local development strategies shall be selected by a committee set up for this purpose by the relevant managing authorities of the programmes.

Amendment

3. *Sustainable* local development strategies shall be selected by a committee set up for this purpose by the relevant managing authorities of the programmes. *The partners, referred to in Article 5, shall be represented on that committee. In particular, the economic and social partners shall have a strong representation.*

Amendment 96

Proposal for a regulation Article 31 – paragraph 1 – point d a (new)

Text proposed by the Commission

Amendment

(da) consulting costs

Amendment 97

Proposal for a regulation

Article 32 – paragraph 1 – subparagraph 2

Text proposed by the Commission

Financial instruments may be combined with grants, interest rate subsidies and guarantee fee subsidies. In this case, separate records must be maintained for each form of financing.

Amendment

Financial instruments may be combined with grants, interest rate subsidies, **microcredits** and guarantee fee subsidies. In this case, separate records must be maintained for each form of financing.

Amendment 98

Proposal for a regulation

Article 32 – paragraph 1 – subparagraph 3

Text proposed by the Commission

The Commission shall be empowered to adopt delegated acts in accordance with Article 142 laying down detailed rules concerning the ex ante assessment of financial instruments, the combination of support provided to final recipients through grants, interest rate subsidies, guarantee fee subsidies and financial instruments, additional specific rules on eligibility of expenditure and rules specifying the types of activities which shall not be supported through financial instruments.

Amendment

The Commission shall be empowered to adopt delegated acts in accordance with Article 142 laying down detailed rules concerning the ex ante assessment of financial instruments, the combination of support provided to final recipients through grants, interest rate subsidies, guarantee fee subsidies, **microcredits** and financial instruments, additional specific rules on eligibility of expenditure and rules specifying the types of activities which shall not be supported through financial instruments.

Amendment 99

Proposal for a regulation

Article 32 – paragraph 3

Text proposed by the Commission

3. Contributions in kind are not eligible expenditure in respect of financial instruments, except for contributions of

Amendment

3. Contributions in kind are not eligible expenditure in respect of financial instruments, except for contributions of

land or real estate in respect of investments with the objective of supporting urban development or urban regeneration, where the land or real estate forms part of the investment. Such contributions of land or real estate shall be eligible provided that the conditions in Article 59 are met.

land or real estate in respect of investments with the objective of supporting urban **and/or rural** development **as well as** urban **and/or/ rural** regeneration, where the land or real estate forms part of the investment. Such contributions of land or real estate shall be eligible provided that the conditions in Article 59 are met.

Amendment 100

Proposal for a regulation Article 39

Text proposed by the Commission

Member States shall adopt the necessary measures to ensure that the capital resources and gains and other earnings or yields attributable to the support from the CSF Funds to financial instruments are used in accordance with the aims of the programme for a period of at least **10** years after the closure of the programme.

Amendment

Member States shall adopt the necessary measures to ensure that the capital resources and gains and other earnings or yields attributable to the support from the CSF Funds to financial instruments are used in accordance with the aims of the programme for a period of at least **7** years after the closure of the programme. ***The amount left over after that period shall be transferred to the budget of the European Union.***

Amendment 101

Proposal for a regulation Article 40 – paragraph 1

Text proposed by the Commission

1. The managing authority shall send to the Commission a specific report covering the operations comprising financial instruments as an annex to the annual implementation report.

Amendment

1. The managing authority shall send to the Commission a specific report covering the operations comprising financial instruments as an annex to the annual implementation report ***paying attention to avoiding duplicity and additional administrative burdens.***

Amendment 102

Proposal for a regulation

Article 42 – paragraph 1 – subparagraph 1

Text proposed by the Commission

1. The monitoring committee shall be composed of representatives of the managing authority and intermediate bodies and of representatives of the partners. Each member of the monitoring committee shall have a voting right.

Amendment

1. The monitoring committee shall be composed of representatives of the managing authority and intermediate bodies and of representatives of the partners *referred to in Article 5, with particular consideration given to the partners involved in the preparation of the programmes concerned*. Each member of the monitoring committee shall have a voting right. *The Member States shall ensure that the monitoring committee is gender balanced.*

Amendment 103

Proposal for a regulation

Article 42 – paragraph 1 – subparagraph 1 a (new)

Text proposed by the Commission

Amendment

The partners shall select and appoint the members representing them in the monitoring committee.

Amendment 104

Proposal for a regulation

Article 42 – paragraph 1 – subparagraph 1 b (new)

Text proposed by the Commission

Amendment

The list of members of the monitoring committee shall be published.

Amendment 105

Proposal for a regulation

Article 42 – paragraph 4 a (new)

Text proposed by the Commission

Amendment

4a. The body from which the committee Chair comes shall assume the role of a central office to assist the partners in the exercise of their duties and to help the Chair in preparing and conducting meetings and ensuring that they achieve results.

Amendment 106

Proposal for a regulation Article 43 – paragraph 1

Text proposed by the Commission

Amendment

1. The monitoring committee shall meet at least **once** a year and shall review implementation of the programme and progress towards achieving its objectives. In doing so, it shall have regard to the financial data, common and programme-specific indicators, including changes in result indicators and progress towards quantified target values, and the milestones defined in the performance framework.

1. The monitoring committee shall meet at least **twice** a year and shall review implementation of the programme and progress towards achieving its objectives **and the observance of the horizontal principles as set out in Articles 6, 7, 7a and 8**. In doing so, it shall have regard to the financial data, common and programme-specific indicators, including changes in result indicators and progress towards quantified target values, and the milestones defined in the performance framework.

Amendment 107

Proposal for a regulation Article 43 – paragraph 2

Text proposed by the Commission

Amendment

2. The monitoring committee shall examine in detail all issues that affect the performance of the programme.

2. The monitoring committee shall examine in detail all issues that affect the performance of the programme, **including the performance review**.

Amendment 108

Proposal for a regulation
Article 43 – paragraph 4

Text proposed by the Commission

4. The monitoring committee may issue recommendations to the managing authority regarding implementation of the programme and its evaluation. It shall monitor actions taken as a result of its recommendations.

Amendment

4. The monitoring committee may issue recommendations to the managing authority regarding implementation of the programme and its evaluation ***in order to reduce the administrative burden on beneficiaries***. It shall monitor actions taken as a result of its recommendations.

Amendment 109

Proposal for a regulation
Article 43 – paragraph 4 a (new)

Text proposed by the Commission

Amendment

4a. The monitoring committee shall approve the annual reports on the implementation of the programmes referred to in Article 44 and the progress reports referred to in Article 46.

Amendment 110

Proposal for a regulation
Article 44 – paragraph 2

Text proposed by the Commission

Amendment

2. Annual implementation reports shall set out information on implementation of the programme and its priorities by reference to the financial data, common and programme-specific indicators and quantified target values, including changes in result indicators, and the milestones defined in the performance framework. The data transmitted shall relate to values for indicators for fully implemented operations and also for selected operations. They shall also set out actions taken to fulfil the ex ante conditionalities and any

2. Annual implementation reports shall set out information on implementation of the programme and its priorities by reference to the financial data, common and programme-specific indicators and quantified target values, including changes in result indicators, and the milestones defined in the performance framework. The data transmitted shall relate to values for indicators for fully implemented operations and also for selected operations. They shall also set out actions taken to fulfil the ex ante conditionalities, ***simplify***

issues which affect the performance of the programme, and the corrective measures taken.

administrative procedures and *address* any issues which affect the performance of the programme, and the corrective measures taken.

Amendment 111

Proposal for a regulation Article 44 – paragraph 3

Text proposed by the Commission

3. The annual implementation report submitted in **2017** shall set out and assess the information set out in paragraph 2 and progress towards achieving the objectives of the programme, including the contribution of the CSF Funds to changes in result indicators, when evidence is available from evaluations. It shall also assess the implementation of actions to take into account the principles set out in Articles 6, 7 and 8 and report on support used for climate change targets.

Amendment

3. The annual implementation report submitted *in the year of the first performance review* shall set out and assess the information set out in paragraph 2 and progress towards achieving the objectives of the programme, including the contribution of the CSF Funds to changes in result indicators, when evidence is available from evaluations. It shall also assess the implementation of actions to take into account the principles set out in Articles 6, 7, *7a* and 8 and report on support used for climate change, *poverty reduction and overall and youth unemployment reduction* targets.

Amendment 112

Proposal for a regulation Article 44 – paragraph 4

Text proposed by the Commission

4. The annual implementation report submitted in **2019** and the final implementation report for the CSF Funds shall, in addition to the information and assessment set out in paragraphs 2 and 3, include information on and assess progress towards achieving the objectives of the programme and its contribution to achieving the Union strategy for smart, sustainable and inclusive growth.

Amendment

4. The annual implementation report submitted in *the year of the second performance review* and the final implementation report for the CSF Funds shall, in addition to the information and assessment set out in paragraphs 2 and 3, include information on and assess progress towards achieving the objectives of the programme and its contribution to achieving the Union strategy for smart,

sustainable and inclusive growth.

Amendment 113

Proposal for a regulation

Article 45 – paragraph 2

Text proposed by the Commission

2. The annual review meeting may cover more than one programme. In **2017 and 2019**, the annual review meeting shall cover all programmes in the Member State and shall also take account of the progress reports submitted by the Member State in accordance with Article 46 in those years.

Amendment

2. The annual review meeting may cover more than one programme. In ***the years in which the performance review is carried out***, the annual review meeting shall cover all programmes in the Member State and shall also take account of the progress reports submitted by the Member State in accordance with Article 46 in those years.

Amendment 114

Proposal for a regulation

Article 45 – paragraph 3

Text proposed by the Commission

3. The Member State and the Commission may agree not to organise an annual review meeting for a programme in years other than **2017 and 2019**.

Amendment

3. The Member State and the Commission may agree not to organise an annual review meeting for a programme in years other than ***the years in which the performance review is carried out***.

Amendment 115

Proposal for a regulation

Article 46 – paragraph 2 – point b

Text proposed by the Commission

(b) progress towards achievement of the Union strategy for smart, sustainable and inclusive growth, in particular in respect of the milestones set out for each programme in the performance framework and the support used for climate change objectives;

Amendment

(b) progress towards achievement of the Union strategy for smart, sustainable and inclusive growth, in particular in respect of ***reasonable, measurable, qualitative and quantitative milestones based on the Member State's past achievements and challenges*** set out for each programme in

the performance framework and the support used for climate change, **poverty reduction and overall and youth unemployment reduction** objectives;

Amendment 116

Proposal for a regulation Article 46 – paragraph 2 – point h

Text proposed by the Commission

(h) the role of the partners referred in Article 5 in the implementation of the Partnership Contract.

Amendment

(h) the role of the partners referred in Article 5 in the implementation of the Partnership Contract, **including a list of the partners involved, their responsibilities, and their views on the implementation of the programme and on the partnership principle, as well as the way that their views have been taken into account.**

Amendment 117

Proposal for a regulation Article 46 – paragraph 5

Text proposed by the Commission

5. In 2018 and 2020, the Commission shall include in its Annual Progress Report to the spring meeting of the European Council a section summarising the strategic report, in particular with regard to progress made towards Union strategy for smart, sustainable and inclusive growth.

Amendment

5. In 2018 and 2020, the Commission shall include in its Annual Progress Report to the spring meeting of the European Council a section summarising the strategic report, in particular with regard to progress made towards Union strategy for smart, sustainable and inclusive growth **and the targets of the flagship initiatives within the Union strategy for smart, sustainable and inclusive growth.**

Amendment 118

Proposal for a regulation Article 47 – paragraph 1

Text proposed by the Commission

1. Evaluations shall be carried out to improve the quality of the design and implementation of programmes, as well as to assess their effectiveness, efficiency and impact. Impact of programmes shall be evaluated in accordance with the mission of the respective CSF Funds in relation to the targets for the Union strategy for smart, sustainable and inclusive growth as well as in relation to Gross Domestic Product (GDP) and unemployment, where appropriate.

Amendment

1. Evaluations shall be carried out to improve the quality of the design and implementation of programmes, as well as to assess their effectiveness, efficiency and impact. Impact of programmes shall be evaluated in accordance with the mission of the respective CSF Funds in relation to the targets for the Union strategy for smart, sustainable and inclusive growth as well as in relation to ***the climate targets, to the horizontal indicators, to Gross Domestic Product (GDP) and to unemployment and qualitative jobs***, where appropriate. ***Member States may use other social and environmental indicators, in addition to the GDP/inhabitant indicator, in order to have a more social vision of the general state of well-being in the evaluated region or Member State.***

Amendment 119

**Proposal for a regulation
Article 47 – paragraph 2**

Text proposed by the Commission

2. Member States shall provide the resources necessary for carrying out evaluations, and shall ensure that procedures are in place to produce and collect the data necessary for evaluations, including data related to common and where appropriate programme-specific indicators.

Amendment

2. Member States shall provide the resources necessary for carrying out ***qualitative and quantitative*** evaluations, and shall ensure that procedures are in place to produce and collect the data necessary for evaluations, including data related to common ***qualitative and quantitative, and*** where appropriate programme-specific indicators.

Amendment 120

**Proposal for a regulation
Article 48 – paragraph 3 – point a**

Text proposed by the Commission

(a) the contribution to the Union strategy for smart, sustainable and inclusive growth, having regard to the selected thematic objectives and priorities, taking into account national and regional needs;

Amendment

(a) the contribution to the Union strategy for smart, sustainable and inclusive growth, having regard to the selected thematic objectives, ***the horizontal principles as set out in Articles 6, 7, 7a and 8 of this Regulation*** and priorities, taking into account national and regional needs;

Amendment 121

Proposal for a regulation

Article 48 – paragraph 3 – point d

Text proposed by the Commission

(d) the consistency of the selected thematic objectives, the priorities and corresponding objectives of the programmes with the Common Strategic Framework, the Partnership Contract and the country-specific recommendations under Article 121(2) of the Treaty and the Council recommendations adopted under Article 148(4) of the Treaty;

Amendment

(d) the consistency of the selected thematic objectives, the priorities and corresponding objectives of the programmes ***and the horizontal principles set out in Articles 6, 7, 7a and 8 of this Regulation***, with the Common Strategic Framework, the Partnership Contract and the country-specific recommendations under Article 121(2) of the Treaty and the Council recommendations adopted under Article 148(4) of the Treaty;

Amendment 122

Proposal for a regulation

Article 48 – paragraph 3 – point e

Text proposed by the Commission

(e) the relevance and clarity of the proposed programme indicators;

Amendment

(e) the relevance and clarity of the proposed programme ***and horizontal*** indicators;

Amendment 123

Proposal for a regulation Article 48 – paragraph 3 – point 1

Text proposed by the Commission

(1) the adequacy of planned measures to promote equal opportunities between men and women and to prevent discrimination;

Amendment

(1) the adequacy of planned measures to promote equal opportunities between men and women and to prevent discrimination ***in accordance with the principles set out in Article 7;***

Amendment 124

Proposal for a regulation Article 48 – paragraph 3 – point 1 a (new)

Text proposed by the Commission

Amendment

(1a) the adequacy of planned measures to ensure accessibility for persons with disabilities;

Amendment 125

Proposal for a regulation Article 48 – paragraph 3 – point m

Text proposed by the Commission

(m) the adequacy of planned measures to promote sustainable development.

Amendment

(m) the adequacy of planned measures to promote sustainable development, ***social inclusion, and delivery on poverty reduction targets.***

Amendment 126

Proposal for a regulation Article 50

Text proposed by the Commission

The ex post evaluations shall be carried out by the Commission ***or by*** the Member

Amendment

The ex post evaluations shall be carried out by the Commission ***in close cooperation***

States, ***in close cooperation***. Ex post evaluations shall examine the effectiveness and efficiency of the CSF Funds and their contribution to the Union strategy for smart, sustainable and inclusive growth in accordance with specific requirements established in the Fund-specific rules. Ex post evaluations shall be completed by 31 December 2023.

with the Member States. Ex post evaluations shall examine the effectiveness and efficiency of the CSF Funds and their contribution to the Union strategy for smart, sustainable and inclusive growth ***and the targets of the flagship initiatives within the Union strategy for smart, sustainable and inclusive growth*** in accordance with specific requirements established in the Fund-specific rules. Ex post evaluations shall be completed by 31 December 2023.

Amendment 127

Proposal for a regulation

Article 51 – paragraph 1 – subparagraph 2 – point a a (new)

Text proposed by the Commission

Amendment

(aa) assistance in relation to accessing funds, targeted in particular at SMEs and micro-enterprises.

Amendment 128

Proposal for a regulation

Article 51 – paragraph 1 – subparagraph 2 – point f

Text proposed by the Commission

Amendment

(f) actions to disseminate information, support networking, carry out communication activities, raise awareness and promote cooperation and exchange of experience, including with third countries. To bring about greater efficiency in communication to the public at large and stronger synergies between the communication activities undertaken at the initiative of the Commission, the resources allocated to communication actions under this Regulation shall also contribute to covering the corporate communication of the political priorities of the European Union ***as far as they*** that these are related

(f) actions to disseminate information, support networking, carry out communication activities, raise awareness and promote cooperation and exchange of experience, ***particularly amongst civil society organisations***, including with third countries. To bring about greater efficiency in communication to the public at large and stronger synergies between the communication activities undertaken at the initiative of the Commission, the resources allocated to communication actions under this Regulation shall also contribute to ***covering*** the corporate communication of the political priorities of the European

to the general objectives of this Regulation;

Union *provided that such priorities* are related to the general objectives of this Regulation;

Amendment 129

Proposal for a regulation

Article 51 – paragraph 1 – subparagraph 2 – point j a (new)

Text proposed by the Commission

Amendment

(ja) support for capacity building of social partners and civil society organisations, referred to in Article 5, in particular regarding the involvement of representatives of vulnerable groups, and support to umbrella organisations of non-governmental organisations, social partners, networks and associations representing local, urban and regional authorities, working at Union level on cohesion policy for networking with national and regional partners.

Amendment 130

Proposal for a regulation

Article 51 – paragraph 1 – subparagraph 2 – point j b (new)

Text proposed by the Commission

Amendment

(jb) assistance to support exchange of views and cooperation in existing and new thematic networks of local action groups as referred to in Article 30 for the design and implementation of local development strategies.

Amendment 131

Proposal for a regulation Article 52 – paragraph 1

Text proposed by the Commission

At the initiative of a Member State, the CSF Funds may support actions for preparation, management, monitoring, evaluation, information and communication, networking, complaint resolution, and control and audit. The CSF Funds may be used by the Member State to support actions for the reduction of administrative burden for beneficiaries, including electronic data exchange systems, and actions to reinforce the capacity of Member State authorities and beneficiaries to administer and use the CSF Funds. These actions may concern preceding and subsequent programming periods.

Amendment

At the initiative of a Member State, the CSF Funds may support actions for preparation, management, monitoring, evaluation, information and communication, networking, complaint resolution, and control and audit. The CSF Funds may be used by the Member State to support actions for the reduction of administrative burden for beneficiaries, including electronic data exchange systems, and ***additional*** actions to reinforce the capacity of Member State authorities, ***partners referred to in Article 5, with the strong representation of social and economic partners, in order to promote the exchange of views and the best practice among local action groups referred to in Article 30 at national level, and of*** beneficiaries to administer and use the CSF Funds. These actions may concern preceding and subsequent programming periods.

Amendment 132

Proposal for a regulation Article 52 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

1a. Each Member State shall ensure that an adequate level of technical assistance in its operational programmes is allocated to partners referred to in points (a), (b) and (c) of Article 5 (1) in order to facilitate the involvement and participation of those partners in the preparation and implementation of the Partnership Contracts and in the preparation, implementation, monitoring

and evaluation of programmes.

Amendment 133

Proposal for a regulation Article 52 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2a. Each Member State shall ensure in all operational programmes that sufficient technical assistance is made available to facilitate the involvement and participation of non-governmental organisations in the preparation, implementation, monitoring and evaluation of the Funds.

Amendment 134

Proposal for a regulation Article 55 – paragraph 1

Text proposed by the Commission

Amendment

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 rules.

1. The eligibility of expenditure shall be determined on the basis of national rules, ***save in relation to expenditure on European territorial cooperation projects, and*** except where specific rules are laid down in or on the basis of this Regulation or the Fund-specific rules.

Amendment 135

Proposal for a regulation Article 55 – paragraph 8 a (new)

Text proposed by the Commission

Amendment

8a. The Commission shall establish a specific support scheme for expenditure made under European territorial cooperation programmes in order to

improve their operational application.

Amendment 136

Proposal for a regulation

Article 56 – paragraph 2

Text proposed by the Commission

In the case of repayable assistance, the support repaid to the body that provided it, or to another competent authority of the Member State, shall be kept in a separate account and reused for the same purpose or in accordance with the objectives of the programme.

Amendment

In the case of repayable assistance, the support repaid to the body that provided it, or to another competent authority of the Member State, shall be kept in a separate account *code* and reused for the same purpose or in accordance with the objectives of the programme.

Amendment 137

Proposal for a regulation

Article 57 – paragraph 1 – point c

Text proposed by the Commission

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

Amendment

(c) lump sums not exceeding **EUR 200 000** of public contribution;

Amendment 138

Proposal for a regulation

Article 58 – paragraph 1 – point a

Text proposed by the Commission

(a) a flat rate of up to **20** % of eligible direct costs, where the rate is calculated on the basis of a fair, equitable and verifiable calculation method or a method applied under schemes for grants funded entirely by the Member State for a similar type of operation and beneficiary;

Amendment

(a) a flat rate of up to **30** % of eligible direct costs, where the rate is calculated on the basis of a fair, equitable and verifiable calculation method or a method applied under schemes for grants funded entirely by the Member State for a similar type of operation and beneficiary;

Amendment 139

Proposal for a regulation

Article 58 – paragraph 1 – point b

Text proposed by the Commission

(b) a flat rate of up to **15** % of eligible direct staff costs;

Amendment

(b) a flat rate of up to **20** % of eligible direct staff costs;

Amendment 140

Proposal for a regulation

Article 59 – paragraph 3 – point c

Text proposed by the Commission

(c) value added tax. However, VAT amounts shall be eligible where they are not recoverable under national VAT legislation **and are paid by a beneficiary other than non-taxable person as defined in the first subparagraph of Article 13(1) of Directive 2006/112/EC, provided that such VAT amounts are not incurred in relation to the provision of infrastructure.**

Amendment

(c) **recoverable** value added tax. However, VAT amounts shall be eligible where they are not recoverable under national VAT legislation.

Amendment 141

Proposal for a regulation

Article 61 – paragraph 1 – subparagraph 1 – introductory part

Text proposed by the Commission

1. An operation comprising investment in infrastructure or productive investment shall repay the contribution from the CSF Funds if within five years from the final payment to the beneficiary or within the period of time set out in the State aid rules, where applicable, it is subject to:

Amendment

1. An operation comprising investment in infrastructure or productive investment shall **proportionally** repay the contribution from the CSF Funds if within five years, **and specifically in the case of SMEs within three years**, from the final payment to the beneficiary or within the period of time set out in the State aid rules, where applicable, it is subject to:

Amendment 142

Proposal for a regulation
Article 61 – paragraph 2

Text proposed by the Commission

2. Operations supported by the ESF and operations supported by the other CSF Funds that are not investment in infrastructure or productive investments shall repay the contribution from the Fund only where they are subject to an obligation for maintenance of investment under the applicable State aid rules and where they undergo a cessation or relocation of a productive activity within ***the period laid down in those rules.***

Amendment

2. Operations supported by the ESF and operations supported by the other CSF Funds that are not investment in infrastructure or productive investments shall repay the contribution from the Fund only where they are subject to an obligation for maintenance of investment under the applicable State aid rules and where they undergo a cessation or relocation of a productive activity within ***ten years.***

Amendment 143

Proposal for a regulation
Article 66 – paragraph 4

Text proposed by the Commission

As regards the performance reserve, budget commitments shall follow the Commission decision approving the amendment of the programme.

Amendment

deleted

Amendment 144

Proposal for a regulation
Article 74 – paragraph 1 – introductory part

Text proposed by the Commission

1. The payment deadline for an interim payment claim may be interrupted by the authorising officer by delegation within the meaning of the Financial Regulation for a maximum period of ***nine*** months if:

Amendment

1. The payment deadline for an interim payment claim may be interrupted by the authorising officer by delegation within the meaning of the Financial Regulation for a maximum period of ***six*** months if:

Amendment 145

Proposal for a regulation
Article 81 – paragraph 2 – point a

Text proposed by the Commission

(a) ‘Investment for growth **and** jobs’ in Member States and regions, to be supported by all the Funds; and

Amendment

(a) ‘Investment for growth, jobs **and social inclusion**’ in Member States and regions, to be supported by all the Funds; and

Amendment 146

Proposal for a regulation
Article 82 – paragraph 1

Text proposed by the Commission

1. The Structural Funds shall support the Investment for growth **and** jobs goal in all regions corresponding to level 2 of the common classification of territorial units for statistics (hereinafter referred to as 'NUTS level 2') established by Regulation (EC) No 1059/2003.

Amendment

1. The Structural Funds shall support the Investment for growth, jobs **and social inclusion** goal in all regions corresponding to level 2 of the common classification of territorial units for statistics (hereinafter referred to as 'NUTS level 2') established by Regulation (EC) No 1059/2003.

Amendment 147

Proposal for a regulation
Article 82 – paragraph 2 – subparagraph 1 – introductory part

Text proposed by the Commission

Resources for the Investment for growth **and** jobs goal shall be allocated among the following three categories of NUTS level 2 regions:

Amendment

Resources for the Investment for growth, jobs **and social inclusion** goal shall be allocated among the following three categories of NUTS level 2 regions:

Amendment 148
Proposal for a regulation
Article 83 – paragraph 1

Text proposed by the Commission

1. The resources for economic, social and territorial cohesion available for budgetary commitment for the period 2014 to 2020

Amendment

1. The resources for economic, social and territorial cohesion available for budgetary commitment for the period 2014 to 2020

shall be EUR [x] at 2011 prices, in accordance with the annual breakdown shown in Annex III, of which EUR [x] represents the global resources allocated to the ERDF, the ESF and the CF and EUR [3 000 000 000] constitutes a specific allocation for the Youth Employment Initiative. For the purposes of programming and subsequent inclusion in the general budget of the Union, the amount of the resources for economic, social and territorial cohesion shall be indexed at 2 % per year.

shall be EUR [x] at 2011 prices, in accordance with the annual breakdown shown in Annex III, of which EUR [x] represents the global resources allocated to the ERDF, the ESF and the CF and EUR [3 000 000 000] constitutes a specific allocation for the Youth Employment Initiative. ***That specific allocation for the Youth Employment Initiative, and the matching ESF allocation, should be committed in equal instalments by 30 June 2017.*** For the purposes of programming and subsequent inclusion in the general budget of the Union, the amount of the resources for economic, social and territorial cohesion shall be indexed at 2 % per year.

Amendment 149
Proposal for a regulation
Article 83 – paragraph 2

Text proposed by the Commission

2. The Commission shall adopt a decision, by means of implementing acts, setting out the annual breakdown of the global resources for the Funds by Member State, in accordance with the criteria and methodology set out in Annex IIIbis and the annual breakdown of the resources from the specific allocation for the Youth Employment Initiative by Member State together with the list of eligible regions, in accordance with the criteria and methodology set out in Annex IIIter without prejudice to paragraph 3 of this Article and Article 84(7).

Amendment

2. The Commission shall adopt a decision, by means of implementing acts, setting out the annual breakdown of the global resources for the Funds by Member State, in accordance with the criteria and methodology set out in Annex IIIbis and the annual breakdown of the resources from the specific allocation for the Youth Employment Initiative by Member State together with the list of eligible regions, in accordance with the criteria and methodology set out in Annex IIIter without prejudice to paragraph 3 of this Article and Article 84(7). ***Macroeconomic conditionality shall not apply to the allocation of resources.***

Amendment 150

Proposal for a regulation
Article 84 – paragraph 1 – subparagraph 1 – point c

Text proposed by the Commission

(c) **16,35** % (i.e., a total of EUR **55 419 406 116**) for more developed regions;

Amendment

(c) **16,39** % (i.e., a total of EUR **53 142 922 017**) for more developed regions, ***with special regard to possible exceptions in the case of a national capital with a high density of population and extreme concentration of the national population there, based on the Partnership Contract;***

Amendment 151

**Proposal for a regulation
Article 84 – paragraph 2 – point a**

Text proposed by the Commission

(a) eligible population, regional prosperity, national prosperity and unemployment rate for less developed regions and transition regions;

Amendment

(a) eligible population, ***elderly dependency ratio, population density***, regional prosperity, national prosperity, ***net adjusted disposable income per inhabitant***, and unemployment rate for less developed regions and transition regions;

Amendments 152

**Proposal for a regulation
Article 84 – paragraph 3**

Text proposed by the Commission

3. ***At least 25*** % of ***the*** Structural Funds resources ***for less developed regions, 40% for transition regions and 52% for more developed regions*** in each Member State shall ***be allocated to the ESF***. For the purposes of this provision, ***the support to a Member State through the [Food for deprived people instrument]*** shall be considered as part of the share of Structural Funds allocated to the ESF.

Amendment

3. ***In order to ensure that sufficient investment is targeted at youth employment, labour mobility, knowledge, social inclusion and combating poverty, the share*** of Structural Funds resources ***available for programming for operational programmes under the Investment for growth and jobs goal allocated to the ESF*** in each Member State shall ***not be lower than the corresponding ESF share for that Member State observed in the operational programmes for the Convergence and Regional competitiveness and employment***

objectives for the period 2007-2013. An additional amount shall be added to that share for each Member State determined according to the method set out in Annex III quater in order to ensure that the share of the ESF as a percentage of the total combined resources for the Structural Funds and the Cohesion Fund at Union level, excluding the support from the Cohesion Fund for transport infrastructure under the Connecting Europe Facility referred to in Article 84 (4) and support from the Structural Funds for aid for the most deprived people referred to in Article 84(5), in Member States is not less than 25 %.

For the purposes of this provision, *investment from the ESF in the Youth Employment Initiative* shall be considered as part of the share of Structural Funds allocated to the ESF.

Amendment 153
Proposal for a regulation
Article 84 – paragraph 3 bis

Text proposed by the Commission

3bis. Resources for the Youth Employment Initiative shall amount to EUR [3 000 000 000] from the specific allocation for the Youth Employment Initiative and at least EUR [3 000 000 000] from ESF targeted investment.

Amendment

3bis. Resources for the Youth Employment Initiative shall amount to EUR [3 000 000 000] from the specific allocation for the Youth Employment Initiative and at least EUR [3 000 000 000] from ESF targeted investment. *Resources for the Youth Employment Initiative shall be revised upwards pursuant to the review clause set out in Article 144 and in the context of the revision of the Multiannual Financial Framework foreseen for XXXX.*

Amendment 154
Proposal for a regulation
Article 84 – paragraph 5

Text proposed by the Commission

5. The support from the Structural Funds for ***food for deprived people*** under the Investment for Growth and Jobs shall be EUR 2 500 000 000.

The Commission shall adopt a decision by implementing act setting out the amount to be transferred from each Member State's Structural Funds allocation for the whole period in each Member State. The Structural Funds allocation of each Member State shall be reduced accordingly.

The annual appropriations corresponding to the support from the Structural Funds mentioned in the first subparagraph shall be entered in the relevant budget lines of the ***food for deprived people instrument*** with the 2014 budgetary exercise.

Amendment 155

**Proposal for a regulation
Article 84 – paragraph 6**

Text proposed by the Commission

6. 5% of the resources for the Investment for growth and jobs goal shall constitute the performance reserve to be allocated in accordance with Article 20.

Amendment 156

**Proposal for a regulation
Article 84 – paragraph 7**

Amendment

5. The support from the Structural Funds for ***the FEAD*** under the Investment for Growth and Jobs shall be EUR 2 500 000 000. ***Member States may decide to increase their allocations in addition to that amount by up to EUR 1 000 000 000 in total.***

The Commission shall adopt a decision by implementing act ***on the basis of the criteria and methodology set out in Regulation (EU) No [.../...] [FEAD Regulation]*** setting out the amount to be transferred from each Member State's Structural Funds allocation for the whole period in each Member State. The Structural Funds allocation of each Member State shall be reduced accordingly.

The annual appropriations corresponding to the support from the Structural Funds mentioned in the first subparagraph shall be entered in the relevant budget lines of the ***FEAD*** with the 2014 budgetary exercise.

deleted

Amendment

Text proposed by the Commission

7. **0,2%** of the ERDF resources for the Investment for growth and jobs goal shall be allocated to innovative actions at the initiative of the Commission in the area of sustainable urban development.

Amendment

7. **1%** of the ERDF resources for the Investment for growth and jobs goal shall be allocated to innovative actions at the initiative of the Commission in the area of sustainable urban **and rural** development.

Amendment 157

**Proposal for a regulation
Article 85 – paragraph 2**

Text proposed by the Commission

2. By way of derogation from paragraph 1, the Commission may accept, in duly justified circumstances which are linked to the implementation of one or more thematic objectives, a proposal by a Member State in its first submission of the Partnership Contract to transfer up to **2%** of the total appropriation for a category of regions to other categories of regions.

Amendment

2. By way of derogation from paragraph 1, the Commission may accept, in duly justified circumstances which are linked to the implementation of one or more thematic objectives, a proposal by a Member State in its first submission of the Partnership Contract to transfer up to **6 %** of the total appropriation for a category of regions to other categories of regions.

Justification

Following the rules in place under the current legislation, there is no reason for adding a further burden on the Member States. In addition, the high level of complexity of the Cohesion policy should be taken into account and the principle of subsidiarity as enshrined in the Treaty should be respected.

Amendment 158

**Proposal for a regulation
Article 86 – paragraph 3 – subparagraph 3**

Text proposed by the Commission

The Commission and the Member States shall take into account the general macroeconomic conditions and specific or exceptional circumstances, **such as privatisations or an exceptional level of public or equivalent structural expenditure**

Amendment

The Commission and the Member States shall take into account the general macroeconomic conditions and specific or exceptional circumstances **which may represent an exceptional variation in public or equivalent structural expenditure**

by a Member State in the period 2007-2013. They shall also take into account changes in the national allocations from the Structural Funds as compared to the years 2007-2013.

by a Member State in the period 2007-2013. They shall also take into account changes in the national allocations from the Structural Funds as compared to the years 2007-2013.

Amendment 159

Proposal for a regulation

Article 86 – paragraph 5 – subparagraph 1

Text proposed by the Commission

The verification of whether the level of public or equivalent structural expenditure under the Investment for growth and jobs goal has been maintained shall take place at the time of submission of the Partnership Contract (ex ante verification), in **2018** (mid-term verification), and in **2022** (ex post verification).

Amendment

The verification of whether the level of public or equivalent structural expenditure under the Investment for growth and jobs goal has been maintained shall take place at the time of submission of the Partnership Contract (ex ante verification), **and** in mid-term verification, and **finally** in ex post verification.

Amendment 160

Proposal for a regulation

Article 86 – paragraph 6

Text proposed by the Commission

6. If it is established by the Commission in the ex post verification that a Member State has not maintained the reference level of public or equivalent structural expenditure under the Investment for growth and jobs goal set out in the Partnership Contract as set out in Annex IV, the Commission may carry out a financial correction. ***In deciding whether or not to carry out a financial correction, the Commission will take into account whether the economic situation of the Member State has significantly changed since the mid-term verification and whether the change was taken into account at that time. The detailed rules relating to financial correction rates are set out in***

Amendment

6. If it is established by the Commission in the ex post verification that a Member State has not maintained the reference level of public or equivalent structural expenditure under the Investment for growth and jobs goal set out in the Partnership Contract as set out in Annex IV, the Commission may carry out a financial correction. ***The Commission shall only make a decision whether to carry out a financial correction, when it is of the view that the Member State has not taken the necessary steps to comply with the recommendations it has made to this effect and shall consider whether the economic situation of the Member State has significantly changed since the mid-***

point 3 of Annex IV.

term verification and whether the change was taken into account at that time. The detailed rules relating to financial correction rates are set out in point 3 of Annex IV.

Amendment 161

Proposal for a regulation Article 87 – title

Text proposed by the Commission

Content and **adoption** of operational programmes under the Investment for growth and jobs goal

Amendment

Content, **adoption** and **amendment** of operational programmes under the Investment for growth and jobs goal

Amendment 162

Proposal for a regulation Article 87 – paragraph 1

Text proposed by the Commission

1. An operational programme shall consist of priority axes. A priority axis shall concern one Fund for a category of region and shall correspond, **without prejudice** to **Article 52, to** a thematic objective and comprise one or more investment priorities of that thematic objective, in accordance with the Fund-specific rules. For the ESF, a priority axis may combine investment priorities from different thematic objectives set out in Article 9(8), (9), (10) and (11) in order to facilitate their contribution to other priority axes, in duly justified circumstances.

Amendment

1. An operational programme shall consist of priority axes. A priority axis shall concern one Fund for a category of region and shall correspond to a thematic objective and comprise one or more investment priorities of that thematic objective, in accordance with the Fund-specific rules. ***In duly justified circumstances, a priority axis may concern more than one category of region and more than one Fund*** For the ESF, a priority axis may combine ***one or more complementary*** investment priorities from different thematic objectives set out in Article 9(8), (9), (10) and (11) in order to facilitate their contribution to other priority axes, in duly justified circumstances.

Amendment 163

Proposal for a regulation

Article 87 – paragraph 2 – point c – point iii

Text proposed by the Commission

(iii) the list of cities where integrated actions for sustainable urban development will be implemented, the indicative annual allocation of the ERDF support for these actions, including the resources delegated to cities for management under Article 7(2) of Regulation (EU) No [...] [ERDF] and the indicative annual allocation of ESF support for integrated actions;

Amendment

(iii) the ***indicative*** list of cities, ***functional urban areas and suburban areas for regeneration*** where integrated actions for sustainable urban development will be implemented, the indicative annual allocation of the ERDF support for these actions, including the resources delegated to cities for management under Article 7(2) of Regulation (EU) No [...] [ERDF] and the indicative annual allocation of ESF support for integrated actions;

Amendment 164

Proposal for a regulation

Article 87 – paragraph 2 – point c – point iii a (new)

Text proposed by the Commission

Amendment

(iii a) the list of rural micro-regions with the highest concentration of poverty and the indicative annual allocation of ESF, ERDF and EAFRD support for integrated actions;

Amendment 165

Proposal for a regulation

Article 87 – paragraph 2 – point c – point iv

Text proposed by the Commission

(iv) the identification of the areas in which community-led local development will be implemented;

Amendment

(iv) the ***indicative*** identification of the areas in which community-led local development will be implemented;

Amendment 166

Proposal for a regulation
Article 87 – paragraph 2 – point c – point vi

Text proposed by the Commission

(vi) *where appropriate*, the contribution of the planned interventions towards macro regional strategies and sea *basin strategies*;

Amendment

(vi) the contribution of the planned interventions towards macro regional strategies and *strategies relating to sea basins and mountain regions*;

Amendment 167

Proposal for a regulation
Article 87 – paragraph 2 – point d

Text proposed by the Commission

(d) the contribution to the integrated approach set out in the Partnership Contract to address the specific needs of geographical areas most affected by poverty or target groups at highest risk of discrimination or exclusion, with special regard to marginalised communities, and the indicative financial allocation;

Amendment

(d) the contribution to the integrated approach set out in the Partnership Contract to address the *regional demographic challenges and* specific needs of geographical areas most affected by poverty *and unemployment* or target groups at highest risk of discrimination or *social* exclusion, with special regard to *persons with disabilities and* marginalised communities, and the indicative financial allocation;

Amendment 168

Proposal for a regulation
Article 87 – paragraph 2 – point e – point ii

Text proposed by the Commission

(ii) for each ex ante conditionality, established in accordance with Annex V, that is not fulfilled at the date of submission of the Partnership Contract and operational programme, a description of the actions to fulfil the ex ante conditionality and a timetable for such actions;

Amendment

(ii) for each *relevant* ex ante conditionality, established in accordance with Annex V, that is not fulfilled at the date of submission of the Partnership Contract and operational programme, a description of the actions to fulfil the ex ante conditionality and a timetable for such actions;

Amendment 169

Proposal for a regulation

Article 87 – paragraph 2 – point f – point ii

Text proposed by the Commission

(ii) ***an assessment of the administrative burden for beneficiaries and the*** actions planned to achieve a reduction accompanied by targets;

Amendment

(ii) the actions planned to achieve a reduction ***of the administrative burden for beneficiaries*** accompanied by targets;

Amendment 170

Proposal for a regulation

Article 87 – paragraph 2 – point f – point iii

Text proposed by the Commission

(iii) ***a*** list of major projects for which the estimated start date for the execution of the main works is before 1 January 2018;

Amendment

(iii) ***an indicative*** list of major projects for which the estimated start date for the execution of the main works is before 1 January 2018;

Amendment 171

Proposal for a regulation

Article 87 – paragraph 2 – point h – point i

Text proposed by the Commission

(i) identification of ***the accrediting body***, the managing authority, the certifying authority, where applicable, and the audit authority;

Amendment

(i) identification of the managing authority, the certifying authority, where applicable, and the audit authority;

Amendment 172

Proposal for a regulation

Article 87 – paragraph 3 – subparagraph 1 – point ii

Text proposed by the Commission

(ii) a description of the specific actions to promote equal opportunities and prevent

Amendment

(ii) a description of the specific actions to promote equal opportunities and prevent

any discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation during the preparation, design and implementation of the operational programme and in particular in relation to access to funding, taking account of the needs of the various target groups at risk of such discrimination **and in particular the requirements of ensuring accessibility for disabled persons**;

any discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation **and avoid reproducing segregation** during the preparation, design and implementation of the operational programme and in particular in relation to access to funding, taking account of the needs of the various target groups at risk of such discrimination;

Amendment 173

Proposal for a regulation

Article 87 – paragraph 3 – subparagraph 1 – point ii a (new)

Text proposed by the Commission

Amendment

(ii a) a description of the specific actions to ensure accessibility for persons with disabilities during the preparation, design and implementation of the operational programme;

Amendment 174

Proposal for a regulation

Article 87 – paragraph 3 – subparagraph 1 – point iii

Text proposed by the Commission

Amendment

(iii) a description of its contribution to the promotion of equality between men and women and, **where appropriate**, the arrangements to ensure the integration of gender perspective at operational programme and operation level.

(iii) a description of its contribution to the promotion of equality between men and women and, the arrangements to ensure the integration of gender perspective at operational programme and operation level **and a description of the specific actions taken to promote equality between men and women.**

Amendment 175

Proposal for a regulation

Article 87 – paragraph 3 – subparagraph 1 – point iii a (new)

Text proposed by the Commission

Amendment

(iii a) a description of the specific actions taken to achieve the Union's poverty reduction target by promoting the social inclusion of disadvantaged groups of people;

Amendment 176

Proposal for a regulation

Article 87 – paragraph 3 – subparagraph 2

Text proposed by the Commission

Amendment

Member States shall submit an opinion of the national equality bodies on the measures set out in points (ii) and (iii) with the proposal for an operational programme under the Investment for growth and jobs goal.

Member States shall submit an opinion of the national equality bodies ***and partners referred to in points (a), (b) and (c) of Article 5 (1)***, on the measures set out in points ***(i)***, (ii) and (iii) ***of this paragraph, together*** with the proposal for an operational programme under the Investment for growth and jobs goal.

Amendment 177

Proposal for a regulation

Article 87 – paragraph 5

Text proposed by the Commission

Amendment

5. The Commission shall adopt a decision approving the operational programme by means of implementing acts.

5. The Commission shall adopt a decision approving the ***elements of the*** operational programme ***falling under points (a)(ii), b(i) - (ii), (d), (e)(i) - (ii), g(i) - (ii) and h(i) - (ii) of paragraph 2***, by means of implementing acts.

Amendment 178

Proposal for a regulation

Article 88 – paragraph 1

Text proposed by the Commission

1. The Funds may jointly provide support for operational programmes under the Investment for growth **and** jobs goal.

Amendment

1. The Funds may jointly provide support for operational programmes under the Investment for growth, jobs **and social inclusion** goal.

Amendment 179

Proposal for a regulation Article 88 – paragraph 2

Text proposed by the Commission

2. The ERDF and the ESF may finance, in a complementary manner and subject to a limit of **5 %** of Union funding for each priority axis of an operational programme, a part of an operation for which the costs are eligible for support from the other Fund on the basis of eligibility rules applied to that Fund, provided that they are necessary for the satisfactory implementation of the operation and are directly linked to it.

Amendment

2. The ERDF and the ESF may finance, in a complementary manner and subject to a limit of **10 %** of Union funding for each priority axis of an operational programme, a part of an operation for which the costs are eligible for support from the other Fund on the basis of eligibility rules applied to that Fund, provided that they are necessary for the satisfactory implementation of the operation and are directly linked to it.

Amendment 180

Proposal for a regulation Article 89 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

Operational programmes focusing on vulnerable groups such as the youth, women, migrants, the long-term unemployed, the deprived elderly, people with disabilities and ethnic minorities shall be eligible to operate across the territory irrespective of the geographical limitations of reference.

Amendment 181

Proposal for a regulation

Article 91 – paragraph 1 – subparagraph 1 – point f

Text proposed by the Commission

(f) an analysis of the environmental impact, taking into account climate change adaptation and mitigation needs, and disaster resilience;

Amendment

(f) an analysis of the environmental impact, taking into account climate change adaptation and mitigation needs, and disaster resilience, ***and of the social impact, taking into account the benefits in terms of cohesion and development;***

Amendment 182

Proposal for a regulation

Article 95 – paragraph 1 – point 6

Text proposed by the Commission

(6) an analysis of the effects of the joint action plan on the promotion of equality between men and women and the prevention of discrimination;

Amendment

(6) an analysis of the effects of the joint action plan on the promotion of equality between men and women and the prevention of discrimination ***as set out in Article 7;***

Amendment 183

Proposal for a regulation

Article 95 – paragraph 1 – point 6 a (new)

Text proposed by the Commission

Amendment

(6 a) an analysis of the effects of the joint action plan on accessibility for persons with disabilities;

Amendment 184

Proposal for a regulation

Article 97 – paragraph 2 – point a

Text proposed by the Commission

(a) review progress towards achieving the milestones, outputs and results of the joint

Amendment

(a) review progress towards achieving the milestones, outputs and results of the joint

action plan;

action plan *and transmit the results to the monitoring committee;*

Amendment 185

Proposal for a regulation

Article 97 – paragraph 2 – point b

Text proposed by the Commission

(b) consider and approve any proposal to amend the joint action plan in order to take account of any issues affecting its performance.

Amendment

(b) consider and approve any proposal to amend the joint action plan in order to take account of any issues affecting its performance *and transmit the results to the monitoring committee.*

Amendment 186

Proposal for a regulation

Article 99 – paragraph 1

Text proposed by the Commission

1. Where an urban development *strategy or other territorial* strategy or pact as defined in Article 12(1) of Regulation...[ESF] requires an integrated approach involving investments under more than one priority axis of one or more operational programmes, the action shall be carried out as an integrated territorial investment (an 'ITI').

Amendment

1. Where an urban *or rural* development strategy or pact as defined in Article 12(1) of Regulation...[ESF] requires an integrated approach involving investments under more than one priority axis of one or more operational programmes, the action shall be carried out as an integrated territorial investment (an 'ITI').

Amendment 187

Proposal for a regulation

Article 100 – paragraph 1 – point f a (new)

Text proposed by the Commission

Amendment

(f a) actions to ensure accessibility for persons with disabilities;

Amendment 188

Proposal for a regulation

Article 100 – paragraph 1 – point f b (new)

Text proposed by the Commission

Amendment

(fb) actions to fight poverty and promote social inclusion of disadvantaged groups of people;

Amendment 189

Proposal for a regulation

Article 101 – paragraph 1

Text proposed by the Commission

Amendment

1. By 30 ***April*** 2016 and by 30 ***April*** of each subsequent year until and including 2022 the Member State shall submit to the Commission an annual report in accordance with Article 44(1). The report submitted in 2016 shall cover the financial years 2014 and 2015, as well as the period between the starting date for eligibility of expenditure and 31 December 2013.

1. By 30 ***June*** 2016 and by 30 ***June*** of each subsequent year until and including 2022 the Member State shall submit to the Commission an annual report in accordance with Article 44(1). The report submitted in 2016 shall cover the financial years 2014 and 2015, as well as the period between the starting date for eligibility of expenditure and 31 December 2013.

Amendment 190

Proposal for a regulation

Article 101 – paragraph 3 – introductory part

Text proposed by the Commission

Amendment

3. The annual implementation reports submitted in ***2017 and 2019*** shall set out and assess the information required under Articles 44(3) and (4) respectively, the information set out in paragraph 2, ***together with:***

3. The annual implementation reports submitted in ***the years of the performance review*** shall set out and assess the information required under Articles 44(3) and (4) respectively, the information set out in paragraph 2, ***and may, depending on the content and objectives of operational programmes, add information on the following elements:***

Amendment 191

Proposal for a regulation Article 101 – paragraph 3 – point a

Text proposed by the Commission

(a) progress in implementation of the integrated approach to territorial development, including sustainable urban development, and community-led local development under the operational programme;

Amendment

(a) progress in implementation of the integrated approach to territorial development, including sustainable urban **and rural** development, and community-led local development under the operational programme;

Amendment 192

Proposal for a regulation Article 101 – paragraph 3 – point e

Text proposed by the Commission

(e) the specific actions taken to promote equality between men and women and to prevent discrimination, **including accessibility for disabled persons**, and the arrangements implemented to ensure the integration of the gender perspective in the operational programme and operations;

Amendment

(e) the specific actions taken to promote equality between men and women and to prevent discrimination, and the arrangements implemented to ensure the integration of the gender perspective in the operational programme and operations, **as well as the specific actions taken to fight poverty and promote social inclusion of vulnerable groups of people**;

Amendment 193

Proposal for a regulation Article 101 – paragraph 3 – point e a (new)

Text proposed by the Commission

Amendment

(e a) the specific actions taken to ensure accessibility for persons with disabilities;

Amendment 194

Proposal for a regulation Article 101 – paragraph 3 – point i

Text proposed by the Commission

(i) progress in the implementation of measures to address the specific needs of geographical areas most affected by poverty or of target groups at highest risk of discrimination or exclusion, with special regard to marginalised communities including, *where appropriate*, the financial resources used;

Amendment

(i) progress in the implementation of measures to address the ***regional demographic challenges and the*** specific needs of geographical areas most affected by poverty ***and unemployment*** or of target groups at highest risk of discrimination or ***social*** exclusion, with special regard to ***persons with disabilities and*** marginalised communities including the financial resources used;

Amendment 195

Proposal for a regulation

Article 102 – paragraph 1 – introductory part

Text proposed by the Commission

1. By 31 January, ***30 April***, 31 July ***and 31 October***, the managing authority shall transmit electronically to the Commission for monitoring purposes, for each operational programme and by priority axis:

Amendment

1. By 31 January ***and*** 31 July, the managing authority shall transmit electronically to the Commission for monitoring purposes, for each operational programme and by priority axis:

Amendment 196

Proposal for a regulation

Article 105 – paragraph 1 – point c a (new)

Text proposed by the Commission

Amendment

(ca) informing the public about the timelines for programming and about the expected timelines of all related public consultation processes at all stages of the preparation of the Partnership Contract and the programmes;

Amendment 197

Proposal for a regulation
Article 105 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

1a. The EU institutions and the advisory bodies shall organise awareness-raising actions in order to explain how cohesion policy works.

Amendment 198

Proposal for a regulation
Article 106 – paragraph 1 – subparagraph 2 a (new)

Text proposed by the Commission

Amendment

The communication strategy shall be accessible for persons with disabilities.

Amendment 199

Proposal for a regulation
Article 108 – paragraph 1

Text proposed by the Commission

Amendment

The Funds may support technical assistance up to a ceiling of **0,35 %** of their respective annual allocation.

The Funds may support technical assistance up to a ceiling of **0,25 %** of their respective annual allocation.

Amendment 200

Proposal for a regulation
Article 109 – paragraph 2

Text proposed by the Commission

Amendment

2. Technical assistance shall take the form of a **mono-fund** priority axis within an operational programme or of a specific operational programme.

2. Technical assistance shall take the form of **all or part of a** priority axis within an operational programme or of a specific operational programme.

Amendment 201

Proposal for a regulation

Article 110 – paragraph 3 – subparagraph 1 – point d

Text proposed by the Commission

(d) **75%** for the less developed regions of Member States other than those referred to in points (b) and (c), and for all regions whose GDP per capita for the 2007-2013 period was less than 75% of the average of the EU-25 for the reference period but whose GDP per capita is above 75% of the GDP average of the EU-27;

Amendment

(d) **85%** for the less developed regions of Member States other than those referred to in points (b) and (c), and for all regions whose GDP per capita for the 2007-2013 period was less than 75% of the average of the EU-25 for the reference period but whose GDP per capita is above 75% of the GDP average of the EU-27;

Justification

In order to ensure efficient use and better absorption of EU funds regions whose GDP per capita for the 2007- 2013 period was less than 75% of the average GDP of the EU- 25 and who are now eligible under the transition or more developed regions category, should have higher co- financing rate.

Amendment 202

Proposal for a regulation

Article 111 – paragraph 1 – point 1

Text proposed by the Commission

(1) the importance of the priority axis for the delivery of the Union strategy for smart, sustainable and inclusive growth, having regard to the specific gaps **to be addressed**;

Amendment

(1) the importance of the priority axis for the delivery of the Union strategy for smart, sustainable and inclusive growth, having regard to the specific gaps **and the aims of the flagship initiatives of the Union strategy for smart, sustainable and inclusive growth**;

Amendment 203

Proposal for a regulation

Article 111 – paragraph 1 – point 1 a (new)

Text proposed by the Commission

Amendment

(1a) reduction of poverty and promotion of social inclusion of vulnerable groups of people, especially through integrated

active inclusion approaches;

Amendment 204

Proposal for a regulation

Article 111 – paragraph 1 – point 1 b (new)

Text proposed by the Commission

Amendment

(1b) the importance of the priority axis for reducing the rate of general and youth unemployment, in particular in those Member States where the rates are substantially higher than the European average;

Amendment 205

Proposal for a regulation

Article 113 – paragraph 7

Text proposed by the Commission

Amendment

7. The Member State or the managing authority may entrust the management of part of an operational programme to an intermediate body by way of an agreement in writing between the intermediate body and the Member State or managing authority (a ‘global grant’). The intermediate body shall provide guarantees of its solvency and competence in the domain concerned, as well as its administrative and financial management.

7. The Member State or the managing authority may entrust the management of part of an operational programme to an intermediate body by way of an agreement in writing between the intermediate body and the Member State or managing authority (a ‘global grant’). ***With a view of facilitating access to Structural Funds for small NGOs, Member States shall promote the use of small and tailor-made global grants.*** The intermediate body shall provide guarantees of its solvency and competence in the domain concerned, as well as its administrative and financial management.

Amendment 206

Proposal for a regulation

Article 124 – paragraph 1 – subparagraph 1 – point a

Text proposed by the Commission

Amendment

(a) in 2014: **2 %** of the amount of support from the Funds **and the EMFF** for the entire programming period to the operational programme;

(a) in 2014: **3 %** of the amount of support from the Funds for the entire programming period to the operational programme;

Justification

The thrust of the current legislation (Article 82 of Regulation No 1083/2006) should be maintained in points (a), (b) and (c) in order to ensure better stability and sustainability as well as to help addressing the consequences of the economic crisis in Europe.

Amendment 207

Proposal for a regulation

Article 124 – paragraph 1 – subparagraph 1 – point b

Text proposed by the Commission

Amendment

(b) in 2015: **1 %** of the amount of support from the Funds **and the EMFF** for the entire programming period to the operational programme;

(b) in 2015: **2 %** of the amount of support from the Funds for the entire programming period to the operational programme;

Amendment 208

Proposal for a regulation

Article 124 – paragraph 1 – subparagraph 1 – point c

Text proposed by the Commission

Amendment

(c) in 2016: **1 %** of the amount of support from the Funds **and the EMFF** for the entire programming period to the operational programme.

(c) in 2016: **2 %** of the amount of support from the Funds for the entire programming period to the operational programme.

Amendment 209

Proposal for a regulation

Article 127 – paragraph 1 – subparagraph 1

Text proposed by the Commission

1. The Commission shall decommit any part of the amount calculated in accordance with the second subparagraph in ***an operational programme*** that has not been used for payment of the initial and annual pre-financing, interim payments and annual balance by 31 December of the ***second*** financial year following the year of budget commitment under the operational programme or for which a payment application drawn up in accordance with Article 121 has not been submitted in accordance with Article 126.

Amendment 210

**Proposal for a regulation
Article 134 – paragraph 1 – point f**

Text proposed by the Commission

(f) there is evidence resulting from a performance review that a priority has failed to achieve the milestones set out in the performance framework;

Amendment 211

**Proposal for a regulation
Article 134 – paragraph 1 – point g**

Text proposed by the Commission

(g) the Member State fails to respond or does not reply satisfactorily under Article 20(3).

Amendment 212

**Proposal for a regulation
Article 134 – paragraph 3 a (new)**

Amendment

1. The Commission shall decommit any part of the amount calculated in accordance with the second subparagraph in ***a Member State*** that has not been used for payment of the initial and annual pre-financing, interim payments and annual balance by 31 December of the ***third*** financial year following the year of budget commitment under the operational programme or for which a payment application drawn up in accordance with Article 121 has not been submitted in accordance with Article 126.

Amendment

(f) there is evidence resulting from a performance review that a priority ***axis*** has ***significantly*** failed to achieve the milestones set out in the performance framework;

deleted

Amendment

Text proposed by the Commission

Amendment

3a. For the sake of legal certainty, the Commission shall be empowered, to adopt delegated acts, in accordance with Article 142, concerning setting out the concepts and situations that may be considered serious within the meaning of paragraph 1 of this Article.

Amendment 213

Proposal for a regulation Article 136 – paragraph 6

Text proposed by the Commission

Amendment

6. The Commission shall be empowered ***to adopt*** delegated acts in accordance with Article 142 ***establishing*** the criteria for establishing the level of financial correction to be applied.

6. The Commission shall be empowered, ***to adopt*** delegated acts in accordance with Article 142, ***to establish the cases that are to be regarded as serious deficiencies within the meaning of this Article and the*** criteria for establishing the level of financial correction to be applied.

Amendment 214

Proposal for a regulation Article 137 – paragraph 4 a (new)

Text proposed by the Commission

Amendment

4 a. In the event of an agreement, the Member State may reuse the Union funds concerned in conformity with the Article 135 (3).

Amendment 215

Proposal for a regulation Article 137 – paragraph 5

Text proposed by the Commission

5. In order to apply financial corrections the Commission shall take a decision, by means of implementing acts, within six months of the date of the hearing, or of the date of receipt of additional information where the Member State agrees to submit such additional information following the hearing. The Commission shall take account of all information and observations submitted during the course of the procedure. If no hearing takes place, the six month period shall begin to run two months after the date of the letter of invitation to the hearing sent by the Commission.

Amendment

5. In ***the absence of an agreement and in*** order to apply financial corrections the Commission shall take a decision, by means of implementing acts, within six months of the date of the hearing, or of the date of receipt of additional information where the Member State agrees to submit such additional information following the hearing. The Commission shall take account of all information and observations submitted during the course of the procedure. If no hearing takes place, the six month period shall begin to run two months after the date of the letter of invitation to the hearing sent by the Commission.

Amendment 216

**Proposal for a regulation
Article 140 – paragraph 1**

Text proposed by the Commission

1. Operations for which the total eligible expenditure does not exceed ***EUR 100 000 for the Funds or EUR 50 000 for the EMFF*** shall not be subject to more than one audit by either the audit authority or the Commission prior to the closure of all the expenditure concerned under Article 131. Other operations shall not be subject to more than one audit per accounting year by the audit authority and the Commission prior to the closure of all the expenditure concerned under Article 131. These provisions are without prejudice to paragraph 4.

Amendment

1. Operations for which the total eligible expenditure does not exceed ***EUR 200 000*** shall not be subject to more than one audit by either the audit authority or the Commission prior to the closure of all the expenditure concerned under Article 131. Other operations shall not be subject to more than one audit per accounting year by the audit authority and the Commission prior to the closure of all the expenditure concerned under Article 131. These provisions are without prejudice to paragraph 4.

Amendment 217

Proposal for a regulation Annex I

Text proposed by the Commission

Common Strategic Framework *elements related to the coherence and consistency with the economic policies of Member States and the Union, coordination mechanisms among the CSF Funds and with other relevant Union policies and instruments, horizontal principles and cross-cutting policy objectives and arrangements to address territorial challenges*

1. Introduction

In order to maximise the contribution of the CSF Funds to smart, sustainable and inclusive growth, thereby reducing disparities, it is necessary to ensure that policy commitments made in the context of the Europe 2020 strategy are underpinned by investment through the CSF Funds and other Union instruments. Member States shall thus identify how their programmes can contribute to the policy objectives and headline targets of the Europe 2020 strategy and the flagship initiatives.

Amendment

Common Strategic Framework

The purpose of this framework is to provide, in accordance with Article 10, a strategic direction to the programming process at the level of Member States and regions and to the contribution of the CSF Funds to the achievement of the objectives and targets of the Union strategy for smart, sustainable and inclusive growth. To achieve that objective, this framework establishes the main horizontal principles and identifies the corresponding cross-cutting challenges, elaborates the synergies and coordination mechanisms between the CSF Funds and instruments of other Union policies and those among the CSF Funds, and establishes priorities for territorial cooperation.

In addition to the framework contained in this Annex, the Commission should support Member States and regions by adopting, in particular, a non-exhaustive list of recommended actions for the CSF Funds in the form of a delegated act in accordance with Article 142. This non-exhaustive list, as part of the CSF, should provide Member States and regions with guidance on how they can translate the thematic objectives laid down in Article 9 into programming, considering the

different needs, challenges and opportunities of regions and the necessary flexibility for regional sustainable development.

1. Horizontal Principles and cross-cutting challenges

1.1 Partnership and multi-level governance

1.1.1 The principle of multi-level governance requires coordinated action carried out in accordance with the principles of subsidiarity and proportionality, and in partnership. It also shall take the form of operational and institutionalised cooperation, in particular with regard to the drawing-up and implementation of the Union policies. Explicit reference to the principle of multi-level governance in this Regulation represents a reinforcement of that principle and provides an added value for cohesion policy itself.

1.1.2 The principle of multi-level governance shall be respected in order to facilitate achieving social, economic and territorial cohesion and delivery of the Union's priorities of smart, sustainable and inclusive growth.

1.1.3 In order to ensure effective multi-level governance Member States and regions shall carry out the following actions:

- a) implement partnership in accordance with Article 5;***
- b) establish coordination mechanisms between the different levels of governance in accordance with the respective constitutional powers systems;***
- c) report regularly on the implementation of partnership.***

1.1.4 At all stages of the implementation of the CSF Funds, partnership shall be organised so as to directly involve regional and local authorities in the

preparation of Partnership Contracts, and of programmes and also in the preparation, implementation, monitoring and evaluation of those programmes. Social and economic partners, other public authorities, as well as bodies representing civil society, including environmental partners, non-governmental organisations and bodies responsible for promoting equality and non-discrimination shall also be included in order to ensure partnership in all phases of policy implementation.

1.1.5 The cooperation with the partners shall follow best practices. Member States and managing authorities shall use part of their technical assistance of the current and next programming periods to ensure that partners, in particular small local authorities, economic and social partners and NGOs, have the capacity necessary to participate in preparation, implementation, monitoring and evaluation of the Partnership Contract and the programmes.

1.2 Sustainable development

1.2.1 The principle of sustainable development, as laid down in Article 3 of the Treaty on European Union (TEU), relates to a concept of progress according to which social, economic and environmental considerations are to be integrated when considering well-being and a better quality of life for the present and future generations.

1.2.2 Sustainable Development considerations as well as the polluter pays principle should, therefore, be an integral part of every plan, from design to delivery, and monitoring to evaluation. Non-application of the polluter pays principle may be permitted only in exceptional cases and provided that clear mitigating measures are in place.

1.2.3 In order to tackle the complex challenges they face, Member States and

regions should deploy all available Union policy instruments. In particular, for the purposes of tackling climate change, resources should be focused on preventative and mitigating measures. Any new investment made with the support of the CSF Funds should be of a nature such that it is inherently resilient to the impact of climate change and natural disasters.

1.2.4 The ERDF and CF should continue to make major investments in Member States' and regions infrastructures to meet the requirements of the water framework and other relevant directives.

Technological solutions, aimed at contributing to sustainable actions, exist and new ones are emerging, the ERDF should therefore continue to provide support to research in this area. Such support should aim to complement measures covered by Horizon 2020. Finance for biodiversity actions may be made available through the EAFRD and the EMFF. The EAFRD may also be used to provide support to land managers where mandatory environmental requirements lead to area-specific disadvantages.

1.2.5 Pursuing sustainable development should not be a technical exercise. In order to ensure that this goal is mainstreamed in the operation of the CSF Funds on the ground, managing authorities should have due and consistent regard to this goal throughout the programme lifecycle, and should take a more active approach in reducing environmentally harmful effects of interventions by, inter alia, taking the following actions:

- a) directing investments towards the most resource-efficient options,*
- b) carefully weighing the need for investments where those investments have a significant negative environmental*

impact,

c) taking a long-term perspective when 'life-cycle' costs of alternative methods of investment are compared,

d) using green public procurement,

e) directing investments towards accessibility for all users contributing to a barrier-free environment for persons with disabilities.

1.3 Promotion of equality between men and women and non-discrimination

1.3.1 Member States and regions should take appropriate steps to eliminate inequalities, to promote equality between men and women, as well as to prevent any discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation, at all stages of the implementation of the CSF Funds.

1.3.2 Member States and regions should pursue the objective of equality between men and women and should take appropriate steps to prevent any discrimination during the preparation implementation, monitoring and evaluation of operations in the programmes co-financed by the CSF Funds and clearly state the actions to take into account this principle in the programmes.

1.3.3 Higher participation of women in the labour market, both as employers and employees, would invigorate the Union's economy. Unblocking the potential for such an increase in activity, by increasing the female employment rate is crucial for reaching the Europe 2020 employment targets. Barriers to women's labour market participation, should, therefore, be fully addressed by, amongst others, encouraging better participation of women in the field of R&D and including female workers into training and vocational training in 'green jobs'. Member States and regions should ensure

that in addition to the ESF, the ERDF, the CF, the EMFF and the EAFRD also finance activities that promote women's economic independence, contribute to attaining an appropriate balance between work and family life, and that advance women's opportunities as entrepreneurs.

1.3.4 Monitoring and evaluating programmes will help to measure the impact of the expected contribution of the CSF Funds to gender equality.

1.3.5. An opinion should be issued by the equality bodies on the programmes for the ESF, ERDF and CF with the aim to ensure that all necessary provisions are in place. In addition, the involvement of equality bodies or other organisations active in combating discrimination is strongly recommended in order to provide the necessary expertise in the preparation, monitoring and evaluation of the Funds.

1.4 Accessibility

1.4.1 All products and services that are offered to the public and are co-financed by the CSF Funds should be accessible. In particular, ensuring and promoting, with appropriate steps taken by Member States, barrier-free built environment, transport, information and communication technologies, is essential for the purposes of inclusion for disadvantaged groups, including persons with disabilities, in accordance with the UN Convention on the Rights of Persons with Disabilities in force since 3 May 2008 and policies to implement the UN Convention.

1.4.2 It is crucial to appropriately address the needs of disadvantaged groups in order to allow them to better integrate into the labour market, and to fully participate in society.

1.4.3 Member States and regions should continue to promote social cohesion, on an equal footing to economic and

territorial cohesion, across all EU regions, if the EU 2020 Strategy is to achieve its targets. For that purpose, a minimum share for the ESF for each category of regions is established in accordance with Article 84(3).

1.5 Demography

1.5.1 Adapting to demographic change is one of the core challenges facing Member States and regions in the decades to come. The combination of a smaller working population and a higher share of retired people will place additional strains on Member States' welfare systems and thus on the Union's economic competitiveness.

1.5.2 Demographic change gives rise to new challenges. Such demographic developments should be studied and met at regional and local level in particular, wherever different development trends become apparent. Member States and regions should rely on the CSF Funds to develop tailor-made strategies to tackle demographic problems and to create opportunities for developing the 'silver economy'.

1.5.3 Enhancing job opportunities for the elderly will bring about a multitude of benefits to people, including younger people with disabilities, societies and public budgets. Member States and regions should use the CSF Funds to take action to facilitate inclusion of all age groups. Making the best use of all existing human resources, including by making efforts to tackle youth unemployment, reflects one of the immediate tasks for the CSF Funds in contributing to maximising the potential of all of the Union's population. This will be achieved through improving access to, minimum levels and quality of, education and enhancing social support structures. Investments in health infrastructures would also serve the goal of a long and healthy working life for all of the Union's citizens.

1.5.4 In drawing up their programmes, Member States and regions should take account of the long-term challenges of demographic change. In those regions most affected by demographic change, they should identify measures to:

a) support demographic renewal through better conditions for families and an improved balance between working, private and family life;

b) boost employment; raise productivity and economic performance through investing in education and research;

c) focus on the adequacy and quality of education and social support structures; and

d) ensure the provision of health care, social services and long-term care including investment in infrastructure.

1.6 Employment

1.6.1 Member States and regions should ensure the promotion of a high level of employment as set in Article 9 TFEU. Member States and regions should ensure its mainstreaming in the preparation, implementation, monitoring and evaluation of actions under all CSF Funds and the integration of employability as a binding principle of ERDF, ESF and CFprogrammes.

1.6.2 National, regional, local and other relevant authorities should identify those projects that will have the biggest impact in terms of job creation in order to guarantee social cohesion. Funds should pay particular attention to regions and undertakings affected by restructuring and relocation processes.

1.6.3 Quality job creation for young people in those regions registering high rates of youth unemployment in comparison to the EU average rate should be a priority.

1.7 Poverty Reduction and Social Inclusion

1.7.1 Priority should be given to projects that combine employment targets and strategies with integrated active inclusion approaches, such as projects designed to strengthen intergenerational solidarity at regional and local level or which specifically contribute to gender equality and the active inclusion of vulnerable groups, including the working poor.

1.8 Integrated approach

1.8.1 An integrated territorial approach is fundamental to respond effectively to the challenges Member States and regions are confronted with. Those challenges are related to the impacts of: globalisation; environmental and energy concerns; ageing-related problems and demographic change; technological transformation and innovation demands; and income inequality and social segregation. The complex and interrelated nature of these issues means that solutions should be integrated, multi-sectoral and multi-dimensional in nature in order to succeed.

1.8.2 In this context, the CSF Funds make it possible to combine the power of different EU funds into integrated packages which are tailor-made to fit local and regional specific needs for achieving the Europe 2020 targets and objectives.

1.8.3 In the most disadvantaged areas, social exclusion can be treated successfully only in the framework of comprehensive, multi-funded programmes which target human resource development and social infrastructure development in parallel. Therefore, safeguarding the synergy between ESF and ERDF is essential.

1.8.4 When developing their strategies and programmes with a view to identifying the most appropriate

interventions to support the Europe 2020 Strategy, Member States and regions should pay particular attention to predominant territorial, structural and institutional features, such as connectivity of the region in question, barrier-free environment, employment patterns and labour mobility; rural-urban linkages; the local interdependencies between different sectors; cultural heritage; ageing and demographic shifts etc.

1.8.5 Member States and regions should analyse what the major societal challenges they face are. In response to those challenges, they should also consider the question as to what are the particular aspects of the well-being of their citizens that they wish to influence and enhance by means of the policy, and how the policy is to be designed and delivered in the particular context of the Member State or region in question.

1.8.6 So as to foster good policies which are tailored to specific regional needs, Member States and regions should further develop an integrated territorial approach to policy design and delivery. The method of integrated territorial investment should be the main tool to achieve balanced sustainable development, with the potential to promote employment, social inclusion and prosperity, taking account of relevant contextual aspects but focusing on the basis of the following central elements:

- a) an evaluation of the region's Europe 2020 development potential and capacity;*
- b) an assessment of the Europe 2020 Strategy development challenges and bottlenecks facing the region, as well as its ability to address them;*
- c) consideration of the appropriate territorial scale and context for policy design and delivery, according to the subsidiarity principle;*

- d) combination of one or more complementary investment priorities from different thematic objectives in one priority axis or within one programme;*
- e) design of the multi-level governance arrangements necessary to ensure effective policy delivery;*
- f) the choice of appropriate result and outcome indicators, to be used for policy monitoring and evaluation.*

2. Coherence and Consistency with the Union's Economic Governance

1. Member States shall give particular attention to prioritising growth-friendly expenditure, including spending on education, research, innovation and energy efficiency and expenditure to facilitate the access of SMEs to finance and to ensure environmental sustainability, the management of natural resources and climate action, and to ensuring the effectiveness of such spending. They shall also take account of maintaining or reinforcing the coverage and effectiveness of employment services and active labour market policies, with a focus on youth unemployment.

2. In preparing their Partnership Contracts, Member States shall programme the CSF Funds taking into account the most recent relevant country-specific recommendations issued by the Council on the basis of Article 121(2) and Article 148(4) of the Treaty on the Functioning of the European Union in accordance with their respective roles and obligations. Member States shall also take into account relevant Council recommendations based on the Stability and Growth Pact and the economic adjustment programmes. Each Member State shall set out in the Partnership Contract, in accordance with Article 14(a)(i) of this Regulation, how different Union and national funding streams

contribute to addressing the challenges identified by the relevant country-specific recommendations concerned and the objectives set out in their National Reform Programmes in close consultation with the responsible regional and local authorities.

3. Coordination Mechanisms Among the CSF Funds

3.1 Introduction

1. Member States shall ensure that the interventions supported through the CSF Funds are complementary and are implemented in a coordinated manner that leads to a reduction of administrative cost and burden on the ground.

3.2 Coordination and complementarity

1. Member States and managing authorities responsible for the implementation of the CSF Funds shall work closely together in the preparation, implementation, monitoring and evaluation of the Partnership Contract and programmes. In particular, they shall ensure that the following actions are carried out:

(a) identify areas of intervention where the CSF Funds can be combined in a complementary manner to achieve the thematic objectives set out in this Regulation;

(b) promote the involvement of managing authorities responsible for other CSF Funds or other managing authorities and relevant ministries in the development of support schemes to ensure coordination and avoid overlaps;

(c) establish, where appropriate, joint monitoring committees for programmes implementing the CSF Funds, and the development of other joint management and control arrangements to facilitate coordination between authorities responsible for the implementation of the

CSF Funds;

(d) make use of joint eGovernance solutions aimed at applicants and beneficiaries, and "one-stop shops" for advice on the opportunities of support available through each of the CSF Funds;

(e) establish mechanisms to coordinate cooperation activities financed by the ERDF and the ESF with investments supported by the 'Investment for Growth and Jobs goal' programmes.

3.3 Encouraging integrated approaches

1. Member States shall, where appropriate, combine the CSF Funds into integrated packages at local, regional or national level, which are tailor-made to address specific needs in order to support the achievement of the national Europe 2020 targets, and make use of Integrated Territorial Investments, Integrated Operations and Joint Action Plans.

2. Member States shall promote the development of local and sub-regional approaches, in particular via community-led local development by delegating decision-making and implementation to a local partnership of public, private and civil society actors. Community-led local development shall be implemented in the context of a strategic approach to ensure that the 'bottom-up' definition of local needs takes account of priorities set at a higher level. Member States shall therefore define the approach to community-led local development across the CSF Funds and shall indicate in the Partnership Contracts the main challenges to be tackled in this way, the main objectives and priorities for community-led local development, the types of territories to be covered, which specific role will be attributed to local action groups in the delivery of strategies and the role envisaged for the different

CSF Funds in implementing local development strategies in different types of territories such as rural, urban and coastal areas and the corresponding co-ordination mechanisms.

4. Coordination of CSF Funds with Other Union Policies and Instruments

The Union programmes set out in this section do not constitute an exhaustive list.

4.1 Introduction

1. Member States shall undertake an analysis of the impact of Union policies at national and regional level, and on social, economic and territorial cohesion with a view to fostering effective coordination and to identifying and promoting the most suitable means of using European funds to support local, regional and national investment.

2. Synergies and coordination of CSF Funds with instruments of other Union policies

2.1 Introduction

2.1.1 With a view to achieving optimal results for sustainable growth and development on the ground, it is important to coordinate all Union policies and related instruments which play a role in achieving economic, social and territorial cohesion and a better balanced territorial development in the Union. This should also be reflected in better coordination between the Union budget and the Member States' national and sub-national budgets in financing common political priorities as well as in improved vertical cooperation between the Union and national and regional entities.

2.1.2 Synergies and coordination do not imply one size-fits-all solutions. In this context, it is necessary to undertake a closer analysis of the impact of Union policies in the regions and on cohesion with a view to fostering effective synergies and to identifying and promoting the most suitable means at European level of supporting local and regional investment.

2. Member States *shall* ensure consistency at programming and implementation stages between interventions supported by the CSF Funds and the objectives of other Union policies. To this end, they *shall* seek to *take into account the following aspects*:

(a) identify and exploit complementarities between different Union instruments at national and regional level, both in the planning phase and during implementation;

(b) optimise existing structures and where necessary, establish new ones that facilitate the strategic identification of priorities for the different instruments and structures for coordination at national level, avoid duplication of effort and identify areas where additional financial support is needed;

(c) make full use of the potential to combine support from different instruments to support individual operations and work closely with those responsible for implementing other national instruments to deliver coherent and streamlined funding opportunities for beneficiaries.

4.2 Coordination with the Common Agricultural Policy and the Common Fisheries Policy

1. The EAFRD is an integral part of the Common Agricultural Policy and complements the measures under the European Agricultural Guarantee Fund which provide direct support to farmers and support market measures. Member States shall therefore manage these interventions together to maximise synergies and the added value of EU support.

2. The EMFF aims at achieving the objectives of the reformed Common Fisheries Policy and of the Integrated Maritime Policy. Member States shall therefore make use of the EMFF to support efforts to improve data collection

2.1.3 Member States and regions should ensure consistency at programming and implementation stages between interventions supported by the CSF Funds and the objectives of other Union policies. To this end, they *should* seek to:

a) identify and exploit complementarities between different Union instruments at national and regional level, both in the planning phase and during implementation.

b) optimise existing structures and where necessary establish new ones that facilitate the strategic identification of priorities for the different instruments and structures for coordination at national level, avoid duplication of effort and identify areas where additional financial support is needed;

c) make full use of the potential to combine support from different instruments to support individual operations and work closely with those responsible for implementing other national instruments to deliver coherent and streamlined funding opportunities for beneficiaries.

and strengthen control, and ensure that synergies are also sought in support of the priorities of Integrated Maritime Policy, such as marine knowledge, maritime spatial planning, integrated coastal zone management, integrated maritime surveillance, the protection of the marine environment and of biodiversity, and the adaptation to the adverse effects of climate change on coastal areas.

4.3 Horizon 2020 and other centrally managed EU programmes in the areas of research and innovation

1. Member States and the Commission shall pay attention to strengthening coordination and complementarities between *the CSF Funds* and Horizon 2020, *the Programme for the Competitiveness of Enterprises and small and medium-sized enterprises (COSME)*¹, and other relevant centrally managed Union funding programmes while also establishing a clear division of areas of intervention between them.

2. In particular, Member States shall develop national *and/or* regional research and innovation (R&I) *strategies* for ‘smart specialisation’ in line with the National Reform Programme. These strategies shall be developed through *involving* national or regional managing authorities and *stakeholders such as universities and other higher education institutions, industry and social partners in an entrepreneurial discovery process*. The authorities directly concerned by Horizon 2020 shall be closely associated to this process. Under these strategies (*inter alia*):

2.2 Horizon 2020

2.2.1 It is crucial to strengthen synergies and complementarities between *cohesion policy* and Horizon 2020, while establishing a clear division of areas of intervention between them.

2.2.2 In particular, Member States *and regions should* develop *a* national or regional research and innovation (R&I) *strategy* for ‘smart specialisation’ in line with the National Reform Programme. These strategies *should* be developed through *close collaboration between* national or regional managing authorities and *the* authorities directly concerned by Horizon 2020, *but also involving stakeholders such as universities and higher education institutions, local industry and social partners*. Regarding accessibility and the barrier-free environment and services, stakeholders representing disabled people should be involved in implementing innovation strategies reflecting the needs of elderly people in terms of promoting the idea of “universal design” for all. Those innovation strategies should take into account both upstream and downstream

(a) "Upstream actions" to prepare regional R&I players to participate in Horizon 2020 ("*staircase* to excellence") *shall* be developed through capacity building. Communication and cooperation between Horizon 2020 national contact points and managing authorities of the CSF Funds *shall* be strengthened.

(b) "Downstream actions" *shall* provide the means to exploit and diffuse R&I results, stemming from Horizon 2020 *and preceding programmes*, into the market *with particular attention on creating an innovation-friendly business environment for SMEs and in line with the priorities identified for the territories in the relevant smart specialisation strategy*.

3. Member States shall make full use of the provisions in this regulation allowing for combining the CSF Funds with those under Horizon 2020 in the relevant programmes used to implement parts of the strategies. Joint support shall be provided to national and regional authorities for the design and implementation of such strategies, to identify opportunities for joint financing of R&I infrastructures of European interest, the promotion of international collaboration, methodological support through peer reviews, exchange of good

actions to and from Horizon 2020.

2.2.3 Upstream actions to prepare regional R&I players to participate in Horizon 2020 *projects* ("*stairways* to excellence") *will* be developed through capacity building. Communication and cooperation between Horizon 2020 national contact points and managing authorities of the CSF Funds *should* be strengthened, *in particular regarding any Horizon 2020 shortlisted projects which have not been funded due to lack of resources*.

2.2.4 Downstream actions *should* provide the means to exploit and diffuse R&I results, stemming from Horizon 2020, into the market, *and may include: pilot plants and demonstration sites, proof of concept and early stage financing, incubation facilities, applied research, specific industrial and technology transfer capabilities and cluster support*.

2.2.5 Joint support *should be provided to national and regional authorities for the design and implementation of such innovation strategies, which may include: support to identify opportunities for joint financing of R&I infrastructures of European interest, the promotion of international collaboration, methodological support through peer reviews, exchange of good practice, and training across regions*.

practice, and training across regions.

4. Member States *shall* consider the following additional measures aimed at unlocking their potential for excellence *in research* and innovation, in a manner that is complementary to and creates synergies with Horizon 2020, *in particular through joint funding*:

- (a) linking emerging centres of excellence and innovative regions in less developed Member States to leading counterparts elsewhere in Europe;
- (b) building links with innovative clusters and recognising excellence in less developed regions;
- (c) establishing "ERA Chairs" to attract outstanding academics, *in particular to less developed regions*;
- (d) supporting access to international networks for researchers and innovators *who are less involved in the ERA or from less developed regions*;
- (e) *contributing as appropriate to the European Innovation Partnerships*;
- (f) *preparing national institutions and/or clusters of excellence for participation in the Knowledge and Innovation Communities (KICs) of the European Institute of Innovation and Technology (EIT); and*
- (g) *hosting high-quality international researcher mobility programmes with co-funding from the "Marie Skłodowska-Curie Actions"*.

4.4 New Entrants Reserve (NER) 300 demonstration funding¹

Member States shall ensure, where appropriate, that financing from the CSF Funds is coordinated with support from the NER 300 Programme, which uses the

2.2.6 Member States *and regions should* consider the following additional measures aimed at unlocking their potential for excellence and innovation, in a manner that is complementary to and creates synergies with Horizon 2020:

- (a) linking emerging centres of excellence, and innovative regions in less developed Member States to leading counterparts elsewhere in Europe;
- (b) building links with innovative clusters and recognising excellence in less developed regions;
- (c) establishing "ERA Chairs" to attract outstanding academics; *and*
- (d) supporting access to international networks for researchers and innovators.

revenues from auctioning 300 million allowances reserved under the new entrants reserve of the European Emissions Trading Scheme to co-finance a wide range of large-scale demonstration projects of carbon capture and storage (CCS) as well as of innovative renewables technologies across the EU.

LIFE and the environmental acquis

1. Member States shall, where possible, seek to exploit synergies with Union policy instruments (both funding and non-funding instruments) serving climate change mitigation and adaptation, environmental protection and resource efficiency.

2. Member States shall, where appropriate, ensure complementarity and coordination with LIFE, in particular with Integrated Projects in the areas of nature, water, waste, air, climate change mitigation and climate change adaptation. This coordination shall be achieved in particular by promoting the funding of activities through the CSF Funds that complement Integrated Projects under the LIFE Programme as well as by promoting the use of solutions, methods and approaches validated under the LIFE Programme.

2.3 LIFE

2.3.1 Synergies with Union policy instruments (both funding and non-funding instruments) serving climate change mitigation, environmental protection and resource efficiency should be exploited where possible.

2.3.2 As programmes will contribute to the goals of sustainable growth through stronger thematic focus and by a reinforced sustainable development principle, the synergies referred to in 2.3.1 are inherent in the regulatory framework of the CSF Funds.

2.3.3 Synergies with LIFE, in particular with integrated projects in the areas of nature (such as ecosystem services and biodiversity), water, waste, air, climate change mitigation and climate change adaptation should be pursued. Coordination with LIFE should be ensured through supporting projects that are of a complementary nature, as well as by promoting the use of solutions, methods and approaches validated under the LIFE Programme.

2.3.4 The use of Environmental Impact Assessments (EIAs), Sustainability Impact Assessments (SIAs), Strategic Environmental Assessments (SEAs) and other relevant instruments, in particular dealing with the quality and extension of the barrier-free environment and services, should be promoted in order to take account of biodiversity loss and the effects of climate change in territorial planning

(including macro-regional strategies) and regional and local decision-making.

2.3.5 Member States and regions should promote green infrastructure, eco-innovation and the adoption of innovative technologies in order to create a greener economy.

2.3.6 Capacity building is a prerequisite to deliver on these activities, and it should enhance potentials and develop skills both in local and regional authorities and partners.

2.3.7 Given that environmental challenges do not respect administrative boundaries, cross-border, interregional and transnational cooperation among European, national, regional and local authorities with regard to protecting biodiversity and natural resources across regions is of utmost importance. Better use of the potential of territorial cooperation and exchanges of information, experience and good practice would contribute significantly to achieving environmental and climate-related objectives.

2.3.8 In addition, financing from the CSF Funds should be coordinated with the support from the NER 300 Programme, which uses revenue from auctioning allowances under the European Emissions Trading Scheme.

3. The relevant sectoral plans, programmes or strategies (including the Prioritised Action Framework, the River Basin Management Plan, the Waste Management Plan, the national mitigation plan or adaptation strategy), as referred to in the LIFE Regulation, shall serve as the coordination framework for support from the different Funds.

4.6. ERASMUS for All

1. Member States shall seek to use CSF Funds to mainstream tools and methods developed and tested successfully under

"Erasmus for All".

2. Member States shall ensure effective coordination between CSF Funds and 'Erasmus for All' at national level through a clear distinction in the types of investment and target groups supported. Member States shall seek complementarity with regards to the funding of mobility actions, while exploring possible synergies.

3. Coordination shall be achieved by putting in place appropriate cooperation mechanisms between managing authorities and the national agencies established under the 'Erasmus for All' programme.

4.7 Programme for Social Change and Innovation (PSCI)

1. Member States shall, where appropriate, seek effective coordination between the Programme for Social Change and Innovation and the support provided by the CSF Funds under the employment and social inclusion thematic objectives.

2. Member States shall, where appropriate, seek to scale-up the most successful measures developed under the progress axis of the PSCI, notably on social innovation and social policy experimentation with the support of the ESF.

2.4 Programme for Social Change and Innovation (PSCI)

2.4.1 Synergies between the CSF Funds and the European Union Programme for Social Change and Innovation (PSCI) should be increased so that the Funds and the PSCI can better contribute to the implementation of the Europe 2020 Strategy, its headline targets, flagship initiatives, Integrated Guidelines and the Youth Opportunities Initiative, by providing financial support in order to promote a high level of quality and sustainable employment, guaranteeing adequate and decent social protection, combating social exclusion and poverty, improving working conditions and improving the employment and educational situation of young people.

2.4.2. In particular, Member States should use the opportunity and deliver on actions under the Funds, in particular the ESF which should be consistent with and complementary to activities carried out under the PSCI, as well as with actions in areas such as social dialogue, justice and fundamental rights, equal opportunities, education, vocational training, children's rights and well-being, youth policy, migration policy, research and

3. In order to promote workers' geographical mobility and boost employment opportunities, Member States shall ensure complementarity of actions to enhance transnational labour mobility supported by the ESF, including cross-border partnerships, with support provided under the EURES axis of the PSCI.

4. Member States shall seek complementarity and coordination between CSF Funds' support for self-employment, entrepreneurship, business creation and social enterprises and the PSCI support under the microfinance and social entrepreneurship axis aimed at increasing the access to microfinance for people furthest away from the labour market and for micro-enterprises as well as supporting the development of social enterprises.

innovation, entrepreneurship, health, working conditions, enlargement and external relations, and general economic policy.

2.4.3 In border regions, EURES cross-border partnerships play an important role in developing a genuine European labour market. EURES cross-border partnerships should therefore continue to be supported through horizontal Union activities, which could be complemented by national resources or by the ESF.

2.4.4 Member States should coordinate the corresponding actions under the CSF Funds, in particular under the ESF and the ERDF, with actions under the PSCI pillar on microfinance and social entrepreneurship which aim at increasing access to and the availability of microfinance to vulnerable persons who wish to start up or develop their own micro-enterprises or a self-employment activity but are in a disadvantaged position with regard to access to the conventional credit market, and to micro-enterprises which employ persons furthest from the labour market, as well as with actions aimed at supporting the development of social enterprises.

2.4.5 Adopted at the initiative of the European Parliament, the 'Youth Initiative axis' within the PSCI supports actions for people aged under 25, including actions aimed at preventing early-school leaving especially through reintegration into training; actions aimed at developing skills that are relevant to the labour market in order to bring more closely the worlds of employment, education and training; actions aimed at supporting access to the labour market through obtaining a first job and on-the-job training; and actions aimed at improving the quality of traineeships and apprenticeships. In order to strengthen the efforts under the PSCI, Member States and regions should set up

corresponding actions in the programmes under the CSF Funds.

2.5 ERASMUS for All

2.5.1 The synergies between the CSF Funds and the 'Erasmus for All' programme should be ensured in order to maximise the efficiency of the tools developed and the social and economic impact of investment in people. That synchronised investment will crucially benefit both individuals and society as a whole by contributing to growth and prosperity, providing a better intercultural understanding, giving access to a wide range of education and training actions, both formal and informal, with special regard to language, including sign language learning, and giving impulses to youth initiatives and citizens' actions directed to all generations. 'Erasmus for All' supports mainly transnational projects, whereas cohesion policy has a more pronounced regional and national dimension. Member States and regions are encouraged to test tools and methods resulting from transnational cooperation through 'Erasmus for All' and then to implement them on their territory through CSF Funds.

2.5.2 The Commission and Member States should ensure effective coordination between cohesion policy and 'Erasmus for All' through a clear distinction in the types of investment and target groups supported, in particular taking into account groups of vulnerable people. 'Erasmus for All' shall focus its support on transnational projects, including the and barrier-free mobility of students, youth and staff regardless of their disabilities; on strategic partnerships between organisations, stakeholders and institutions across Europe and on actions supporting policy development and implementation. The primary investment priority targets for cohesion policy will be: education, labour market training,

persons with disabilities and adult learners' mobility.

2.5.3 Furthermore, enhanced results will be achieved by promoting complementarity of funding for mobility and the funding of activities that mainstream best practices and innovative projects identified at Union level under 'Erasmus for All'. The National Agencies, established under this programme, can contribute to achieving this coordination.

4.8 Connecting Europe facility (CEF)

1. The CEF is the dedicated Union fund for the implementation of the Union policies for Trans-European Transport Networks of infrastructure (TENs) in the field of transport, telecommunications and energy. To maximise European added value in these areas, Member States and the Commission shall ensure that ERDF and Cohesion Fund interventions are planned in close cooperation with the support provided from the CEF, so as to avoid duplication of efforts and ensure that optimal links of different types of infrastructure at local, regional and national levels, and across the Union are provided for. Maximum leverage of the different funding instruments shall be ensured for projects with a European and Single Market dimension, and in particular those projects implementing the priority transport, energy and digital infrastructure networks as identified in the respective TEN policy frameworks.

2. In the field of transport, plans shall be based on real and projected transport demand and identify missing links and bottlenecks, taking into account the development of Union cross border links, and developing links across regions within a Member State. Investment in regional connectivity to the comprehensive trans-European transport network (TEN-T) and to the core TEN-T network shall ensure

2.6 CEF + TENs, energy and telecommunications networks

2.6.1 In order to maximise European added value, the ERDF and the CF, Trans-European Networks and the Connecting Europe Facility (CEF) should be planned in close cooperation, so as to ensure that optimal links of different types of infrastructure (in Transport, Energy and Telecommunications) at local, regional and national levels, and across the Union are provided for. Maximum leverage of funds should be ensured for projects with a European and Single Market dimension, in particular priority transport, energy and digital networks.

2.6.2 Just as national infrastructure needs to be planned coherently, both by taking into account the development of Union cross border links, and by developing links across regions within a Member State, plans should be based on real and projected transport demand and identify missing links and bottlenecks. Investment in regional connectivity to the comprehensive network and to the core

that urban and rural areas benefit from the opportunities created by major networks.

3. Prioritisation of investments which have an impact beyond a certain Member State, **particularly along the core TEN-T network corridors, shall** be coordinated with TEN-T planning **and core network corridors implementation plans**, so that investments by the ERDF and the **Cohesion Fund** in transport infrastructure are fully in line with the TEN-T Guidelines.

4. **Member States shall take into account the** Commission's White Paper on Transport **which** sets out a vision for a competitive and resource-efficient transport system, highlighting that a significant reduction in greenhouse gases is required in the transport sector. For the CSF Funds, this means focusing on sustainable forms of transport and **sustainable urban mobility as well as** investing in areas that offer the greatest European added value. Once identified, investments **shall** be prioritised according to their contribution to mobility, sustainability, to reducing greenhouse gas emissions, and to the Single European Transport Area.

5. **The CSF Funds shall deliver the local and regional infrastructures and their linkages to the priority Union networks in the energy and telecommunication areas.**

6. **Member States and the Commission shall put in place appropriate coordination and technical support mechanisms to ensure the complementarity and effective planning of ICT measures to make full use of the**

Trans European Network of transport infrastructure (TEN-T) network should ensure that urban and rural areas benefit from the opportunities created by major networks.

2.6.3 Prioritisation of investments which have an impact beyond a certain Member State, **should** be coordinated with TEN-T planning so that investments by the ERDF and the **CF** in transport infrastructure are fully in line with the TEN-T Guidelines, **which define the Union's transport priorities, including: accessibility for elderly people, persons of reduced mobility and for disabled passengers, addressing the climate change challenge, the future development of an integrated TEN-T network, and the multimodal corridor concept.**

2.6.4 **The** Commission's White Paper on Transport sets out a vision for a competitive and resource-efficient transport system, highlighting that a significant reduction in greenhouse gases is required in the transport sector. For the CSF Funds, this means focusing on sustainable forms of transport and investing in areas that offer the greatest European added value, **for example Trans-European Networks**. Once identified, investments **should** be prioritised according to their contribution to accessibility and barrier-free mobility, sustainability, to reducing greenhouse gas emissions, and to the Single European Transport Area.

different Union instruments (CSF Funds CEF, Trans-European networks, Horizon 2020) for the financing of broadband networks and the digital service infrastructures. The selection of the most appropriate financing instrument shall take into account the revenue generating potential of the operation and its level of risk in order to make the most effective use of public funds. If an operation has been submitted for CEF funding but has not been selected, its evaluation under the CEF shall be taken into account by the Member State in the context of selection for support by the CSF Funds.

2.6.5 Member States and regions should focus investments on building new infrastructure and enhancing the capacity of existing infrastructure through substantial upgrading.

2.6.6 With regard to maritime transport, ports should be developed as efficient entry and exit points through full integration with land infrastructure. Priority should be given to projects concerning port access and hinterland connections. The development of inland waterways should reinforce their contribution to sustainable European freight transport networks.

2.6.7 In particular, complementarity should be sought between infrastructure investments by the ERDF and the CF, under shared management, and by the Connecting Europe Facility (CEF), which is a directly managed facility with competitive project selection. The CEF will fund projects on the core network (the strategically most important parts of the comprehensive network) that have the highest European added-value and appear to be the most complex with regard to the TEN-T in terms of implementation: cross-border missing links, key bottlenecks and multimodal modes. The CF will concentrate on high European added-value projects to remove

bottlenecks in transport networks by supporting TEN-T infrastructure, for both the core and the comprehensive network.

2.6.8 CSF Funds will deliver the local and regional infrastructures and their linkages to the priority Union networks in the energy and telecommunication areas also.

2.6.9 The CEF is complementary to the Cohesion and Structural Funds since it contributes to the achievement of regional and local development goals in terms of infrastructure, in order to deliver maximum added value for a functional, integrated Single Market and for social, economic and territorial cohesion.

4.9. IPA, ENI and EDF

1. Member States and the Commission shall seek to increase coordination between external instruments and the CSF Funds to improve effectiveness in achieving multiple Union policy objectives. Coordination and complementarities with the European Development Fund, the Pre Accession Instrument and the European Neighbourhood Instrument is particularly important.

2. To support deeper territorial integration, Member States shall seek to capitalise on synergies between territorial cooperation activities under cohesion policy and the European Neighbourhood Instruments, in particular with regard to cross border cooperation activities. Member States shall also, where appropriate, ensure that existing activities are associated with newly created European Groupings of Territorial Cooperation, having special regard to coordination and exchange of best practices.

2.7 IPA, ENPI, EDF

2.7.1 Increasing synergies between external instruments and cohesion policy should be sought, to improve effectiveness in achieving multiple Union policy objectives. In particular, synergies and complementarities should be built upon with regard to the European Development Fund, the Pre Accession Instrument and the European Neighbourhood Instrument.

2.7.2 Providing for deeper territorial integration, synergies between territorial cooperation activities under cohesion policy and the European Neighbourhood Instruments should be capitalised upon. The potential for creating complementarities between these instruments is strongest with regard to cross border cooperation activities. Member States and regions should, therefore, ensure that existing activities are associated with newly created European Groupings of Territorial Cooperation, having special regard to capacity building of non-governmental organisations, in particular umbrella organisations, in order to access the Funds, coordinate and

exchange of best practices.

3. Coordination mechanism among CSF Funds

3.1 Member States and regions should ensure that the interventions financed through the CSF Funds create synergies and that streamlining leads to a reduction of administrative cost and burden on the ground.

3.2 Public and managing authorities responsible for the implementation of the CSF Funds should work closely together in the preparation, implementation, monitoring and evaluation of the Partnership Contract and programmes. In particular, they should:

a) identify areas of intervention where the CSF Funds can be combined in a complementary manner to achieve one or more thematic objectives set out in this Regulation.

b) promote the involvement by managing authorities responsible for one of the CSF Funds of other managing authorities and relevant public authorities in the development of support schemes to ensure synergies and avoid overlaps and to promote a multi-fund approach;

c) establish joint monitoring committees for programmes implementing the CSF Funds, and the development of other joint management and control arrangements to facilitate coordination between authorities responsible for the implementation of CSF Funds;

d) make use of joint eGovernance solutions aimed at applicants and beneficiaries and "one-stop shops" for advice on the opportunities of support available through each CSF Fund;

e) ensure the access of these Funds to SMEs.

3.3 A European Monitoring system should be put in place to monitor

5. Coordination with Cooperation Activities

1. Member States shall seek complementarity between cooperation activities and other actions supported by the CSF Funds.

implementation of the CSF Funds, and progresses made in meeting the Europe 2020 targets, ensuring involvement of partners as referred to in Article 5.

4. Priorities for territorial coordination (cross-border, transnational and interregional)

4.1 Great potential for regional development, job creation and cohesion lies in cooperation that goes beyond administrative borders and attempts to overcome the natural ones. Co-operation based on a shared need in a shared territory is often the most effective one.

4.2 Cross-border cooperation derives from an understanding that many challenges do not stop at administrative borders. An effective response requires joint, cooperative action and sharing of knowledge at the appropriate territorial level.

4.3 Furthermore, the embedded potential of border regions may be tapped through locally oriented support measures.

4.4 The two existing macro-regional strategies have paved the way for organising the interested parties into joint actions at the suitable territorial level. The strategies have increased the understanding of the necessity of cooperation in tackling problems which cannot be solved by one Member State only, such as for example, cleaning of the Baltic Sea or the Danube. Macro-regional strategies and other forms of territorial cooperation may be supported from both ERDF and ESF and the specific conditions for support for macro-regional strategies should be outlined in the programmes.

4.5 Overcoming barriers needs to be part of the programming of the CSF Funds – the objectives of the existing macro-regional strategies should be reflected in the needs analysis and goal setting for the

relevant operational programmes from the planning phase on. Those strategies will not have served their purpose unless the objectives of the macro-regional strategies form part of the strategic planning in cohesion policy programmes in the regions and Member States concerned.

2. Member States *shall* ensure that cooperation *activities* make an effective contribution to the *objectives* of the Europe 2020 *strategy and* that cooperation is organised in support of wider policy goals. *To achieve this Member States shall ensure complementarity and coordination with other Union-funded programmes or instruments.*

4.6 *At the same time*, Member States *and regions should* ensure that *territorial cooperation programmes* make an effective contribution to the Europe 2020 *objectives. Member States and regions can thus foster cooperation as well as test, pilot and introduce new solutions, making sure* that cooperation is organised in support of *the* wider policy goals. *Where needed, territorial cooperation should be used to bring together policy-makers from across borders to work towards overcoming common problems.*

4.7 *Member States and regions should view the territorial cooperation programmes primarily as useful tools in overcoming barriers to co-operation, which would in turn support national and regional policy goals with impact beyond the programme area.*

3. *To reinforce the effectiveness of cohesion policy Member States shall seek coordination and complementarity between the European Territorial Cooperation and the "Investment for Growth and Jobs goal" programmes, in particular to ensure coherent planning and facilitate the implementation of large-scale investment.*

4. *Member States shall, where appropriate, ensure that the objectives of macro-regional and sea-basin strategies form part of the overall strategic planning in cohesion policy programmes in the regions and Member States concerned. Member States shall also ensure that where macro-regional and sea basin strategies have been put in place, all the*

CSF Funds, where appropriate, support their implementation. To ensure efficient implementation there shall also be coordination with other Union-funded instruments as well as other relevant instruments.

5. Member States shall, where appropriate, make use of the possibility to carry out interregional and transnational actions with beneficiaries located in at least one other Member State within the framework of the operational programmes under the "Investment for Growth and Jobs goal", including the implementation of relevant research and innovation measures emanating from their smart specialisation strategies.

6. Horizontal Principles and Cross-cutting Policy Objectives

A. Horizontal principles

6.1 Partnership and multi-level governance

In accordance with Article 5, the principle of partnership and multi-level governance shall be respected by Member States in order to facilitate achieving social, economic and territorial cohesion and delivery of the Union's priorities of smart, sustainable and inclusive growth. This requires coordinated action carried out in accordance with the principles of subsidiarity and proportionality, and in partnership. It also shall take the form of operational and institutionalised cooperation, in particular with regard to the drawing-up and implementation of the Union's policies. Member States shall therefore make full use of the partnerships established in the framework of the CSF Funds.

6.2 Sustainable development

1. To ensure the full mainstreaming of sustainable development into the CSF Funds, and respecting the principle of sustainable development as laid down in

Article 3 of the Treaty on European Union, the obligation to integrate environmental protection requirements according to Article 11 and the polluter pays principle as set out in Article 192 of the Treaty on the Functioning of the European Union, managing authorities shall undertake actions throughout the programme lifecycle, to avoid or reduce environmentally harmful effects of interventions and ensure results in net social, environmental and climate benefits by the following actions:

(a) directing investments towards the most resource-efficient and sustainable options,

(b) avoiding investments that may have a significant negative environmental or climate impact, and supporting actions to mitigate any remaining impacts,

(c) taking a long-term perspective when 'life-cycle' costs of alternative options for investment are compared,

(d) increasing the use of green public procurement.

2. Member States shall ensure that investments made with the support of the CSF Funds consider climate change mitigation potential, as well as be resilient to the impact of climate change and natural disasters such as increased risks of flooding, heat waves and extreme weather events.

3. Member States shall track biodiversity related expenditure using the methodology based on the categories of intervention or measures adopted by the Commission.

4. Investments also need to be consistent with the water hierarchy, with a focus on demand management options with alternative supply options only to be considered when the potential for water savings and efficiency has been exhausted. Public intervention in the

waste management sector shall complement efforts by the private sector, in particular producer responsibility. Actions should support innovative approaches that promote a closed-loop economy and need to be consistent with the waste hierarchy.

6.3 Promotion of equality between men and women and non-discrimination

1. In accordance with Article 7, Member States shall pursue the objective of equality between men and women and must take appropriate steps to prevent any discrimination and to ensure accessibility during the preparation, implementation, monitoring and evaluation of operations in the programmes co-financed by the CSF Funds. When pursuing the objectives of Article 7, Member States shall describe in detail actions to be taken, in particular with regard to selection of operations, setting of objectives for interventions, and arrangements for monitoring and reporting. Member States shall also carry out gender analyses where appropriate.

2. Member States shall ensure the participation of the relevant bodies responsible for promoting gender equality, non-discrimination and accessibility in the partnership, and ensure adequate structures in accordance with national practices to advise on gender equality, non-discrimination and accessibility in order to provide the necessary expertise in the preparation, monitoring and evaluation of the CSF Funds. The composition of the monitoring committees shall be gender balanced and include a gender expertise/responsibility function.

3. Managing authorities shall regularly undertake specific evaluations or self-assessment exercises, in coordination with the monitoring committees, focusing on the application of the gender

mainstreaming principle.

4. Member States shall address, in an appropriate manner, the needs of disadvantaged groups in order to allow them to better integrate into the labour market, and to fully participate in society.

B. Cross-cutting policy objectives

6.4 Accessibility

1. Managing authorities shall ensure that all products, goods, services and infrastructures that are open or provided to the public and are co-financed by the CSF Funds are accessible to all citizens including those with disabilities. In particular, accessibility to the physical environment, transport, information and communication technologies in order to achieve inclusion for disadvantaged groups, including persons with disabilities has to be ensured. Managing authorities shall undertake actions throughout the programme lifecycle to identify and remove existing accessibility barriers or prevent new ones.

6.5 Addressing demographic change

1. The challenges resulting from demographic change shall be taken into account at all levels. Member States shall therefore make use of the CSF Funds to develop tailor-made strategies, where appropriate, to tackle demographic problems and to create growth linked to an ageing society.

2. Member States shall use the CSF Funds to take action to facilitate inclusion of all age groups. They shall in particular enhance job opportunities for the elderly and young people. Investments in health infrastructures shall serve the goal of a long and healthy working life for all of the Union's citizens.

3. In the regions most affected by demographic change, Member States shall identify measures to:

(a) support demographic renewal through better conditions for families and an improved balance between working and family life;

(b) boost employment, raise productivity and economic performance through investing in education, ICT and research;

(c) focus on the adequacy and quality of education and social support structures; and

(d) ensure cost-effective provision of health care and long-term care including investment in e-health, e-care and infrastructure.

6.6 Climate change mitigation and adaptation

Climate change mitigation and adaptation and risk prevention shall be integrated in the preparation, programming, implementation, monitoring and evaluation of all funds.

The visibility of contributions towards the goal of a spending of at least 20% of the Union budget on climate change mitigation shall be ensured.

7. Arrangements to Address Territorial Challenges

7.1 Member States and regions shall undertake the following steps for the purpose of preparation of their Partnership Contracts and programmes:

(a) An analysis of the Member State's or region's development potential and capacity, particularly in relation to the key challenges identified in Europe 2020, the National Reform Programmes and the relevant country-specific recommendations. The responsible authorities shall undertake a detailed analysis of national, regional and local characteristics;

(b) An assessment of the major challenges to be addressed by the region or Member State, the identification of the bottlenecks and missing links, innovation gaps, including the lack of planning and implementation capacity that inhibit the long-term potential for growth and jobs. This shall form the basis for the identification of the possible fields and activities for policy prioritisation, intervention and concentration;

(c) An assessment of the cross-sectoral, cross-jurisdictional or cross-border coordination challenges, particularly in the context of macro-regional and sea-basin strategies;

(d) Identification of steps to achieve improved coordination across different territorial levels and sources of funding to deliver an integrated approach linking Europe 2020 with regional and local actors.

7.2 In order to take into account the objective of territorial cohesion, the Member States and regions shall ensure that the overall approach to promoting smart, sustainable and inclusive growth:

(a) reflects the role of cities, rural areas fisheries and coastal areas, areas facing specific geographical or demographic problems;

(b) takes account of the specific challenges of the outermost regions, the northernmost regions with a very low population density and of island, cross-border or mountain regions;

(c) addresses urban-rural linkages, in terms of access to affordable, quality infrastructures and services, and problems in regions with a high concentration of socially marginalised communities.

Amendment 218

Proposal for a regulation Annex II – point 1 – introductory part

Text proposed by the Commission

1. The performance framework shall consist of milestones established for each priority for the years **2016** and **2018** and targets established for 2022. The milestones and targets shall be presented in accordance with the format set out in table 1.

Amendment

1. The performance framework shall consist of milestones established for each priority for ***two specific years of the programme period, preceding the years of the performance review to be mutually agreed by the Member State and the Commission***, and targets established for 2022. The milestones and targets shall be presented in accordance with the format set out in table 1.

Amendment 219

Proposal for a regulation Annex II – point 2

Text proposed by the Commission

2. Milestones are intermediate targets for the achievement of the specific objective of a priority, expressing the intended progress towards the targets set for the end of the period. Milestones established for **2016** shall include financial indicators and output indicators. Milestones established for **2018** shall include financial indicators, output ***indicators and where appropriate, result*** indicators. Milestones may also be established for key implementation steps.

Amendment

2. Milestones are intermediate targets for the achievement of the specific objective of a priority expressing the intended progress towards the targets set for the end of the period. Milestones established for ***the year preceding the year of the first performance review*** shall include financial indicators and output indicators. Milestones established for ***the year preceeding the year of the second performance review*** shall include financial indicators ***and*** output indicators. Milestones may also be established for key implementation steps.

Amendment 220

Proposal for a regulation Annex II – point 3 – indent 1 a (new)

Text proposed by the Commission

Amendment

- ambitious but realistic in terms of the particular circumstances in the Member State, the nature of the interventions and the resources earmarked to the priority concerned;

Amendment 221

Proposal for a regulation Annex II – point 3 a (new)

Text proposed by the Commission

Amendment

3 a. Milestones and targets may be modified on the request of Member State in accordance with the procedure laid down in Article 26.

Amendment 222

Proposal for a regulation Annex III ter – point I – paragraph 1

Text proposed by the Commission

Amendment

1. The number of young unemployed persons ***between the ages of 15-24*** shall be identified in the NUTS 2 level regions that have youth unemployment rates of more than **25%** in 2012 (hereinafter the "eligible regions").

1. The number of young unemployed persons ***under the age of 30*** shall be identified in the NUTS 2 level regions that have youth unemployment rates of more than **20 %** in 2012 (hereinafter the "eligible regions"), ***or in subregions that have youth unemployment rates of more than 22.5 % in 2012.***

Amendment 223

Proposal for a regulation

Annex III quater (new)

Text proposed by the Commission

Amendment

Methodology for determining the minimum share of ESF

The additional percentage share to be added to the share of Structural Funds resources, referred to in Article 84(3), allocated in a Member State to the ESF, which corresponds to the share of that Member State for the programming period 2007-2013 shall be determined, based on employment rates (for persons between the ages of 20-64) of reference year 2012, as follows, :

- where the employment rate is 65 % or less the share shall be increased by [1.7%];

- where the employment rate is more than 65 % but not more than 70 % the share shall be increased by [1.2 %];

- where the employment rate is more than 70 % but not more than 75 % the share shall be increased by [0.7 %];

- where the employment rate is more than 75 %, no increase is required.

That notwithstanding, the total percentage share of a Member State after the addition shall not exceed 52% of Structural Funds resources referred to in Article 84(3)

For Croatia the share of Structural Funds resources, excluding the European Territorial Cooperation goal, allocated to the ESF for the programming period 2007-2013 shall be the average share of the convergence regions of those Member States which acceded to the Union on or after 1 January 2004.

Justification

Percentages in the text will have to be adapted to the outcome of vote on Article 84, paragraph 3

Amendment 224

Proposal for a regulation

Annex V – Thematic *ex ante* conditionalities – point 8 – sub-point 8.1 – column 3 – indent 1 – sub-indent 1

Text proposed by the Commission

- personalised services and active and preventive labour market measures at an early stage, which are open for all jobseekers;

Amendment

- personalised services and active and preventive labour market measures at an early stage, which are open for all jobseekers, ***including people from marginalised communities***;

Amendment 225

Proposal for a regulation

Annex V – Thematic *ex ante* conditionalities – point 8 – sub-point 8.1 – column 3 – indent 2

Text proposed by the Commission

- Employment services have set up networks with employers and education institutes.

Amendment

- Employment services have set up networks with employers and education institutes, ***also crossing the sectors***.

Amendment 226

Proposal for a regulation

Annex V – Thematic *ex ante* conditionalities – point 8 – sub-point 8.2 – column 3 – indent 1 – sub-indent 3 a (new)

Text proposed by the Commission

Amendment

- actions for information and awareness raising at secondary education level;

Amendment 227

Proposal for a regulation

Annex V – Thematic *ex ante* conditionalities – point 8 – sub-point 8.2 – column 3 – indent 1 – sub-indent 3 b (new)

Text proposed by the Commission

Amendment

- advice and preparation of new business start-ups;

Amendment 228

Proposal for a regulation

Annex V – Thematic *ex ante* conditionalities – point 8 – sub-point 8.3 – column 3 – indent 1 – sub-indent 1

Text proposed by the Commission

Amendment

- personalised services and active and preventive labour market measures at an early stage, which are open for all jobseekers;

- personalised services and active and preventive labour market measures at an early stage, which are open for all jobseekers, ***including people from marginalised communities***;

Amendment 229

Proposal for a regulation

Annex V – Thematic *ex ante* conditionalities – point 8 – sub-point 8.4 – column 3 – indent 1 – sub-indent 2

Text proposed by the Commission

Amendment

- a Member State has measures in place to promote active ageing ***and to reduce early retirement***.

- a Member State has measures in place to promote active ageing.

Amendment 230

Proposal for a regulation

Annex V – Thematic *ex ante* conditionalities – point 8 – subpoint 8.6 – column 2

Text proposed by the Commission

Amendment

8.6. Sustainable integration into the labour market of young people ***aged 15-24*** not in employment, education or training:

8.6. Sustainable integration into the labour market of young people not in employment, education or training, ***in particular in the context of the Youth Guarantee (for young people under the age of 30, including graduates and those***

leaving training systems without qualifications):

Amendment 231

Proposal for a regulation

Annex V – Thematic *ex ante* conditionalities – point 8 – subpoint 8.6 – column 3 – indent 1 – sub-indent 1

Text proposed by the Commission

– is based on evidence that measures the results for young people **aged 15-24** not in employment, education or training:

Amendment

– is based on evidence that measures the results for young people not in employment, education or training, ***in particular in the context of the Youth Guarantee (for young people under the age of 30, including graduates and those leaving training systems without qualifications):***

Amendment 232

Proposal for a regulation

Annex V – Thematic *ex ante* conditionalities – point 9 – sub-point 9.1 – column 3 – indent 2 – sub-indent 3 a (new)

Text proposed by the Commission

Amendment

- pays special attention to the special needs of groups at increased risk of early school leaving, also through prevention of early school leaving, with access to quality, diverse early childhood development programs, home-based and community-based learning initiatives and free childcare services;

Amendment 233

Proposal for a regulation

Annex V – Thematic *ex ante* conditionalities – point 9 – sub-point 9.1 – column 3 – indent 2 – sub-indent 4

Text proposed by the Commission

- cuts across-sectors, and involves and coordinates all policy sectors and stakeholders that are relevant to address ESL.

Amendment

- cuts across-sectors, and involves and coordinates all policy sectors and stakeholders, ***including the areas of culture, arts and sport***, that are relevant to address ESL.

Amendment 234

Proposal for a regulation

Annex V – Thematic *ex ante* conditionalities – point 9 – sub-point 9.2 – column 3 – indent 1 – sub-indent 1 – sub-indent 2

Text proposed by the Commission

- increase higher education participation among low income groups and other under-represented groups.

Amendment

- increase higher education participation among low income groups and other under-represented groups, ***with special consideration for the most vulnerable groups***.

Amendment 235

Proposal for a regulation

Annex V – Thematic *ex ante* conditionalities – point 9 – sub-point 9.3 a (new)

Text proposed by the Commission

Thematic objectives	Ex ante conditionality	Criteria for fulfilment

Amendment

Thematic objectives	Ex ante conditionality	Criteria for fulfilment
	<i>9.3a Vocational education and training - The</i>	<i>- Recognition of vocational education and training as engine for sustainable development and inclusive growth;</i>

	<p><i>existence of national or regional strategies for a modern vocational education and training.</i></p>	<p><i>- Measures to improve the quality and efficiency of initial and continuous vocational training;</i></p> <p><i>- Measures to promote vocational education and training.</i></p>
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Amendment 236

Proposal for a regulation

Annex V – Thematic *ex ante* conditionalities – point 10 – sub-point 10.1 – column 3 – indent 1 – sub-indent 2

Text proposed by the Commission

- *is in accordance with* the national poverty and social exclusion target (as defined in the National Reform Programme), which includes the extension of employment opportunities for disadvantaged groups;

Amendment

- *lays out concrete proposals and public policy measures designed to work towards the achievement of* the national poverty and social exclusion target (as defined in the National Reform Programme *and National Social Reports*), which includes the extension of *quality* employment opportunities for disadvantaged groups;

Amendment 237

Proposal for a regulation

Annex V – Thematic *ex ante* conditionalities – point 10 – sub-point 10.1 – column 3 – indent 1 – sub-indent 4

Text proposed by the Commission

- demonstrates that social partners and relevant stakeholders are involved *in the design of* active inclusion;

Amendment

- demonstrates that social partners and relevant stakeholders are involved *at all stages (programming, implementation and evaluation) of the national anti-poverty strategies and all the* active inclusion *strategies*;

Amendment 238

Proposal for a regulation

Annex V – Thematic *ex ante* conditionalities – point 10 – sub-point 10.1 – column 3 – indent 1 – sub-indent 6 a (new)

Text proposed by the Commission

Amendment

- includes a comprehensive approach to tackle child poverty and promote child well-being.

Amendment 239

Proposal for a regulation

Annex V – Thematic *ex ante* conditionalities – point 10 – sub-point 10.1 – column 3 – indent 2 – sub-indent 1

Text proposed by the Commission

Amendment

- sets achievable national goals for Roma integration to bridge the gap with the general population. These targets should address, as a minimum, the four EU Roma integration goals relating to access to education, employment, healthcare and housing;

- sets achievable national goals for Roma integration to bridge the gap with the general population. These targets should address, as a minimum, the four EU Roma integration goals relating to access to education, employment, healthcare and housing ***reflected in public policy measures***;

Amendment 240

Proposal for a regulation

Annex V – Thematic *ex ante* conditionalities – point 10 – sub-point 10.1 – column 3 – indent 2 – sub-indent 2

Text proposed by the Commission

Amendment

- is coherent with the National Reform Programme;

- is coherent with the National Reform Programme ***and National Social Reports***;

Amendment 241

Proposal for a regulation

Annex V – Thematic *ex ante* conditionalities – point 10 – sub-point 10.2 – column 3 – indent 1 – sub-indent 3

Text proposed by the Commission

Amendment

- contains a monitoring and review system.

- contains a monitoring and review system

with adequate budgetary resources;

Amendment 242

Proposal for a regulation

Annex V – Thematic *ex ante* conditionalities – point 10 – sub-point 10.2 – column 3 – indent 1 – sub-indent 3 a (new)

Text proposed by the Commission

Amendment

- ensures that community and civil society as well as regional and local authority perspectives are included in planning, implementing, monitoring and evaluating policies and programmes.

Amendment 243

Proposal for a regulation

Annex V – Thematic *ex ante* conditionalities – point 11 – column 1

Text proposed by the Commission

Amendment

11. Enhancing institutional capacity and efficient public administration

11. Enhancing institutional capacity and efficient public administration ***and promoting capacity building for stakeholders***

(referred to in Article 9(11))

(referred to in Article 9(11))

Amendment 244

Proposal for a regulation

Annex V – Thematic *ex ante* conditionalities – point 11 – column 3 – indent 1

Text proposed by the Commission

Amendment

- A strategy for reinforcing a Member State's administrative efficiency is in place and in the process of being implemented. The strategy includes:

- A strategy for reinforcing a Member State's ***regional and local*** administrative efficiency is in place and in the process of being implemented. The strategy includes:

Amendment 245

Proposal for a regulation

Annex V – Thematic *ex ante* conditionalities – point 11 – column 3 – indent 1 – sub-indent 4 a (new)

Text proposed by the Commission

Amendment

- the employment of people from marginalised communities in the public sector;

Amendment 246

Proposal for a regulation

Annex V – Thematic *ex ante* conditionalities – point 11 – column 3 – indent 1 – sub-indent 6 a (new)

Text proposed by the Commission

Amendment

- strategies of the effectiveness of the partnership principle including a financial concept for an sufficient capacity building of the partners referred to in points (a), (b) and (c) of Article 5 (1).

Amendment 247

Proposal for a regulation

Annex V – General *ex-ante* conditionalities – point 1 – column 2

Text proposed by the Commission

Amendment

The existence of a mechanism which ensures effective implementation and application of Directive 2000/78/EC of 27 November 2000 establishing a general framework for equal treatment in employment and occupation and Directive 2000/43/EC of 29 June 2000 implementing the principle of equal treatment between persons irrespective of racial or ethnic origin

The existence of a mechanism which ensures effective implementation and application of Directive 2000/78/EC of 27 November 2000 establishing a general framework for equal treatment in employment and occupation and Directive 2000/43/EC of 29 June 2000 implementing the principle of equal treatment between persons irrespective of racial or ethnic origin, **and other international anti-discrimination commitments such as the UN Convention on the rights of persons with disabilities (Article 5)**

Amendment 248

Proposal for a regulation

Annex V – General ex-ante conditionalities – point 1 – column 3 – indent 1 – sub-indent 2

Text proposed by the Commission

- a strategy for training and dissemination of information for staff involved in the implementation of the funds;

Amendment

- the designation of an equality unit with adequate capacity and power to ensure equal opportunities, and a strategy for training and dissemination of information for staff involved in the implementation of the funds;

Amendment 249

Proposal for a regulation

Annex V – General ex-ante conditionalities – point 1 – column 3 – indent 1 – sub-indent 3 a (new)

Text proposed by the Commission

- arrangements for collecting disaggregated data on the Roma, the disabled, women, and young and elderly people, and using them in monitoring and evaluation;

Amendment

Amendment 250

Proposal for a regulation

Annex V – General ex-ante conditionalities – point 2 – column 2

Text proposed by the Commission

The existence of a strategy for the promotion of gender equality and a mechanism which ensures its effective implementation.

Amendment

The existence of a strategy for the promotion of gender equality and a mechanism which ensures its effective implementation **through gender mainstreaming specific actions.**

Amendment 251

Proposal for a regulation

Annex V – General ex-ante conditionalities – point 3 – column 3 – indent 1 – sub-indent 1

Text proposed by the Commission

- Implementation of measures in line with Article 9 of the UN Convention to prevent, identify and eliminate obstacles and barriers to accessibility of persons with disabilities;

Amendment

- Implementation of measures in line with Article 9 of the UN Convention to prevent, identify and eliminate obstacles and barriers to accessibility of persons with disabilities ***to all domains including infrastructure, services and goods;***

Amendment 252

Proposal for a regulation

Annex V – General ex-ante conditionalities – point 3 – column 3 – indent 1 – sub-indent 2

Text proposed by the Commission

- institutional arrangements for the implementation and supervision of the UN Convention in line with Article 33 of the Convention;

Amendment

- institutional arrangements for the implementation and supervision of the UN Convention in line with Article 33 of the Convention ***and the involvement of disability representative organisations in the design and implementation of these arrangements;***

Amendment 253

Proposal for a regulation

Annex V – General ex-ante conditionalities – point 3 – column 3 – indent 1 – sub-indent 3 a (new)

Text proposed by the Commission

Amendment

- the involvement of disability representative organisations in the design and implementation of these arrangements;

PROCEDURE

Title	Common provisions on European Funds and repealing Regulation (EC) No 1083/2006			
References	COM(2013)0246 – C7-0107/2013 – COM(2011)0615 – C7-0335/2011 – COM(2012)0496 – C7-0291/2012 – 2011/0276(COD)			
Committee responsible Date announced in plenary	REGI 25.10.2011			
Opinion by Date announced in plenary	EMPL 25.10.2011			
Associated committee(s) - date announced in plenary	18.4.2013			
Rapporteur Date appointed	Ádám Kósa 27.10.2011			
Discussed in committee	23.4.2012	20.6.2012	22.4.2013	19.6.2013
Date adopted	9.7.2013			
Result of final vote	+: –: 0:	38 3 3		
Members present for the final vote	Regina Bastos, Edit Bauer, Heinz K. Becker, Jean-Luc Bennahmias, Phil Bennion, Pervenche Berès, Vilija Blinkevičiūtė, Milan Cabrnoch, Alejandro Cercas, Ole Christensen, Derek Roland Clark, Minodora Cliveti, Marije Cornelissen, Emer Costello, Andrea Cozzolino, Frédéric Daerden, Karima Delli, Sari Essayah, Richard Falbr, Marian Harkin, Nadja Hirsch, Stephen Hughes, Danuta Jazłowiecka, Ádám Kósa, Jean Lambert, Patrick Le Hyaric, Olle Ludvigsson, Thomas Mann, Elisabeth Morin-Chartier, Csaba Óry, Siiri Oviir, Konstantinos Poupakis, Sylvana Rapti, Licia Ronzulli, Elisabeth Schroedter, Joanna Katarzyna Skrzydlewska, Jutta Steinruck, Ruža Tomašić, Traian Ungureanu, Inês Cristina Zuber			
Substitute(s) present for the final vote	Jan Kozłowski, Csaba Sógor, Gabriele Zimmer			
Substitute(s) under Rule 187(2) present for the final vote	Anneli Jäätteenmäki			

26.6.2012

OPINION OF THE COMMITTEE ON BUDGETS

for the Committee on Regional Development

on the proposal for a regulation of the European Parliament and of the Council 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 covered by the Common Strategic Framework and laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and repealing Council Regulation (EC) No 1083/2006 (COM(2011)0615 – C7-0335/2011 – 2011/0276(COD))

Rapporteur: Derek Vaughan

SHORT JUSTIFICATION

The European Commission is proposing an overarching regulation, laying down common rules for the European Regional Development Fund (ERDF), the European Social Fund (ESF), the Cohesion Fund (CF), the European Agricultural Fund for Rural Development, and the European Maritime and Fisheries Fund (CSF Funds). The proposal is divided into two parts: Common provisions for all CSF Funds and general provisions applicable to the ERDF, ESF and CF.

Your rapporteur welcomes the approach taken. A uniform set of rules for all five CSF funds should help create synergies, make implementation and control of projects easier and reduce administrative burden for beneficiaries, member states and the Commission.

Performance of cohesion policy shall be strengthened through ex-ante and ex-post conditionalities. Even though your rapporteur supports these ideas in principal, it must be ensured that these conditionalities will not create unnecessary new administrative burdens.

Your rapporteur underlines the need to align the Common Provisions Regulation with the Financial Regulation which is still under negotiation. Therefore full coherence between both regulations will need to be ensured at a later stage of the legislative procedure.

Your rapporteur supports further simplification, which includes harmonising eligibility rules and management and control systems between the different funds, the introduction of simplified reimbursement rules and wider use of "simplified costs" such as lump sums or flat rates. Also a move towards "e-cohesion", allowing beneficiaries to submit information

electronically should be supported.

The Commission also proposed that support for enterprises and projects expected to generate substantial financial returns shall be delivered primarily through innovative financial instruments.

There are however some aspects of the proposal that merit further discussion:

On the proposed macro-economic conditionality it is worth noting that the Parliament is not involved in the decision-making procedure regarding the suspension of funds; the value added of this measure is also questionable as it could result in punishing regions for Member States' mistakes and taking money away from regions where it is needed to overcome their budgetary deficits. Your rapporteur therefore suggests deleting this conditionality.

A "Common Strategic Framework" shall translate the 11 thematic objectives of the Regulation into key actions for the CSF Funds. The Commission shall be empowered to adopt this framework through a delegated act. Your rapporteur questions the use of delegated acts as they are only foreseen for non-essential elements of legislative acts. The CSF is more than that and as such should be adopted as an annex to this regulation.

Your rapporteur is concerned that the introduction of a performance reserve, could lead Member States to lower their ambitions with regard to targets to be achieved, to make sure they will then qualify for the performance reserve. Your rapporteur believes that the proposed procedure could lead to serious implementation problems due to lack of time at the end of the programming period.

The Commission is also proposing that regions with a GDP per capita (2007-2013 period) of less than 75% of the EU-25 average but with a GDP per capita above 75% of the EU-27 average shall receive an allocation under the Structural Funds equal to at least two thirds of their 2007-2013 allocation. Furthermore, this new category includes regions with a GDP of between 75% to 90%. Your rapporteur questions this one size fits all approach and suggests a more proportional allocation according to a formula "the lower the GDP per capita, the higher the guaranteed share of the 2007-2013 allocation".

As for the budgetary implications, the Commission is proposing in Article 83 to make available EUR 336 020 492 848 at 2011 prices for the period 2014 to 2020 for the ERDF, the ESF and the CF allocated as follows.

In EUR billion, constant 2011 prices

	MFF 2007-2013	COM proposal MFF 2014-2020	Change %
Convergence regions ERDF + ESF	202,9	162,6	- 20 %
2007-13 phasing out (convergence) + phasing in (competitiveness) regions/ 2014 -2020 transition regions	25,9	38,9	+50 %

(ERDF +ESF)			
Competitiveness regions / More developed regions (ERDF +ESF)	44,3	53,1	+ 20 %
Territorial cooperation (ERDF)	8,9	11,7	+31 %
Cohesion fund	71	68,7	- 3 %
2014-2020 Extra allocation for outmost and sparsely populated regions (ERDF)		0,9	
TOTAL	354	336	-5,3 %

Due to rounding, figures may not add-up exactly to the total shown

Your rapporteur is concerned about the overall cut of EUR 18 billion in 2011 constant prices for cohesion policy compared to the 2007-2013 MFF, given the proven added value of EU cohesion policy. Your rapporteur recalls the position of the European Parliament expressed in the SURE resolution that the amounts allocated to cohesion policy in the 2007-2013 financial programming period should be at least maintained in the next period.

This financial envelope as specified in the legislative proposal constitutes only an indication to the legislative authority and cannot be fixed until agreement is reached on the proposal for a regulation laying down the MFF 2014-2020.

AMENDMENTS

The Committee on Budgets calls on the Committee on Regional Development, as the committee responsible, to incorporate the following amendments in its report:

Amendment 1

Draft legislative resolution Paragraph 1a (new)

Text proposed by the Commission

Amendment

1a. Points out that the financial envelope specified in the legislative proposal constitutes only an indication to the legislative authority and cannot be fixed until agreement is reached on the proposal for a regulation laying down the multiannual financial framework for the years 2014-2020;

Amendment 2

Draft legislative resolution Paragraph 1b (new)

Text proposed by the Commission

Amendment

1b. Recalls its resolution of 8 June 2011 on "Investing in the future: a new Multiannual Financial Framework (MFF) for a competitive, sustainable and inclusive Europe"¹; reiterates that sufficient additional resources are needed in the next MFF in order to enable the Union to fulfil its existing policy priorities and the new tasks provided for in the Treaty of Lisbon, as well as to respond to unforeseen events; points out that even with an increase in the level of resources for the next MFF of at least 5% compared to the 2013 level, only a limited contribution can be made to the achievement of the Union's agreed objectives and commitments and the principle of Union solidarity; challenges the Council, if it does not share this approach, to clearly identify which of its political priorities or projects could be dropped altogether, despite their proven European added value;

¹ *Texts adopted, P7_TA(2011)0266.*

Amendment 3

Draft legislative resolution Paragraph 1c (new)

Draft legislative resolution

Amendment

1c. Recalls, in particular, that in the same resolution the European Parliament stresses that "a successful and strengthened cohesion policy needs adequate funding" and concludes that

“the amounts allocated to it in the current financial programming period should be at least maintained in the next period”;

Amendment 4

Proposal for a regulation Recital 2 a (new)

Text proposed by the Commission

Amendment

(2a) In its resolution of 8 June 2011, the European Parliament stressed "the European added value of cohesion policy, as this policy constitutes a well-established mechanism of delivering growth and jobs, a major tool for convergence, sustainable development and solidarity and one of the Union's most significant, visible, and successful policies for decades". The European Parliament pointed out, however, that "a modern cohesion policy must undertake a number of structural reforms, in particular in the field of simplification, respond to the main challenges facing the Union, and promote synergies with other policies and instruments on the ground". The European Parliament expressed its conviction that "EU cohesion policy should remain an EU wide policy giving access to resources, experiences and assistance to all EU regions".

Justification

Paragraph 64 of the European Parliament's resolution of 8 June 2011 "Investing in the future: a new Multiannual Financial Framework (MFF) for a competitive, sustainable and inclusive Europe".

Amendment 5

Proposal for a regulation Recital 2 b (new)

Text proposed by the Commission

Amendment

(2b) In its resolution of 8 June 2011, the European Parliament further stressed that "a successful and strengthened cohesion policy needs adequate funding, and that the amounts allocated to it in the current financial programming period should be, at least, maintained in the next period in order to step up its efforts to reduce development disparities between EU regions". The Commission proposed however to cut the overall cohesion policy envelope by 5,3% from EUR 354 billion in 2007-2013 to EUR 336 billion for 2014-2020 (in 2011 constant prices).

Justification

Paragraph 67 of the European Parliament's resolution of 8 June 2011 "Investing in the future: a new Multiannual Financial Framework (MFF) for a competitive, sustainable and inclusive Europe".

Amendment 6

Proposal for a regulation Recital 2 c (new)

Text proposed by the Commission

Amendment

(2c) In its resolution of 8 June 2011, the European Parliament recalled that cohesion policy has an increased importance with the entry into force of the Treaty of Lisbon and with the anchorage of territorial cohesion therein, took the view, in this context, that all forms of territorial cooperation (cross-border, transnational, interregional) must be strengthened; underlined that macro-regional cooperation and strategies should also be addressed;

Amendment 7

Proposal for a regulation Recital 2 d (new)

Text proposed by the Commission

Amendment

(2d) In its resolution of 8 June 2011, the European Parliament recalled that the EU cohesion policy has its own mission and objectives set out in Article 174 of TFEU that goes beyond the Europe 2020 strategy; stressed that those should be preserved in the next programming period, especially given the enduring need for economic, social and territorial convergence in the Union;

Amendment 8

Proposal for a regulation Recital 2 e (new)

Text proposed by the Commission

Amendment

(2e) In its resolution of 8 June 2011, the European Parliament recognized that according to the Treaty particular attention should be paid to rural areas, areas affected by industrial transition, and regions suffering from severe and permanent natural or demographic handicaps such as the northernmost regions with very low population density, islands, cross-border and mountain regions, as well as outermost regions.

Amendment 9

Proposal for a regulation Recital 2 f (new)

Text proposed by the Commission

Amendment

(2f) In its resolution of 8 June 2011, the European Parliament called on the Commission to establish an intermediary

category for regions whose GDP per capita stands at between 75 % and 90 % of EU GDP, in order to provide them with a clearer status and more security in their development.

Amendment 10

Proposal for a regulation

Recital 12

Text proposed by the Commission

(12) The objectives of the CSF Funds should be pursued in the framework of sustainable development and the Union's promotion of the aim of protecting and improving the environment as set out in Article 11 and 19 of the Treaty, taking into account the polluter pays principle. The Member States should provide information on the support for climate change objectives in line with the ambition to devote at least 20% of the Union budget to this end, using a methodology adopted by the Commission by implementing act.

Amendment

(12) The objectives of the CSF Funds should be pursued in the framework of sustainable development and the Union's promotion of the aim of protecting and improving the environment as set out in Article 11 and 19 of the Treaty, taking into account the polluter pays principle ***and minimising future external costs***. The Member States should provide information on the support for climate change objectives in line with the ambition to devote at least 20% of the Union budget to this end, using a methodology adopted by the Commission by implementing act.

Amendment 11

Proposal for a regulation

Recital 13

Text proposed by the Commission

(13) In order to achieve the targets and objectives of the Union strategy for smart, sustainable and inclusive growth, the CSF Funds should focus their support on a limited number of common thematic objectives. The precise scope of each of the CSF Funds shall be set out in Funds-specific rules and may be limited to only some of the thematic objectives defined in

Amendment

(13) In order to achieve the targets and objectives of the Union strategy for smart, sustainable and inclusive growth, the CSF Funds should focus their support on a limited number of common thematic objectives. ***In its resolution of 8 June 2011, the European Parliament expressed the belief that Member States and regions should concentrate EU and national resources on a small number of priorities***

this Regulation.

and projects that are of genuine European relevance, such as R&D and innovation, responding to the specific challenges that they face. The European Parliament requested, in this context, that the Commission draw up concrete proposals to ensure a stronger thematic concentration of cohesion funding on the Europe 2020 priorities, and considered that a more result-oriented system than the current 'earmarking' should be put in place, while ensuring that due consideration is made to 'region specific' needs and priorities. The precise scope of each of the CSF Funds shall be set out in Funds-specific rules and may be limited to only some of the thematic objectives defined in this Regulation.

Justification

Paragraph 68 of the European Parliament's resolution of 8 June 2011 "Investing in the future: a new Multiannual Financial Framework (MFF) for a competitive, sustainable and inclusive Europe".

Amendment 12

Proposal for a regulation

Recital 14

Text proposed by the Commission

(14) *The Commission should adopt by delegated act a Common Strategic Framework which* translates the objectives of the Union into key actions for the CSF Funds, in order to provide clearer strategic direction to the programming process at the level of Member States and regions. The Common Strategic Framework should facilitate sectoral and territorial coordination of Union intervention under the CSF Funds and with other relevant Union policies and instruments

Amendment

(14) The Common Strategic Framework *as laid down in Annex X of this regulation shall coordinate and balance* the objectives *and priorities of the "Europe 2020" strategy for a smart, sustainable and inclusive growth with the Treaty objectives of economic, social and territorial cohesion. The aim of the Common Strategic Framework is* to provide clearer strategic direction to the programming process at the level of Member States and regions. The Common Strategic Framework should facilitate sectoral and territorial coordination of Union intervention under the CSF Funds

and with other relevant Union policies and instruments.

Justification

The legislative authority should decide on the Common Strategic Framework.

Amendment 13

Proposal for a regulation

Recital 16

Text proposed by the Commission

(16) On the basis of the Common Strategic Framework ***adopted by the Commission***, each Member State should ***prepare, in cooperation*** with its partners and in dialogue with the Commission, a Partnership Contract. The Partnership Contract should translate the elements set out in the Common Strategic Framework into the national context and set out firm commitments to the achievement of Union objectives through the programming of the CSF Funds.

Amendment

(16) On the basis of the Common Strategic Framework, ***laid down in the Annex X of this Regulation and in order to guarantee the principle of multi-governance*** each Member State should ***draw up***, with its partners and in dialogue with the Commission, a Partnership Contract. The Partnership Contract should translate the elements set out in the Common Strategic Framework into the national context and set out firm commitments to the achievement of Union objectives through the programming of the CSF Funds.

Amendment 14

Proposal for a regulation

Recital 18

Text proposed by the Commission

(18) A performance framework should be defined for each programme with a view to monitoring progress towards the objectives and targets set for each programme over the course of the programming period. The Commission should undertake a performance review in cooperation with the Member States in 2017 and 2019. ***A performance reserve should be foreseen and allocated in 2019 where milestones set in the performance framework have***

Amendment

(18) A performance framework should be defined for each programme with a view to monitoring progress towards the objectives and targets set for each programme over the course of the programming period. The Commission should undertake a performance review in cooperation with the Member States in 2017 and 2019.

been attained. Due to their diversity and multi-country character, there should be no performance reserve for 'European Territorial Cooperation' programmes. In cases where the shortfall in the achievement of milestones or targets is significant, the Commission should be able to suspend payments to the programme or, at the end of the programming period, apply financial corrections, in order to ensure that the Union budget is not used in a wasteful or inefficient way.

Justification

The performance reserve will lead to setting lower targets and could create implementation problems towards the end of the programming period

Amendment 15

Proposal for a regulation

Recital 19

Text proposed by the Commission

(19) Establishing a closer link between cohesion policy and the economic governance of the Union will ensure that the effectiveness of expenditure under the CSF Funds is underpinned by sound economic policies and that the CSF Funds can, if necessary, be redirected to addressing the economic problems a country is facing. This process has to be gradual, starting with amendments to the Partnership Contract and to the programmes in support of Council recommendations to address macroeconomic imbalances and social and economic difficulties. ***Where, despite the enhanced use of CSF Funds, a Member State fails to take effective action in the context of the economic governance process, the Commission should have the right to suspend all or part of the payments and commitments. Decisions on***

Amendment

(19) Establishing a closer link between cohesion policy and the economic governance of the Union will ensure that the effectiveness of expenditure under the CSF Funds is underpinned by sound economic policies and that the CSF Funds can, if necessary, be redirected to addressing the economic problems a country is facing. This process has to be gradual, starting with amendments to the Partnership Contract and to the programmes in support of Council recommendations to address macroeconomic imbalances and social and economic difficulties.

suspensions should be proportionate and effective, taking into account the impact of the individual programmes for addressing the economic and social situation in the relevant Member State and previous amendments to the Partnership Contract. When deciding on suspensions, the Commission should also respect equality of treatment between Member States, taking into account in particular the impact of the suspension on the economy of the Member State concerned. The suspensions should be lifted and funds be made available again to the Member State concerned as soon as the Member State takes the necessary action.

Justification

The amendment deletes the possibility for the Commission to suspend payments in order to avoid punishing regions for mistakes of the Member States

Amendment 16

Proposal for a regulation

Recital 21 a (new)

Text proposed by the Commission

Amendment

(21a) In order to better mobilise potential at a local level, it is necessary to strengthen and facilitate community-led local development by laying down common rules and close coordination for all CSF Funds. Responsibility for the implementation of local development strategies should be given to local action groups, including existing LEADER-groups, representing the interests of the community, as an essential principle.

Amendment 17

Proposal for a regulation Recital 54

Text proposed by the Commission

(54) In order to promote the Treaty objectives of economic, social and territorial cohesion, the 'Investment for growth and jobs' goal should support all regions. To provide balanced and gradual support and reflect the level of economic and social development, resources under that goal should be allocated from the ERDF and the ESF among the less developed regions, the transition regions and the more developed regions according to their gross domestic product (GDP) per capita in relation to the EU average. In order to ensure the long-term sustainability of investment from the Structural Funds, regions whose GDP per capita for the 2007-2013 period was less than 75% of the average of the EU-25 for the reference period but whose GDP per capita has grown to more than 75% of the EU-27 average should receive **at least two thirds** of their 2007-2013 allocation. Member States whose per capita gross national income (GNI) is less than 90 % of that of the Union average should benefit under the 'Investment for growth and jobs' goal from the CF.

Amendment

(54) In order to promote the Treaty objectives of economic, social and territorial cohesion, the 'Investment for growth and jobs' goal should support all regions. To provide balanced and gradual support and reflect the level of economic and social development, resources under that goal should be allocated from the ERDF and the ESF among the less developed regions, the transition regions and the more developed regions according to their gross domestic product (GDP) per capita in relation to the EU average. In order to ensure the long-term sustainability of investment from the Structural Funds, regions whose GDP per capita for the 2007-2013 period was less than 75% of the average of the EU-25 for the reference period but whose GDP per capita has grown to more than 75% of the EU-27 average should receive **a share** of their 2007-2013 allocation **that is inversely proportional to their GDP per capita**. Member States whose per capita gross national income (GNI) is less than 90 % of that of the Union average should benefit under the 'Investment for growth and jobs' goal from the CF.

Justification

The guaranteed minimum share a Member State receives as compared to the 2007-2013 allocation shall be scaled according to its GDP per capita, so that poorer Member States receive a higher share in percentage points than richer ones.

Amendment 18

Proposal for a regulation Recital 58

Text proposed by the Commission

(58) In order to strengthen the focus on results and achievement of the Europe 2020 objectives and targets, five per cent of the resources for the 'Investment for growth and jobs' goal should be set aside as a performance reserve for each Fund, and category of region in each Member State.

Amendment

deleted

Justification

Cf. Amendment 8

Amendment 19

Proposal for a regulation Recital 88

Text proposed by the Commission

(88) In order to supplement and amend certain non-essential elements of this Regulation, the power to adopt acts in accordance with Article 290 of the Treaty should be delegated to the Commission in respect of a code of conduct on the objectives and criteria to support the implementation of partnership, the ***adoption of a Common Strategic Framework, additional rules on the allocation of the performance reserve, the*** definition of the area and population covered by the local development strategies, detailed rules on financial instruments (***ex ante assessment,*** combination of support, eligibility, types of activities not supported), the rules on certain types of financial instruments set up at national, regional, transnational or cross-border level, rules concerning funding agreements, transfer and management of

Amendment

(88) In order to supplement and amend certain non-essential elements of this Regulation, the power to adopt acts in accordance with Article 290 of the Treaty should be delegated to the Commission in respect of a code of conduct on the objectives and criteria to support the implementation of partnership, the definition of the area and population covered by the local development strategies, detailed rules on financial instruments (combination of support, eligibility, types of activities not supported), the rules on certain types of financial instruments set up at national, regional, transnational or cross-border level, rules concerning funding agreements, transfer and management of assets, the arrangements for management and control, the rules on payment requests, and establishment of a system of

assets, the arrangements for management and control, the rules on payment requests, and establishment of a system of capitalisation of annual instalments, the definition of the flat rate for revenue generating operations, the definition of the flat rate applied to indirect costs for grants based on existing methods and corresponding rates applicable in Union policies, the responsibilities of Member States concerning the procedure for reporting irregularities and recovery of sums unduly paid, the modalities of exchange of information of operations, the arrangements for the adequate audit trail, the conditions of national audits, the accreditation criteria for managing authorities and certifying authorities, the identification of commonly accepted data carriers, and the criteria for establishing the level of financial correction to be applied. The Commission should also be empowered to amend Annex V in order to address future adaptation needs. It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level.

Amendment 20

Proposal for a regulation Recital 90

Text proposed by the Commission

(90) The Commission should be empowered to adopt, by means of implementing acts, as regards all CSF Funds, decisions approving the Partnership Contracts, ***decisions on the allocation of the performance reserve, decisions suspending payments linked to Member States' economic policies***, and, in the case of decommitment, decisions to amend decisions adopting programmes; and as regards the Funds, decisions identifying the

capitalisation of annual instalments, the definition of the flat rate for revenue generating operations, the definition of the flat rate applied to indirect costs for grants based on existing methods and corresponding rates applicable in Union policies, the responsibilities of Member States concerning the procedure for reporting irregularities and recovery of sums unduly paid, the modalities of exchange of information of operations, the arrangements for the adequate audit trail, the conditions of national audits, the accreditation criteria for managing authorities and certifying authorities, the identification of commonly accepted data carriers, and the criteria for establishing the level of financial correction to be applied. The Commission should also be empowered to amend Annex V in order to address future adaptation needs. It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level.

Amendment

(90) The Commission should be empowered to adopt, by means of implementing acts, as regards all CSF Funds, decisions approving the Partnership Contracts and, in the case of decommitment, decisions to amend decisions adopting programmes; and as regards the Funds, decisions identifying the regions and Member States fulfilling the Investment for growth and jobs criteria, decisions setting out the annual breakdown

regions and Member States fulfilling the Investment for growth and jobs criteria, decisions setting out the annual breakdown of commitment appropriations to the Member States, decisions setting out the amount to be transferred from each Member State's CF allocation to the Connecting Europe Facility, decisions setting out the amount to be transferred from each Member State's Structural Funds allocation for food for deprived people, decisions adopting and amending operational programmes, decisions on major projects, decisions on joint action plans, decisions suspending payments and decisions on financial corrections.

of commitment appropriations to the Member States, decisions setting out the amount to be transferred from each Member State's CF allocation to the Connecting Europe Facility, decisions setting out the amount to be transferred from each Member State's Structural Funds allocation for food for deprived people, decisions adopting and amending operational programmes, decisions on major projects, decisions on joint action plans, decisions suspending payments and decisions on financial corrections.

Amendment 21

Proposal for a regulation

Article 2 – subparagraph 2 – point 2

Text proposed by the Commission

(2) ‘Common Strategic Framework’ means the **document translating** the objectives and **targets** of **the Union** strategy for smart, sustainable and inclusive growth **into key actions for the CSF Funds**, establishing for each thematic objective the key actions to be supported by each CSF Fund and the mechanisms for ensuring the coherence and consistency of the programming of the CSF Funds with the economic and employment policies of the Member States and of the Union;

Amendment

(2) ‘Common Strategic Framework’ means the **framework that coordinates and balances** the objectives and **priorities** of **"Europe 2020"** strategy for smart, sustainable and inclusive growth **with the Treaty objectives of economic, social and territorial cohesion**, establishing for each thematic objective the key actions to be supported by each CSF Fund and the mechanisms for ensuring the coherence and consistency of the programming of the CSF Funds with the economic and employment policies of the Member States and of the Union;

Justification

In line with Amendment 1 to Recital 14

Amendment 22

Proposal for a regulation
Article 2 – subparagraph 2 – point 18

Text proposed by the Commission

(18) ‘Partnership Contract’ means the document prepared by the Member State with the involvement of partners in line with the multi-level governance approach, which sets out the Member State's strategy, priorities and arrangements for using the CSF Funds in an effective and efficient way to pursue the Union strategy for smart, sustainable and inclusive growth, and which is approved by the Commission following assessment and dialogue with the Member State;

Amendment

(18) ‘Partnership Contract’ means the document prepared by the Member State with the involvement of partners in line with the multi-level governance approach, which sets out the Member State's strategy, priorities and arrangements for using the CSF Funds in an effective and efficient way to pursue the Union strategy for smart, sustainable and inclusive growth, ***in line with the Treaty objectives of economic, social and territorial cohesion, and*** which is approved by the Commission following assessment and dialogue with the Member State;

Justification

In line with Amendment 2 to Recital 16

Amendment 23

Proposal for a regulation
Article 11 – subparagraph 1 – point f

Text proposed by the Commission

(f) mechanisms for ensuring the coherence and consistency of the programming of the CSF Funds with the ***country-specific recommendations under Article 121(2) of the Treaty and the relevant Council recommendations adopted under 148(4) of the Treaty.***

Amendment

(f) mechanisms for ensuring the coherence and consistency of the programming of the CSF Funds with the ***National Reform Programmes and other relevant strategies;***

Amendment 24

Proposal for a regulation
Article 12 – subparagraph 1

Text proposed by the Commission

The Commission shall be empowered to

Amendment

The Common Strategic Framework is

adopt a delegated act in accordance with Article 142 on the Common Strategic Framework within 3 months of the adoption of this Regulation.

annexed to this regulation.

Justification

Cf. Amendment 6

Amendment 25

**Proposal for a regulation
Article 16**

Text proposed by the Commission

Member States shall concentrate support, in accordance with the Fund-specific rules, on actions bringing the greatest added value in relation to the Union strategy for smart, sustainable and inclusive growth, addressing the challenges identified in the country-specific recommendations under Article 121(2) of the Treaty ***and the relevant Council recommendations adopted under 148(4) of the Treaty, and taking into account*** national and regional needs.

Amendment

Member States shall concentrate support, in accordance with the Fund-specific rules, on actions bringing the greatest added value in relation to the Union strategy for smart, sustainable and inclusive growth, addressing the challenges identified in the country-specific recommendations under Article 121(2) of the Treaty ***as translated to the national and regional context by the National Reform Programmes and other strategies.***

Amendment 26

**Proposal for a regulation
Article 18**

Text proposed by the Commission

5% of the resources allocated to each CSF Fund and Member State, with the exception of resources allocated to the European territorial cooperation goal and to Title V of the EMFF Regulation, shall constitute a performance reserve to be allocated in accordance with Article 20.

Amendment

deleted

Amendment 27

Proposal for a regulation Article 20

Text proposed by the Commission

Amendment

Article 20

Allocation of performance reserve

deleted

1. Where the review of performance undertaken in 2017 reveals that a priority within a programme has not attained its milestones set for the year 2016, the Commission shall make recommendations to the Member State concerned.

2. On the basis of the review undertaken in 2019, the Commission shall adopt a decision, by means of implementing acts, to determine for each CSF Fund and Member State the programmes and priorities which have attained their milestones. The Member State shall propose the attribution of the performance reserve for the programmes and priorities set out in that Commission decision. The Commission shall approve the amendment of the programmes concerned in accordance with Article 26. Where a Member State fails to submit the information in accordance with Article 46(2) and (3), the performance reserve for the programmes or the priorities concerned shall not be allocated.

3. Where there is evidence resulting from a performance review that a priority has failed to achieve the milestones set out in the performance framework, the Commission may suspend all or part of an interim payment of a priority of a programme in accordance with the procedure laid down in Fund-specific rules.

4. Where the Commission, based on the examination of the final implementation report of the programme, establishes a

serious failure to achieve the targets set out in the performance framework, it may apply financial corrections in respect of the priorities concerned in accordance with Fund-specific rules. The Commission shall be empowered to adopt delegated acts in accordance with Article 142 to establish criteria and the methodology for determining the level of financial correction to be applied.

5. Paragraph 2 shall not apply to programmes under the European territorial cooperation goal and to Title V of the EMFF Regulation.

Justification

Cf. Amendment 8

Amendment 28

Proposal for a regulation Article 21

Text proposed by the Commission

Amendment

Article 21

deleted

Conditionality linked to the coordination of Member States' economic policies

1. The Commission may request a Member State to review and propose amendments to its Partnership Contract and the relevant programmes, where this is necessary: (a) to support the implementation of a Council recommendation, addressed to the Member State concerned and adopted in accordance with Articles 121(2) and/or 148(4) of the Treaty, or to support the implementation of measures addressed to the Member State concerned and adopted in accordance with Article 136(1) of the Treaty; (b) to support the implementation of a Council recommendation addressed to the Member State concerned and adopted in accordance with Article 126(7)

of the Treaty; (c) to support the implementation of a Council recommendation addressed to the Member State concerned and adopted in accordance with Article 7(2) of Regulation (EU) No .../2011 [on the prevention and correction of macroeconomic imbalances], provided that these amendments are deemed necessary to help correct the macroeconomic imbalances; or (d) to maximise the growth and competitiveness impact of the available CSF Funds pursuant to paragraph 4, if a Member State meets one of the following conditions: (i) Union financial assistance is made available to it under Council Regulation (EU) No 407/2010; (ii) medium-term financial assistance is made available to it in accordance with Council Regulation (EC) No 332/2002; (iii) financial assistance in the form of an ESM loan is made available to it in accordance with the Treaty establishing the European Stability Mechanism.

2. The Member State shall submit a proposal for amending the Partnership Contract and the relevant programmes within one month. If necessary, the Commission shall make observations within one month from the submission of the amendments, in which case the Member State shall re-submit its proposal within one month.

3. Where the Commission has not made observations or where its observations have been satisfactorily taken into account, the Commission shall adopt a decision approving the amendments to the Partnership Contract and the relevant programmes without undue delay.

4. By derogation to paragraph 1, where financial assistance is made available to a Member State in accordance with paragraph 1(d) and is linked to an adjustment programme, the Commission may without any proposal from the

Member State amend the Partnership Contract and the programmes with a view to maximising the growth and competitiveness impact of the available CSF Funds. To ensure effective implementation of the Partnership Contract and the relevant programmes, the Commission shall become involved in their management as detailed in the adjustment programme or the Memorandum of Understanding signed with the Member State concerned.

5. Where the Member State fails to respond to the Commission's request referred to in paragraph 1 or does not reply satisfactorily within one month to the observations of the Commission referred to in paragraph 2, the Commission may, within three months following its observations, adopt a decision, by means of implementing acts, suspending part or all of the payments for the programmes concerned.

6. The Commission shall suspend, by means of implementing acts, part or all of the payments and commitments for the programmes concerned where: (a) the Council decides that the Member State does not comply with the specific measures set out by the Council in accordance with Article 136(1) of the Treaty; (b) the Council decides in accordance with Article 126(8) or Article 126(11) of the Treaty that the Member State concerned has not taken effective action to correct its excessive deficit; (c) the Council concludes in accordance with Article 8(3) of Regulation (EU) No [...] /2011 [on the prevention and correction of macroeconomic imbalances] that, on two successive instances, the Member State has not submitted a sufficient corrective action plan or the Council adopts a decision declaring non-compliance in accordance with Article 10(4) of that Regulation; (d) the Commission concludes that the Member

State has not taken measures to implement the adjustment programme referred to in Council Regulation (EU) No 407/2010 or Council Regulation (EC) No 332/2002 and as a consequence decides not to authorise the disbursement of the financial assistance granted to this Member State; or (e) the Board of Directors of the European stability mechanism concludes that the conditionality attached to an ESM financial assistance in the form of an ESM loan to the concerned Member State was not met and as a consequence decides not to disburse the stability support granted to it.

7. When deciding to suspend part or all of the payments or commitments in accordance with paragraphs 5 and 6 respectively, the Commission shall ensure that the suspension is proportionate and effective, taking into account the economic and social circumstances of the Member State concerned, and respects equality of treatment between Member States, in particular with regard to the impact of the suspension on the economy of the Member State concerned.

8. The Commission shall without delay lift the suspension of payments and commitments where the Member State has proposed amendments to the Partnership Contract and the relevant programmes as requested by the Commission, which the Commission has approved and, where applicable: (a) the Council has decided that the Member State complies with the specific measures set out by the Council in accordance with Article 136(1) of the Treaty; (b) the excessive deficit procedure is held in abeyance in accordance with Article 9 of Regulation (EC) No 1467/97 or the Council has decided in accordance with Article 126(12) of the Treaty to abrogate the decision on the existence of an excessive deficit; (c) the Council has endorsed the corrective action plan

submitted by the concerned Member State in accordance with Article 8(2) of Regulation (EU) No [...] [EIP Regulation] or the excessive imbalance procedure is placed in a position of abeyance in accordance with Article 10(5) of that Regulation or the Council has closed the excessive imbalance procedure in accordance with Article 11 of that Regulation; (d) the Commission has concluded that the Member State has taken measures to implement the adjustment programme referred to in Council Regulation (EU) No 407/2010 or Council Regulation (EC) No 332/2002 and as a consequence has authorised the disbursement of the financial assistance granted to this Member State; or (e) the Board of Directors of the European stability mechanism has concluded that the conditionality attached to a financial assistance in the form of an ESM loan to the concerned Member State is met and as a consequence has decided to disburse the stability support granted to it. At the same time, the Council shall decide, on a proposal from the Commission, to re-budget the suspended commitments in accordance with Article 8 of Council Regulation (EU) No [...] laying down the multiannual financial framework for the years 2014 to 2020.

Justification

Cf. Amendment 9

Amendment 29

Proposal for a regulation

Article 51 – paragraph 1 – subparagraph 2 – point f

Text proposed by the Commission

(f) actions to disseminate information, support networking, carry out communication activities, raise awareness

Amendment

(f) actions to disseminate information, support networking, carry out communication activities, raise awareness

and promote cooperation and exchange of experience, including with third countries. To bring about greater efficiency in communication to the public at large and stronger synergies between the communication activities undertaken at the initiative of the Commission, the resources allocated to communication actions under this Regulation shall also contribute to the corporate communication of the political priorities of the European Union as far as they are related to the general objectives of this Regulation;

and promote cooperation and exchange of experience, including *civil society organisations, including* with third countries. To bring about greater efficiency in communication to the public at large and stronger synergies between the communication activities undertaken at the initiative of the Commission, the resources allocated to communication actions under this Regulation shall also contribute to the corporate communication of the political priorities of the European Union as far as they are related to the general objectives of this Regulation;

Amendment 30

Proposal for a regulation Article 66 – subparagraph 4

Text proposed by the Commission

Amendment

As regards the performance reserve, budget commitments shall follow the Commission decision approving the amendment of the programme.

deleted

Justification

In line with Amendment 15 to Article 18 proposed by the Rapporteur

Amendment 31

Proposal for a regulation Article 82 – paragraph 2 – subparagraph 2

Text proposed by the Commission

Amendment

The three categories of regions are determined on the basis of how their GDP per capita, measured in purchasing power parities and calculated on the basis of Union figures for the period **2006 to 2008**, relates to the average GDP of the EU-27

The three categories of regions are determined on the basis of how their GDP per capita, measured in purchasing power parities and calculated on the basis of Union figures for the *latest available three-year period at the moment this*

for the same reference period.

regulation enters into force, relates to the average GDP of the EU-27 for the same reference period.

Justification

The GNI measured on the basis of figures for the period 2006 to 2008 as the Commission proposes, cannot be used as an indicator of the member states' economic situation, since it does not capture the period of the last 3 years (2009-2012) during which a significant number of regions, especially in the "economic south", has experienced the impact of the unprecedented socio-economic crisis. Therefore, only the use of recent figures could ensure a fair allocation of the cohesion funds

Amendment 32

Proposal for a regulation

Article 82 – paragraph 3 – subparagraph 1

Text proposed by the Commission

The Cohesion Fund shall support those Member States whose gross national income (GNI) per capita, measured in purchasing power parities and calculated on the basis of Union figures for the period **2007 to 2009**, is less than 90 % of the average GNI per capita of the EU-27 for the same reference period.

Amendment

The Cohesion Fund shall support those Member States whose gross national income (GNI) per capita, measured in purchasing power parities and calculated on the basis of Union figures for the **latest available three-year** period , **at the moment this regulation enters into force**, is less than 90 % of the average GNI per capita of the EU-27 for the same reference period.

Justification

In line with Amendment to Article 82 paragraph 2 subparagraph 2

Amendment 33

Proposal for a regulation

Article 84 – paragraph 1 – subparagraph 2

Text proposed by the Commission

All regions whose GDP per capita for the 2007-2013 period was less than 75% of the average of the EU-25 for the reference period but whose GDP per capita is above

Amendment

All regions whose GDP per capita for the 2007-2013 period was less than 75% of the average of the EU-25 for the reference period but whose GDP per capita is above

75% of the GDP average of the EU-27 shall receive an allocation under the Structural Funds ***equal to at least two thirds*** of their 2007-2013 allocation.

75% of the GDP average of the EU-27 shall receive an allocation, under the Structural Funds, ***equivalent to a share of their 2007-2013 allocation, that is inversely proportional to their GDP per capita.***

Justification

Cf. Amendment 10.

Amendment 34

Proposal for a regulation Article 84 – paragraph 6

Text proposed by the Commission

Amendment

6. 5% of the resources for the Investment for growth and jobs goal shall constitute the performance reserve to be allocated in accordance with Article 20. ***deleted***

Justification

Cf. Amendment 8.

Amendment 35

Proposal for a regulation Article 110 – paragraph 3 – subparagraph 1 – point b

Text proposed by the Commission

Amendment

(b) 85 % for the less developed regions of Member States whose average GDP per capita for the period ***2007 to 2009*** was below 85 % of the EU-27 average during the same period and for the outermost regions;

(b) 85 % for the less developed regions of Member States whose average GDP per capita for the ***latest available three-year period at the moment this regulation enters into force*** was below 85 % of the EU-27 average during the same period and for the outermost regions;

Justification

In line with Amendments 9 and 10 to article 82 paragraph 2 subparagraph 2 and paragraph 3 subparagraph 1 point b respectively

PROCEDURE

Title	Common provisions on European Funds and repealing Regulation (EC) No 1083/2006
References	COM(2011)0615 – C7-0335/2011 – 2011/0276(COD)
Committee responsible Date announced in plenary	REGI 25.10.2011
Opinion by Date announced in plenary	BUDG 25.10.2011
Rapporteur Date appointed	Derek Vaughan 6.2.2012
Date adopted	20.6.2012
Result of final vote	+: 32 –: 2 0: 1
Members present for the final vote	Francesca Balzani, Reimer Böge, Zuzana Brzobohatá, Andrea Cozzolino, Eider Gardiazábal Rubial, Jens Geier, Ingeborg Gräßle, Estelle Grelier, Lucas Hartong, Jutta Haug, Sidonia Elżbieta Jędrzejewska, Anne E. Jensen, Ivailo Kalfin, Sergej Kozlík, Giovanni La Via, Barbara Matera, Claudio Morganti, Juan Andrés Naranjo Escobar, Nadezhda Neynsky, Dominique Riquet, Alda Sousa, László Surján, Helga Trüpel
Substitute(s) present for the final vote	Alexander Alvaro, Franziska Katharina Brantner, Lidia Joanna Geringer de Oedenberg, Peter Jahr, Jürgen Klute, Jan Mulder, María Muñoz De Urquiza, Georgios Papastamkos, Paul Rübig, Peter Šťastný, Theodor Dumitru Stolojan
Substitute(s) under Rule 187(2) present for the final vote	Bogdan Kazimierz Marcinkiewicz

31.5.2012

OPINION OF THE COMMITTEE ON BUDGETARY CONTROL

for the Committee on Regional Development

on the proposal for a regulation of the European Parliament and of the Council 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 covered by the Common Strategic Framework and laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and repealing Council Regulation (EC) No 1083/2006 (COM(2011)0615 – C7-0335/2011 – 2011/0276(COD))

Rapporteur: Derek Vaughan

SHORT JUSTIFICATION

Your rapporteur wishes to highlight an important issue. Many issues covered in the CPR will need to be aligned with the Financial Regulation, which is still under negotiation. Therefore, your rapporteur prefers to not to go into very much detail at this stage. However, your rapporteur wishes to highlight that the following areas are relevant and that coherence will need to be ensured in particular for the following parts of the Common Provisions Regulation (CPR):

- Financial instruments (Articles 32-40),
- Eligibility rules (Articles 55-60)
- Management and control including accreditation (Articles 62 - 63 and 112-118)
- Clearance of accounts and financial corrections (Articles 75-77 and 128-140).

On another point, your rapporteur noted that the CPR is divided into two parts. The 'common provisions' deal with rules applicable to all funds covered (ERDF, ESF, CF, EAFRD, EMFF) while the second part sets 'general' rules applicable to the Structural Funds (ERDF and ESF) and the Cohesion Fund only.

This architecture entails that many amendments could be placed either in the part addressing 'common' provisions or in the 'general' part. Your rapporteur took the approach to place amendments of a broad nature in the common part while amending the general part with more specific proposals. Examples of amendments of a broad nature are those on Articles 62, 74 or 77. Examples of amendments of a more specific nature are those on Articles 116 and 117 as well as 134-137.

AMENDMENTS

The Committee on Budgetary Control calls on the Committee on Regional Development, as the committee responsible, to incorporate the following amendments in its report:

Amendment 1

Proposal for a regulation Recital 1 a (new)

Text proposed by the Commission

Amendment

(1a) Regulation (EU) No [...] /2012 of the European Parliament and of the Council on the financial rules applicable to the annual budget of the Union¹ lays down the general principles with regard to the implementation of the annual budget of the Union. It is necessary to ensure consistency between that Regulation and the provisions governing this Regulation.

¹ OJ L

Amendment 2

Proposal for a regulation Recital 12

Text proposed by the Commission

Amendment

(12) The objectives of the CSF Funds should be pursued in the framework of sustainable development and the Union's promotion of the aim of protecting and improving the environment as set out in Article 11 and 19 of the Treaty, taking into account the polluter pays principle. ***The Member States should provide information on the support for climate change objectives in line with the ambition to devote at least 20% of the Union budget to this end, using a***

(12) The objectives of the CSF Funds should be pursued in the framework of sustainable development and the Union's promotion of the aim of protecting and improving the environment as set out in Article 11 and 19 of the Treaty, taking into account the polluter pays principle.

***methodology adopted by the Commission
by implementing act.***

Justification

So far, the Commission has been proposing that the new MFF should allocate 20% of the EU budget to climate change objectives, but this has yet to be negotiated, so these premature figures should be deleted here.

Amendment 3

Proposal for a regulation

Recital 18

Text proposed by the Commission

(18) A performance framework should be defined for each programme with a view to monitoring progress towards the objectives and targets set for each programme over the course of the programming period. The Commission should undertake a performance review in cooperation with the Member States in 2017 and 2019. A performance reserve should be foreseen and allocated in 2019 where milestones set in the performance framework have been attained. Due to their diversity and multi-country character, there should be no performance reserve for 'European Territorial Cooperation' programmes. In cases where the shortfall in the achievement of milestones or targets is significant, the Commission should be able to suspend payments to the programme or, at the end of the programming period, apply financial corrections, in order to ensure that the Union budget is not used in a wasteful or inefficient way.

Amendment

(18) A performance framework should be defined for each programme with a view to monitoring progress towards the objectives and targets set for each programme over the course of the programming period. The Commission should undertake a performance review in cooperation with the Member States in 2017 and 2019. A performance reserve should be foreseen and allocated in 2019 where milestones set in the performance framework have been attained. Due to their diversity and multi-country character, there should be no performance reserve for 'European Territorial Cooperation' programmes. In cases where the shortfall in the achievement of milestones or targets is significant, the Commission should be able to suspend payments to the programme or, at the end of the programming period, apply financial corrections, in order to ensure that the Union budget is not used in a wasteful or inefficient way. ***If those suspensions or corrections pertain to a Member State which is experiencing or threatened with serious difficulties with respect to its financial stability, it should be possible for the resources in question to be made available to the Member State through a separate growth programme administered by the Commission. This***

should be done on the basis of the programmes concerned but taking into account those priorities which ensure maximum economic efficiency. The purpose of this arrangement is to avoid further aggravating the economic difficulties.

Amendment 4

Proposal for a regulation

Recital 19

Text proposed by the Commission

(19) Establishing a closer link between cohesion policy and the economic governance of the Union will ensure that the effectiveness of expenditure under the CSF Funds is underpinned by sound economic policies and that the CSF Funds can, if necessary, be redirected to addressing the economic problems a country is facing. This process has to be gradual, starting with amendments to the Partnership Contract and to the programmes in support of Council recommendations to address macroeconomic imbalances and social and economic difficulties. Where, despite the enhanced use of CSF Funds, a Member State fails to take effective action in the context of the economic governance process, the Commission should have the right to suspend all or part of the payments and commitments. Decisions on suspensions should be proportionate and effective, taking into account the impact of the individual programmes for addressing the economic and social situation in the relevant Member State and previous amendments to the Partnership Contract. When deciding on suspensions, the Commission should also respect equality of treatment between Member States, taking into account in particular the impact of the suspension on the economy of the Member

Amendment

(19) Establishing a closer link between cohesion policy and the economic governance of the Union will ensure that the effectiveness of expenditure under the CSF Funds is underpinned by sound economic policies and that the CSF Funds can, if necessary, be redirected to addressing the economic problems a country is facing. This process has to be gradual, starting with amendments to the Partnership Contract and to the programmes in support of Council recommendations to address macroeconomic imbalances and social and economic difficulties. Where, despite the enhanced use of CSF Funds, a Member State fails to take effective action in the context of the economic governance process, the Commission should have the right to suspend all or part of the payments and commitments. Decisions on suspensions should be proportionate and effective, taking into account the impact of the individual programmes for addressing the economic and social situation in the relevant Member State and previous amendments to the Partnership Contract. When deciding on suspensions, the Commission should also respect equality of treatment between Member States, taking into account in particular the impact of the suspension on the economy of the Member

State concerned. The suspensions should be lifted and funds be made available again to the Member State concerned as soon as the Member State takes the necessary action.

State concerned. The suspensions should be lifted and funds be made available again to the Member State concerned as soon as the Member State takes the necessary action. ***If a Member State has, for more than three months, failed to take adequate action, the Commission should be able to make the suspended resources available in a controlled manner in a programme which it administers itself. This should be based on priorities of maximum support for growth, for example for economic infrastructure, in order to prevent greater damage to the regional economy and the social situation.***

Amendment 5

Proposal for a regulation Recital 19 a (new)

Text proposed by the Commission

Amendment

(19a) At the request of the Member State concerned, the Commission should adopt an ad hoc decision to set the terms and conditions applicable to this programme, on the basis of appropriations derived from the corrections and suspensions from the Structural Funds and Cohesion Fund.

Amendment 6

Proposal for a regulation Recital 27

Text proposed by the Commission

Amendment

(27) It is necessary to lay down specific rules regarding the amounts to be accepted as eligible expenditure at closure, to ensure that the amounts, including the management costs and fees, paid from the CSF Funds to financial instruments are effectively used for investments and

(27) It is necessary to lay down specific rules regarding the amounts to be accepted as eligible expenditure at closure, to ensure that the amounts, including the management costs and fees, paid from the CSF Funds to financial instruments are effectively used for investments and

payments to final recipients. It is also necessary to lay down specific rules regarding the reuse of resources attributable to the support from the CSF Funds, including the use of legacy resources after the closure of the programmes.

payments to final recipients. It is also necessary to lay down specific rules regarding the reuse of resources attributable to the support from the CSF Funds, including the use of legacy resources after the closure of the programmes. ***Those CSF-attributed resources and legacy resources should be made available to Member States experiencing substantial difficulties with regard to their financial stability jointly with other available funds, for example from financial corrections, under the administration of the Commission and taking into account the priorities which most promote growth.***

Amendment 7

Proposal for a regulation Recital 41 a (new)

Text proposed by the Commission

Amendment

(41a) When appraising major projects, the Commission should have all the information necessary to consider whether the financial contribution from the Funds could result in a substantial loss of jobs at existing locations within the Union, in order to ensure that Union funding does not support relocation within the Union.

Amendment 8

Proposal for a regulation Recital 41 b (new)

Text proposed by the Commission

Amendment

(41b) In connection with direct subsidies to undertakings, it should be borne in mind that cohesion policy funding, rather than influencing decisions by companies – and particularly larger companies – to

open a plant in a given location, tends to be pocketed by companies which have already taken such decisions (deadweight effect). Grant support for large, private undertakings should, therefore, focus more than hitherto on investment in research and development, or should be provided, more often than is currently the case, indirectly through infrastructure financing.

Justification

Cf. Paragraph 71 of the European Parliament resolution of 5 July 2011 on the EC 5th Cohesion Report and Strategy for the post-2013 Cohesion Policy (2011/2035(INI)).

Amendment 9

**Proposal for a regulation
Recital 41 c (new)**

Text proposed by the Commission

Amendment

(41c) In addition, clear provisions should be included in this Regulation which rule out the provision of any Union funding for the relocation of undertakings within the Union, lower the threshold for review of relocation investments to EUR 10 000 000, exclude large enterprises from direct subsidies, and place a 10-year limit on the duration of operations.

Justification

Cf. Paragraph 71 of the European Parliament resolution of 5 July 2011 on the EC 5th Cohesion Report and Strategy for the post-2013 Cohesion Policy (2011/2035(INI)).

Amendment 10

**Proposal for a regulation
Recital 51**

Text proposed by the Commission

Amendment

(51) In order to encourage financial

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discipline, it is appropriate to define the arrangements for decommitment of any part of the budget commitment in a programme, in particular where an amount may be excluded from decommitment, notably when delays in implementation result from circumstances which are independent of the party concerned, abnormal or unforeseeable and whose consequences cannot be avoided despite the diligence shown.

discipline, it is appropriate to define the arrangements for decommitment of any part of the budget commitment in a programme, in particular where an amount may be excluded from decommitment, notably when delays in implementation result from circumstances which are independent of the party concerned, abnormal or unforeseeable and whose consequences cannot be avoided despite the diligence shown. ***In the case of a Member State which is experiencing financial difficulties, the Commission should, at the request of the Member State, take over the administration of the funds and draw up a specific programme which in particular promotes economic growth in the Member State concerned.***

Amendment 11

Proposal for a regulation

Recital 60

Text proposed by the Commission

(60) In order to ensure a genuine economic impact, support from the Funds should not replace public expenditure or equivalent structural expenditure by Member States under the terms of this Regulation. In addition, so that the support from the Funds takes into account a broader economic context, the level of public expenditure should be determined with reference to the general macroeconomic conditions in which the financing takes place based on the indicators provided in the Stability and Convergence Programmes submitted annually by Member States in accordance with Regulation (EC) No. 1466/1997 of 7 July 1997 on the strengthening of the surveillance of budgetary positions and the surveillance and coordination of economic policies. Verification by the Commission of the principle of additionality should

Amendment

(60) In order to ensure a genuine economic impact, support from the Funds should not replace public expenditure or equivalent structural expenditure by Member States under the terms of this Regulation. In addition, so that the support from the Funds takes into account a broader economic context, the level of public expenditure should be determined with reference to the general macroeconomic conditions in which the financing takes place based on the indicators provided in the Stability and Convergence Programmes submitted annually by Member States in accordance with Regulation (EC) No. 1466/1997 of 7 July 1997 on the strengthening of the surveillance of budgetary positions and the surveillance and coordination of economic policies. Verification by the Commission of the principle of additionality should ***apply to***

concentrate on the Member States in which less developed and transition regions cover at least 15% of the population because of the scale of the financial resources allocated to them.

all regions.

Amendment 12

Proposal for a regulation Recital 86 a (new)

Text proposed by the Commission

Amendment

(86a) In the case of Member States which are experiencing or threatened with a difficult financial situation and which are already in receipt of support measures pursuant to Article 22(1), the Commission should, upon request, make available to the Member State concerned either corrected or recovered funds or interest gains or other returns or all of these monies under central administration in accordance with [Article 55(1)(a) of the Financial Regulation] in a special programme which places the emphasis on investment for growth, particularly economic infrastructure projects.

Amendment 13

Proposal for a regulation Recital 86 b (new)

Text proposed by the Commission

Amendment

(86b) In order not to further aggravate the financial position of Member States which are already experiencing or threatened with a difficult financial situation, the Commission should, at the request of the Member States concerned and under its own administration, as soon as possible, make the recovered or suspended funds available by means of a special programme to promote growth in

practical ways, for example by developing economic infrastructure.

Amendment 14

Proposal for a regulation Recital 87

Text proposed by the Commission

(87) The frequency of audits on operations should be proportionate to the extent of the Union's support from the Funds. In particular, the number of audits carried out should be reduced where the total eligible expenditure for an operation does not exceed EUR 100 000. Nevertheless, it should be possible to carry out audits at any time where there is evidence of an irregularity or fraud, or, following closure of a completed operation, as part of an audit sample. In order that the level of auditing by the Commission is proportionate to the risk, the Commission should be able to reduce its audit work in relation to operational programmes where there are no significant deficiencies or where the audit authority can be relied on.

Amendment

(87) The frequency of audits on operations should be proportionate to the extent of the Union's support from the Funds. In particular, the number of audits carried out should be reduced where the total eligible expenditure for an operation does not exceed EUR 100 000. ***For projects exceeding EUR 10 million the Commission should be required to carry out a mandatory audit.*** Nevertheless, it should be possible to carry out audits at any time where there is evidence of an irregularity, ***relocation*** or fraud, or, following closure of a completed operation, as part of an audit sample. In order that the level of auditing by the Commission is proportionate to the risk, the Commission should be able to reduce its audit work in relation to operational programmes where there are no significant deficiencies or where the audit authority ***has, over the previous funding period, shown that it*** can be relied on.

Amendment 15

Proposal for a regulation Recital 90

Text proposed by the Commission

(90) The Commission should be empowered to adopt, by means of implementing acts, as regards all CSF Funds, decisions approving the Partnership Contracts, decisions on the allocation of

Amendment

(90) The Commission should be empowered to adopt, by means of implementing acts, as regards all CSF Funds, decisions approving the Partnership Contracts, decisions on the allocation of

the performance reserve, decisions suspending payments linked to Member States' economic policies, and, in the case of decommitment, decisions to amend decisions adopting programmes; and as regards the Funds, decisions identifying the regions and Member States fulfilling the Investment for growth and jobs criteria, decisions setting out the annual breakdown of commitment appropriations to the Member States, decisions setting out the amount to be transferred from each Member State's CF allocation to the Connecting Europe Facility, decisions setting out the amount to be transferred from each Member State's Structural Funds allocation for food for deprived people, decisions adopting and amending operational programmes, decisions on major projects, decisions on joint action plans, decisions suspending payments *and* decisions on financial corrections.

the performance reserve, decisions suspending payments linked to Member States' economic policies, and, in the case of decommitment, decisions to amend decisions adopting programmes; and as regards the Funds, decisions identifying the regions and Member States fulfilling the Investment for growth and jobs criteria, decisions setting out the annual breakdown of commitment appropriations to the Member States, decisions setting out the amount to be transferred from each Member State's CF allocation to the Connecting Europe Facility, decisions setting out the amount to be transferred from each Member State's Structural Funds allocation for food for deprived people, decisions adopting and amending operational programmes, decisions on major projects, decisions on joint action plans, decisions suspending payments, decisions on financial corrections *and decisions on special programmes for Member States in financial difficulties.*

Amendment 16

Proposal for a regulation Article 2 – subparagraph 2 – point 19

Text proposed by the Commission

(19) 'category of regions' means the categorisation of regions as 'less developed regions', '*transition regions*' or 'more developed regions' according to Article 82(2);

Amendment

(19) 'category of regions' means the categorisation of regions as 'less developed regions' or 'more developed regions' according to Article 82(2);

Amendment 17

Proposal for a regulation Article 4 – paragraph 7

Text proposed by the Commission

7. The part of the Union budget allocated

Amendment

7. The part of the Union budget allocated

to the CSF Funds shall be implemented within the framework of shared management between the Member States and the Commission, in accordance with Article 53(b) of the Financial Regulation, with the exception of the amount of the CF transferred to the Connecting Europe Facility referred to in Article 84(4) and innovative actions at the initiative of the Commission under Article 9 of the ERDF Regulation, and technical assistance at the initiative of the Commission.

to the CSF Funds shall be implemented within the framework of shared management between the Member States and the Commission, in accordance with Article 53(b) of the Financial Regulation, with the exception of the amount of the CF transferred to the Connecting Europe Facility referred to in Article 84(4) and innovative actions at the initiative of the Commission under Article 9 of the ERDF Regulation, and technical assistance at the initiative of the Commission, *as well as the programmes of assistance for Member States in financial difficulties referred to in Article 22(2a) of this Regulation.*

Amendment 18

Proposal for a regulation

Article 14 – point d – point ii

Text proposed by the Commission

ii) a summary of the assessment of the fulfilment of ex ante conditionalities and of the actions to be taken at national and regional level, and the timetable for their implementation, where ex ante conditionalities are not fulfilled;

Amendment

ii) a summary of the assessment of the fulfilment of ex ante conditionalities and of the actions to be taken at **European**, national and regional level, and the timetable for their implementation, where ex ante conditionalities are not fulfilled;

Amendment 19

Proposal for a regulation

Article 17 – paragraph 5

Text proposed by the Commission

5. The Commission shall assess the information provided on the fulfilment of ex ante conditionalities in the framework of its assessment of the Partnership Contract and programmes. It may decide, when adopting a programme, to suspend all or part of interim payments to the programme pending the satisfactory completion of actions to fulfil an ex ante

Amendment

5. The Commission shall assess the information provided on the fulfilment of ex ante conditionalities in the framework of its assessment of the Partnership Contract and programmes. It may decide, when adopting a programme, to suspend all or part of interim payments to the programme pending the satisfactory completion of actions to fulfil an ex ante

conditionality. The failure to complete actions to fulfil an ex ante conditionality by the deadline set out in the programme shall constitute a basis for suspending payments by the Commission.

conditionality. The failure to complete actions to fulfil an ex ante conditionality by the deadline set out in the programme shall constitute a basis for suspending payments by the Commission. ***Regarding Member States experiencing or threatened with financial difficulties, Article 22(2a) (application for a special programme administered by the Commission) shall apply.***

Amendment 20

Proposal for a regulation Article 21 – paragraph 7 a (new)

Text proposed by the Commission

Amendment

7a. In the case of Member States receiving financial assistance pursuant to paragraph 1(d), the Commission may, at the request of the Member State concerned, and by means of an implementing act, establish a special programme as referred to in [Article 55(1)(a) of the Financial Regulation (direct management)] under which the suspended payments may be used for the purposes of paragraph 4 of this Article (maximisation of the growth and competitiveness impact of the available funds).

Amendment 21

Proposal for a regulation Article 22 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2a. Member States fulfilling the conditions set out in paragraph 1(a), (b) or (c) may, in order to stabilise their economic situation and avert devastating financial losses, call on the Commission to launch a special programme by means

of an implementing act, as referred to in [Article 55(1)(a) of the Financial Regulation (direct management)], which ensures that payments to the Member State in question, that have been discontinued and/or withdrawn, are used as soon as possible in order to achieve the objectives set out in Article 21(4) of this Regulation (maximising the growth and competitiveness impact of the available funds).

Amendment 22

Proposal for a regulation

Article 24 – paragraph 3 – subparagraph 1 – introductory part

Text proposed by the Commission

Each priority shall set out indicators to assess progress of programme implementation towards achievement of objectives as the basis for monitoring, evaluation and review of performance. These shall include:

Amendment

Each priority shall set out **measurable qualitative and quantitative** indicators to assess progress of programme implementation towards achievement of objectives as the basis for monitoring, evaluation and review of performance. These shall include:

Amendment 23

Proposal for a regulation

Article 24 – paragraph 3 – subparagraph 2

Text proposed by the Commission

For each CSF Fund, the Fund-specific rules shall set out common indicators and may provide for programme-specific indicators.

Amendment

For each CSF Fund, the Fund-specific rules shall set out common **measurable qualitative and quantitative** indicators and may provide for programme-specific indicators.

Amendment 24

Proposal for a regulation

Article 37 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2a. Member States which are in a difficult financial situation and fulfil the conditions set out in Article 22(1) may, with the support of the Commission if necessary, invest interest or other gains with a view to increasing growth and competitiveness as much as possible, and in particular in infrastructure projects which benefit the economy.

Justification

The risk-sharing instrument demonstrates the need to promote, in particular, infrastructure projects in Member States experiencing financial difficulties, as these do much to foster lasting competitiveness.

Amendment 25

Proposal for a regulation

Article 38 – paragraph 2 – point c a (new)

Text proposed by the Commission

Amendment

(ca) infrastructure projects.

Amendment 26

Proposal for a regulation

Article 38 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2a. Member States which are in a difficult financial situation and fulfil the conditions set out in Article 22(1) may, with the support of the Commission if necessary, invest the funds, referred to in paragraphs 1 and 2, with a view to maximising growth and competitiveness, in particular in infrastructure projects which benefit the economy.

Amendment 27

Proposal for a regulation Article 39

Text proposed by the Commission

Member States shall adopt the necessary measures to ensure that the capital resources and gains and other earnings or yields attributable to the support from the CSF Funds to financial instruments are used in accordance with the aims of the programme for a period of at least 10 years after the closure of the programme.

Amendment

Member States shall adopt the necessary measures to ensure that the capital resources and gains and other earnings or yields attributable to the support from the CSF Funds to financial instruments are used in accordance with the aims of the programme for a period of at least 10 years after the closure of the programme. ***The amount left over after 10 years after the closure of the programme shall be transferred to the general budget of the Union.***

Amendment 28

Proposal for a regulation Article 39 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

1a. Member States which are in a difficult financial situation and fulfil the conditions set out in Article 22(1) may, with the support of the Commission if necessary, invest the funds referred to in Article 38(1) and (2) with a view to maximising growth and competitiveness, in particular in infrastructure projects which benefit the economy.

Amendment 29

Proposal for a regulation Article 48 – paragraph 3 – point m a (new)

Text proposed by the Commission

Amendment

(ma) the adequacy of planned or taken measures with regard to involving

partners referred to in Article 5 in the preparation, implementation, monitoring and evaluation of the Partnership Contract and the programmes.

Amendment 30

Proposal for a regulation Article 62 – paragraph 1 – point c

Text proposed by the Commission

(c) procedures for ensuring the correctness and regularity of expenditure declared;

Amendment

(c) procedures for ensuring the correctness and regularity of expenditure declared ***and respect for the principle of sound financial management;***

Amendment 31

Proposal for a regulation Article 74 - paragraph 1 - introductory part

Text proposed by the Commission

1. The payment deadline for an interim payment claim may be interrupted by the authorising officer by delegation within the meaning of the Financial Regulation for a maximum period of nine months if:

Amendment

1. The payment deadline for an interim payment claim may be interrupted by the authorising officer by delegation within the meaning of the Financial Regulation for a maximum period of nine months if ***one or more of the following conditions are met:***

Justification

This amendment aims to clarify the text.

Amendment 32

Proposal for a regulation Article 77 - paragraph 1

Text proposed by the Commission

1. The Commission shall make financial corrections by cancelling all or part of the Union contribution to a programme and

Amendment

1. The Commission shall make financial corrections by cancelling all or part of the Union contribution to a programme and

effecting recovery from the Member State in order to exclude from Union financing expenditure which is in breach of applicable Union and national law, including in relation to deficiencies in the management and control systems of Member States which have been detected by the Commission or the European Court of Auditors.

effecting recovery from the Member State in order to exclude from Union financing expenditure which is in breach of applicable Union and national law, including in relation to deficiencies in the management and control systems of Member States which have been detected by the Commission or the European Court of Auditors ***or which have been detected by the Member State but which have not been subject to an adequate correction by the Member State concerned.***

Justification

This will ensure that Member States have an incentive to adequately correct breaches of law.

Amendment 33

**Proposal for a regulation
Article 77 - paragraph 3**

Text proposed by the Commission

3. When deciding on the amount of a financial correction under paragraph 1, the Commission shall take account of the nature and gravity of the breach of applicable Union or national law and its financial implications for the Union budget.

Amendment

3. When deciding on the amount of a financial correction under paragraph 1, the Commission shall take account of the nature and gravity of the breach of applicable Union or national law, ***including in relation to deficiencies in the management and control systems of Member States,*** and its financial implications for the Union budget.

Justification

Alignment with paragraph 1 of this Article.

Amendment 34

**Proposal for a regulation
Article 77 – paragraph 3 a (new)**

Text proposed by the Commission

Amendment

3a. Where a Member State which is in a

difficult financial situation fulfils the conditions specified in Article 22(1) the Commission shall, if so requested, and by means of an implementing act, launch a special programme under direct management in accordance with [Article 55(1)(a) of the Financial Regulation], for the purpose of consolidating funds that have been either suspended or recovered or both and the interest earnings or unused funds of the Member State concerned and using them to promote growth and economic performance as effectively as possible, particularly by means of infrastructure projects that benefit the economy.

Amendment 35

Proposal for a regulation Article 80 – paragraph 4 a (new)

Text proposed by the Commission

Amendment

4a. Where Member States which are in financial difficulties fall under Article 22(1), the cancelled funding shall be invested, under a programme set up by means of an implementing act and implemented by the Commission in accordance with [Article 55(1)(a) of the Financial Regulation], in such a way as to prioritise the promotion of growth and economic development to the greatest possible extent and, in particular, in infrastructure projects that benefit the economy, with a view to preventing any further economic damage from being inflicted on the regions.

Amendment 36

Proposal for a regulation Article 82 – paragraph 2 – subparagraph 1 – introductory part

Text proposed by the Commission

Amendment

2. Resources for the Investment for growth and jobs goal shall be allocated among the following **three** categories of NUTS level 2 regions:

2. Resources for the Investment for growth and jobs goal shall be allocated among the following **two** categories of NUTS level 2 regions:

Amendment 37

Proposal for a regulation

Article 82 – paragraph 2 – subparagraph 1 – point b

Text proposed by the Commission

Amendment

(b) transition regions, whose GDP per capita is between 75% and 90% of the average GDP of the EU-27;

deleted

Amendment 38

Proposal for a regulation

Article 82 – paragraph 2 – subparagraph 2

Text proposed by the Commission

Amendment

The **three** categories of regions are determined on the basis of how their GDP per capita, measured in purchasing power parities and calculated on the basis of Union figures for the period 2006 to 2008, relates to the average GDP of the EU-27 for the same reference period.

The **two** categories of regions are determined on the basis of how their GDP per capita, measured in purchasing power parities and calculated on the basis of Union figures for the period 2006 to 2008, relates to the average GDP of the EU-27 for the same reference period.

Amendment 39

Proposal for a regulation

Article 82 – paragraph 4

Text proposed by the Commission

Amendment

4. Immediately following the entry into force of this Regulation, the Commission shall adopt a decision by implementing act setting out the list of regions fulfilling the

4. Immediately following the entry into force of this Regulation, the Commission shall adopt a decision by implementing act setting out the list of regions fulfilling the

criteria of the **three** categories of regions referred to in paragraph 2 and of Member States fulfilling the criteria of paragraph 3. This list shall be valid from 1 January 2014 to 31 December 2020.

criteria of the **two** categories of regions referred to in paragraph 2 and of Member States fulfilling the criteria of paragraph 3. This list shall be valid from 1 January 2014 to 31 December 2020.

Amendment 40

Proposal for a regulation

Article 84 – paragraph 1 – subparagraph 1 – point a

Text proposed by the Commission

Amendment

(a) **50,13 % (i.e., a total of EUR 162 589 839 384)** for less developed regions;

(a) **62,14 %** for less developed regions;

Amendment 41

Proposal for a regulation

Article 84 – paragraph 1 – subparagraph 1 – point b

Text proposed by the Commission

Amendment

(b) **12,01 % (i.e., a total of EUR 38 951 564 661)** for transition regions;

deleted

Amendment 42

Proposal for a regulation

Article 84 – paragraph 1 – subparagraph 1 – point c

Text proposed by the Commission

Amendment

(c) **16,39 % (i.e., a total of EUR 53 142 922 017)** for more developed regions;

(c) **16,39 %** for more developed regions;

Amendment 43

Proposal for a regulation

Article 84 – paragraph 1 – subparagraph 1 – point d

Text proposed by the Commission

Amendment

(d) **21,19 % (i.e., a total of EUR 68 710**

(d) **21,19 %** for Member States supported

486 782) for Member States supported by the Cohesion Fund;

by the Cohesion Fund;

Amendment 44

Proposal for a regulation

Article 84 – paragraph 1 – subparagraph 1 – point e

Text proposed by the Commission

(e) 0,29 % (*i.e., a total of EUR 925 680 000*) as additional funding for the outermost regions identified in Article 349 of the Treaty and the NUTS level 2 regions fulfilling the criteria laid down in Article 2 of Protocol No 6 to the Treaty of Accession of Austria, Finland and Sweden.

Amendment

(e) 0,29 % as additional funding for the outermost regions identified in Article 349 of the Treaty and the NUTS level 2 regions fulfilling the criteria laid down in Article 2 of Protocol No 6 to the Treaty of Accession of Austria, Finland and Sweden.

Amendment 45

Proposal for a regulation

Article 84 – paragraph 2 – point a

Text proposed by the Commission

(a) eligible population, regional prosperity, national prosperity and unemployment rate for less developed regions *and transition regions*;

Amendment

(a) eligible population, regional prosperity, national prosperity and unemployment rate for less developed regions;

Amendment 46

Proposal for a regulation

Article 84 – paragraph 3

Text proposed by the Commission

3. At least **25 %** of the Structural Funds resources for less developed regions, **40% for transition regions** and **52%** for more developed regions in each Member State shall be allocated to the ESF. For the purposes of this provision, the support to a Member State through the [Food for deprived people instrument] shall be

Amendment

3. At least **15 %** of the Structural Funds resources for less developed regions and **25 %** for more developed regions in each Member State shall be allocated to the ESF. For the purposes of this provision, the support to a Member State through the [Food for deprived people instrument] shall be considered as part of the share of

considered as part of the share of Structural Funds allocated to the ESF.

Structural Funds allocated to the ESF.

Amendment 47

Proposal for a regulation Article 84 – paragraph 8

Text proposed by the Commission

Amendment

8. Resources for the European territorial cooperation goal shall amount to **3,48 %** of the global resources available for budgetary commitment from the Funds for the period 2014 to 2020 (*i.e., a total of EUR 11 700 000 004*).

8. Resources for the European territorial cooperation goal shall amount to **7 %** of the global resources available for budgetary commitment from the Funds for the period 2014 to 2020.

Justification

Cf. paragraph 37 of the European Parliament resolution of 5 July 2011 on the EC 5th Cohesion Report and Strategy for the post-2013 Cohesion Policy (2011/2035(INI)).

Amendment 48

Proposal for a regulation Article 85 – paragraph 1

Text proposed by the Commission

Amendment

1. The total appropriations allocated to each Member State in respect of less developed regions, *transition regions* and more developed regions shall not be transferable between each of those categories of regions.

1. The total appropriations allocated to each Member State in respect of less developed regions and more developed regions shall not be transferable between each of those categories of regions.

Amendment 49

Proposal for a regulation Article 86 – paragraph 4 – subparagraph 1

Text proposed by the Commission

Amendment

4. Verification of whether the level of public or equivalent structural

deleted

expenditure under the Investment for growth and jobs goal has been maintained for the period shall only take place in those Member States in which less developed and transition regions cover at least 15 % of the total population.

Justification

The requirement of additionality should be verified in all Member States; cf. Paragraphs 1 and 2 of the EP Resolution of 5 July 2011 (2011/2035(INI)): 'Recognises, too, that European funding adds value where projects supported at national, regional and local level contribute to the achievement of pan-European objectives in the fields of European integration, economic growth, research (...) and this would not have been achieved without the European stimulus'.

Amendment 50

**Proposal for a regulation
Article 90**

Text proposed by the Commission

As part of an operational programme or operational programmes, the ERDF and the Cohesion Fund may support an operation comprising a series of works, activities or services intended in itself to accomplish an indivisible task of a precise economic or technical nature which has clearly identified goals and whose total cost exceeds **EUR 50 000 000** (a 'major project'). Financial instruments shall not be considered major projects.

Amendment

As part of an operational programme or operational programmes, the ERDF and the Cohesion Fund may support an operation comprising a series of works, activities or services intended in itself to accomplish an indivisible task of a precise economic or technical nature which has clearly identified goals and whose total cost exceeds **EUR 10 000 000** (a 'major project'). Financial instruments shall not be considered major projects.

Amendment 51

**Proposal for a regulation
Article 92 – paragraph 1 a (new)**

Text proposed by the Commission

Amendment

1a. When appraising major projects the Commission shall ascertain whether the financial contribution made by the Funds would lead to significant job losses at

existing establishments in the Union, with a view to ensuring that Union funding does not support the relocation of companies within the Union.

Amendment 52

Proposal for a regulation Article 116 – paragraph 1 – subparagraph 1

Text proposed by the Commission

The audit authority shall ensure that audits are carried out on the management and control *systems*, on an appropriate sample of operations *and on the annual accounts*.

Amendment

The audit authority shall ensure that audits are carried out on the *proper functioning of the* management and control *system of the operational programmes and* on an appropriate sample of operations *on the basis of the expenditure declared to the Commission. Appropriate sampling methods are all statistical methods. Where, due to the limited number of operations, these are not possible, a formal non-statistical method may be used, ensuring a representative sample of declared expenditure and allowing the audit authority to draw valid conclusions on the effective functioning of the system.*

Amendment 53

Proposal for a regulation Article 116 – paragraph 1 – subparagraph 2

Text proposed by the Commission

The Commission shall be empowered to adopt delegated acts in accordance with Article 142 *to set out the conditions which those audits shall fulfil*.

Amendment

The Commission shall be empowered to adopt delegated acts in accordance with Article 142, *laying down the modalities of appropriate statistical or non-statistical sampling methods*.

Amendment 54

Proposal for a regulation Article 117 – paragraph 4 – subparagraph 3

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Text proposed by the Commission

In deciding whether to request those documents, the Commission shall **take** into account whether the management and control systems for the operational programme are similar to those in place for the previous programming period, whether the managing authority also carries out the functions of the certifying authority, and any evidence of their effective functioning.

Amendment

In deciding whether to request those documents, the Commission shall **apply a risk-based approach taking** into account whether the management and control systems for the operational programme are similar to those in place for the previous programming period, whether the managing authority also carries out the functions of the certifying authority, and any evidence of their effective functioning.

Amendment 55

Proposal for a regulation

Article 117 - paragraph 4 - subparagraph 3 a (new)

Text proposed by the Commission

Amendment

The authorising officers by delegation shall explain in their Annual Activity Reports how the Commission has exercised its supervisory role with regard to accreditation.

Justification

This addresses the ECA's recommendation as laid out in paragraphs 25 and 26 of its Opinion 7/2011.

Amendment 56

Proposal for a regulation

Article 127 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

1a. Where a Member State which is in a difficult financial situation fulfils the conditions specified in Article 22(1) the Commission shall, if so requested, and by means of an implementing act, launch a special programme under direct management in accordance with [Article

55(1)(a) of the Financial Regulation] for the purpose of consolidating funds that have been suspended and/or recovered and the interest earnings or unused funds of the Member State concerned and using them to promote growth as effectively as possible, particularly by means of infrastructure projects that benefit the economy.

Amendment 57

Proposal for a regulation Article 131 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2a. When launching the procedure in accordance with Article 137, the Commission may only make a financial correction in relation to expenditure concerning accounting years for which the annual accounts were or should have been submitted. Expenditure considered as closed under paragraphs (1) and (2) of this Article for which the 3 year period under Article 132(1) has expired shall not be subject to financial corrections, except in the case of irregularities detected for non-compliance with Article 61 and in the cases referred to in Article 136 (4) and (5).

Amendment 58

Proposal for a regulation Article 134 - paragraph 1 - introductory part

Text proposed by the Commission

Amendment

1. All or part of the interim payments at the level of priority axes or operational programmes may be suspended by the Commission *where:*

1. All or part of the interim payments at the level of priority axes or operational programmes may be suspended by the Commission *if one or more of the following conditions is met:*

Justification

This amendment aims to clarify the text.

Amendment 59

**Proposal for a regulation
Article 135 - paragraph 3**

Text proposed by the Commission

3. The contribution from the Funds cancelled in accordance with paragraph 2 may be reused by the Member State within the operational programme concerned, subject to paragraph 4.

Amendment

3. *Provided that irregularities have been prevented, detected and corrected, and subject to an adequate financial adjustment by the Member State*, the contribution from the Funds cancelled in accordance with paragraph 2 may be reused by the Member State within the operational programme concerned ***once only***, subject to paragraph 4.

Justification

Clarification of the concept that Member States should be allowed to re-use the funds if irregularities were discovered and adequately followed up by the Member State itself.

Amendment 60

**Proposal for a regulation
Article 135 - paragraph 4 a (new)**

Text proposed by the Commission

Amendment

(4a) Financial corrections shall be without prejudice to the requirements of the Member State concerned to recover the amounts concerned in accordance with Article 112(2).

Justification

This amendment clarifies that recoveries must be pursued in any case.

Amendment 61

Proposal for a regulation

Article 136 - paragraph 1 - introductory part

Text proposed by the Commission

1. The Commission shall make financial corrections by means of implementing acts by cancelling all or part of the Union contribution to an operational programme in accordance with Article 77 where, after carrying out the necessary examination, it concludes that:

Amendment

1. The Commission shall make financial corrections by means of implementing acts by cancelling all or part of the Union contribution to an operational programme in accordance with Article 77 where, after carrying out the necessary examination, it concludes that ***one or more of the following conditions is met.***

Justification

This amendment aims to clarify the text.

Amendment 62

Proposal for a regulation

Article 137 – paragraph 6 – subparagraph 1 a (new)

Text proposed by the Commission

Amendment

Any financial correction resulting in a net correction shall constitute assigned revenue to the same Chapter of the general budget of the Union.

Amendment 63

Proposal for a regulation

Article 137 – paragraph 6 a (new)

Text proposed by the Commission

Amendment

6a. Where a Member State which is in a difficult financial situation fulfils the conditions specified in Article 22(1) the Commission shall, if so requested, and by means of an implementing act, launch a special programme under direct management in accordance with [Article

55(1)(a) of the Financial Regulation], for the purposes of consolidating funds that have been either suspended or recovered or both, and the interest earnings or unused funds of the Member State concerned, and using them to promote growth as effectively as possible, particularly by means of infrastructure projects that benefit the economy.

Amendment 64

Proposal for a regulation

Article 142 - paragraph 5 a (new)

Text proposed by the Commission

Amendment

(5a) The European Court of Auditors shall provide an opinion on delegated acts referred to in Articles 20(4), 54(1), 58, 77(1), 112(2), 114(8), 114(9), 114(10), 116(1), 116(6) and 136(6) on request of either the European Parliament or the Council.

Justification

This enables Parliament and Council to form their respective views on the basis of the expert report coming from the Court of Auditors.

PROCEDURE

Title	Common provisions on European Funds and repealing Regulation (EC) No 1083/2006
References	COM(2011)0615 – C7-0335/2011 – 2011/0276(COD)
Committee responsible Date announced in plenary	REGI 25.10.2011
Opinion by Date announced in plenary	CONT 25.10.2011
Rapporteur Date appointed	Derek Vaughan 24.11.2011
Date adopted	30.5.2012
Result of final vote	+: 17 –: 11 0: 0
Members present for the final vote	Marta Andreasen, Jean-Pierre Audy, Inés Ayala Sender, Zigmantas Balčytis, Andrea Češková, Tamás Deutsch, Martin Ehrenhauser, Jens Geier, Ingeborg Gräßle, Cătălin Sorin Ivan, Iliana Ivanova, Jan Mulder, Eva Ortiz Vilella, Crescenzo Rivellini, Paul Rübig, Petri Sarvamaa, Theodoros Skylakakis, Bart Staes, Michael Theurer
Substitute(s) present for the final vote	Zuzana Brzobohatá, Jorgo Chatzimarkakis, Derk Jan Eppink, Ivailo Kalfin, Véronique Mathieu, Markus Pieper
Substitute(s) under Rule 187(2) present for the final vote	María Irigoyen Pérez, Jens Nilsson, Kerstin Westphal, Joachim Zeller

3.7.2012

OPINION OF THE COMMITTEE ON ECONOMIC AND MONETARY AFFAIRS

for the Committee on Regional Development

on the proposal for a regulation of the European Parliament and of the Council 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 covered by the Common Strategic Framework and laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and repealing Regulation (EC) No 1083/2006 (COM(2011)0615 – C7-0335/2011 – 2011/0276(COD))

Rapporteur: Nikolaos Chountis

SHORT JUSTIFICATION

In the light of the announced new Multiannual Financial Framework for the period from 2014 to 2020 and the ‘Smart Regulation’, the Commission is proposing a new regulation simplifying fund rules. It observes that the diversity and fragmentation of rules governing spending programmes for the current period are perceived as complicated and difficult to manage and control. It also notes that the funds pursue complementary policy objectives and that their effectiveness can accordingly be maximised through the coordination thereof subject to a common set of basic rules and requirements.

The Commission proposal for a regulation comes at a particularly sensitive moment, given the serious impact of the economic and financial crisis on growth in many Member States and its disastrous effects in social terms. Many Member States are being hit by recession and the unravelling of their social fabric, while employment and poverty are on the increase throughout the EU.

This has had an enormous impact on the European regions, aggravating existing inequalities on the one hand and adding further imbalances on the other. In this context, regional and cohesion policies have a vital role to play.

The financial crisis, coupled with the increased pressure on Member State budgets, means that national funding for the implementation of European programmes and productive public investment projects is limited. The funds accordingly provide the necessary project financing and can to a large degree contribute to economic recovery in Member States affected by the

crisis and the help reduce social inequalities.

Measures to increase the scale, effectiveness and flexibility of funding operations could help to support those activities which generate economic growth and promote policies designed to achieve full employment, thereby reducing the number of those out of work.

The rapporteur takes the view that the Commission proposal for a regulation laying down common provisions for funds providing support under cohesion policy could, subject to certain conditions, help increase their effectiveness and ensure optimum use of funding.

He does not, however, agree with the Commission proposal to include cohesion policy, together with its objectives and funding, under the long-term Europe 2020 strategy, taking the view that this would distort and undermine its true purpose. Cohesion policy is intended to ensure balanced and harmonious growth in the Member States, with a view to achieving genuine economic and social cohesion. However, the policies followed to date under the Europe 2020 strategy are, on the contrary, aggravating the consequences of the crisis and increasing social inequalities, unemployment and poverty.

The rapporteur also rejects any attempt to establish a link between cohesion policy and related funds on the one hand and the Stability and Growth Pact, economic governance and any economic and financial convergence between Member States on the other. He takes the view that cohesion policy must not be linked with the capacity of Member States to implement alternative anti-cyclical economic policies and that funding for European regions must not depend on compliance with macroeconomic objectives imposed by EU economic policies. Penalising the Member States will not increase the effectiveness of cohesion policy and the deferment of payments will be a severe blow for recipient Member States in difficulty.

He welcomes the proposal to increase by 10% funding for Member States in financial difficulties. He believes that the immediate implementation of this increase and the updating of funding procedures will help in the implementation of projects designed to ensure sustainable development and full employment.

Finally, he considers that eligibility for funding should be based on actual growth and not only economic expansion and accordingly recommends the use of indicators in addition to GDP to ensure that account is taken of other economic, social and environmental factors.

AMENDMENTS

The Committee on Economic and Monetary Affairs calls on the Committee on Regional Development as the committee responsible to incorporate the following amendments in its report:

Amendment 1

Proposal for a regulation Recital 3 a (new)

Text proposed by the Commission

Amendment

(3a) The economic and financial crisis has severely affected the Member States and their citizens and has had a major impact on all European regions. Many Member States are being affected by economic recession and a deterioration of social conditions, while at the same time unemployment is reaching record levels. This is leading to fresh inequalities between the regions in terms of growth, and to the aggravation of existing inequalities. In this context, cohesion policy fulfils a particularly important purpose, making a decisive contribution to stimulating the economy, promoting sustainable, smart and inclusive development and narrowing social and geographic inequalities. Given that the crisis has increased pressure on national public financial resources and reduced the lending capacity of the private sector, the CSF Funds provide the resources essential to deal with the consequences of the crisis. It is, therefore, necessary to introduce greater flexibility into cohesion policy measures in order to maximise and optimise the use of CSF Funds.

Amendment 2

Proposal for a regulation Recital 3 b (new)

Text proposed by the Commission

Amendment

(3b) Cohesion policy should support alternative growth policies seeking genuine convergence and sustainable development. Measures taken in this context should promote solidarity, job

creation and lasting employment, the provision of high quality public services, environmental justice and the reduction of unemployment and social exclusion.

Amendment 3

Proposal for a regulation Recital 19

Text proposed by the Commission

Amendment

(19) Establishing a closer link between cohesion policy and the economic governance of the Union will ensure that the effectiveness of expenditure under the CSF Funds is underpinned by sound economic policies and that the CSF Funds can, if necessary, be redirected to addressing the economic problems a country is facing. This process has to be gradual, starting with amendments to the Partnership Contract and to the programmes in support of Council recommendations to address macroeconomic imbalances and social and economic difficulties. Where, despite the enhanced use of CSF funds, a Member State fails to take effective action in the context of the economic governance process, the Commission should have the right to suspend all or part of the payments and commitments. Decisions on suspensions should be proportionate and effective, taking into account the impact of the individual programmes for addressing the economic and social situation in the relevant Member State and previous amendments to the Partnership Contract. When deciding on suspensions, the Commission should also respect equality of treatment between Member States, taking into account in particular the impact of the suspension on the economy of the Member State concerned. The suspensions should be lifted and funds be made available again

deleted

to the Member State concerned as soon as the Member State takes the necessary action.

Justification

Any attempt to establish a link between cohesion policy and its objectives and funds on the one hand with the Stability and Growth Pact, economic governance and economic and financial convergence between the Member States on the other is inadmissible. Imposition of macroeconomic conditions is out of step with both the announced objectives and actual purpose of cohesion policy.

Amendment 4

**Proposal for a regulation
Recital 19 a (new)**

Text proposed by the Commission

Amendment

(19a) Cohesion policy should not be linked either to the Stability and Growth Pact or to the economic governance package, which makes the Pact more stringent. The assumptions underlying them are undeniably different and their objectives diametrically opposed. The purpose of cohesion policy should not be to impose stringent macroeconomic and financial conditions necessitating austerity measures or to penalise Member States. On the contrary, cohesion policy is designed to reduce and remedy inequalities and problems arising from implementation of market economy principles in European regions, thereby helping to reduce inequalities in terms of growth in the Member States, and to promote economic and social cohesion, with a view to achieving genuine convergence.

Amendment 5

**Proposal for a regulation
Recital 22**

Text proposed by the Commission

(22) Financial instruments are increasingly important due to their leverage effect on CSF Funds, their capacity to combine different forms of public and private resources to support public policy objectives, and *because revolving forms of finance make such support more sustainable over the longer term.*

Amendment

(22) Financial instruments are increasingly important due to their leverage effect on CSF Funds, their capacity to combine different forms of public and private resources to support public policy objectives, *foster public-private partnerships, open up alternative sources of finance and guarantee an important revolving financial means for strategic investment, supporting long-term, sustainable investment and raising Union growth potential.*

Amendment 6

**Proposal for a regulation
Recital 23**

Text proposed by the Commission

(23) Financial instruments supported by the CSF Funds should be used to address specific market needs in a cost effective way, in accordance with the objectives of the programmes, and should not crowd out private financing. The decision to finance support measures through financial instruments should be determined therefore on the basis of an ex ante *analysis*.

Amendment

(23) Financial instruments supported by CSF Funds should be used to *identify and address market failures or sub-optimal investment situations, and thereby tackle* specific market needs in a cost effective way, in accordance with the objectives of the programmes, and *such instruments* should not crowd out private financing. The decision to finance support measures through financial instruments should be determined therefore on the basis of an ex ante *assessment, which should directly address local and regional investment needs and potential, identify possible private sector participation, assess the added value resulting from the financial instrument in question and thereby guarantee the creation of flexible and efficient responses to development challenges facing European regions.*

Amendment 7

Proposal for a regulation
Recital 27

Text proposed by the Commission

(27) It is necessary to lay down specific rules regarding the amounts to be accepted as eligible expenditure at closure, to ensure that the amounts, including the management costs and fees, paid from the CSF Funds to financial instruments are effectively used for investments and payments to final recipients. It is also necessary to lay down specific rules regarding the reuse of resources attributable to the support from the CSF Funds, including the use of legacy resources after the closure of the programmes.

Amendment

(27) It is necessary to lay down specific rules regarding the amounts to be accepted as eligible expenditure at closure, to ensure that the amounts, including the management costs and fees, paid from the CSF Funds to financial instruments are effectively used for investments and payments to final recipients. It is also necessary to lay down specific rules regarding the reuse of resources attributable to the support from the CSF Funds, including the use of legacy resources after the closure of the programmes. ***Detailed reporting provisions should be specified for managing authorities, Member States as well as the Commission, which should annually synthesise reporting information regarding the use and effectiveness of financial instruments across different CSF Funds, thematic objectives and Member States.***

Amendment 8

Proposal for a regulation
Recital 31

Text proposed by the Commission

(31) In order for the Commission to monitor progress towards achieving Union objectives, Member States should submit progress reports on the implementation of their Partnership Contracts. On the basis of such reports, the Commission should prepare a strategy report on progress in 2017 and 2019.

Amendment

(31) In order for the Commission to monitor progress towards achieving Union objectives, Member States should submit progress reports on the implementation of their Partnership Contracts. On the basis of such reports, the Commission should prepare a strategy report on progress in 2017 and 2019. ***In an annex to the annual implementation report, Member States should include a specific report covering operations comprising financial***

instruments.

Amendment 9

Proposal for a regulation

Recital 55 a (new)

Text proposed by the Commission

Amendment

(55a) The economic and financial crisis has revealed the inadequacy of GDP as the sole indicator of eligibility for assistance from the CSF Funds. It is necessary to assess more accurately the actual development levels of European regions and the contribution which Member States can make to the implementation of projects so as to ensure a more appropriate and fairer distribution of funding to the Member States. For this reason it is considered necessary to conduct further feasibility studies on the introduction and the use of additional indicators. Furthermore, it is essential to combine the actual levels of regional GDP with the capacity of the Member state to help its own regions, as well as to take into account the medium-term trends in the comparative evolution of the region's GDP. For the greater efficiency in the use and design of CSF Funds the GDP of the most recent period, compared with the programming period, should be taken into account.

Amendment 10

Proposal for a regulation

Recital 85

Text proposed by the Commission

Amendment

(85) In order to safeguard the Union's financial interests and provide the means to ensure effective programme implementation, there should be measures

(85) In order to safeguard the Union's financial interests and provide the means to ensure effective programme implementation, there should be measures

allowing for the suspension by the Commission of payments at the level of priority axis or operational programme.

allowing for the suspension by the Commission of payments at the level of priority axis or operational programme.
Decisions to suspend payment should not be linked to the economic policies of Member States but only to the detection of serious infringements of the system of project management, control and monitoring and spending irregularities concerning Member States which have failed to take corrective measures.

Amendment 11

Proposal for a regulation Article 4 – paragraph 9

Text proposed by the Commission

9. The Commission and the Member States shall ensure the effectiveness of the CSF Funds, in particular through monitoring, reporting ***and evaluation.***

Amendment

9. The Commission and the Member States shall ensure the effectiveness of the CSF Funds, in particular through ***planning, implementing,*** monitoring, ***evaluation and*** reporting.

Amendment 12

Proposal for a regulation Article 15 – paragraph 3 a (new)

Text proposed by the Commission

Amendment

3a. Where a Member State experiences temporary budgetary difficulties or a severe economic downturn, the Commission may request the Member State concerned to assess whether reviewing and amending its Partnership Contract is appropriate and necessary for achieving the objectives and targets of the Union strategy for smart, sustainable and inclusive growth.

Amendment 13

Proposal for a regulation
Article 18

Text proposed by the Commission

5% of the resources allocated to each CSF Fund and Member State, with the exception of resources allocated to the European territorial cooperation goal and to Title V of the EMFF Regulation, shall constitute a performance reserve to be allocated in accordance with Article 20.

Amendment

1% of the resources allocated to each CSF Fund and Member State, with the exception of resources allocated to the European territorial cooperation goal and to Title V of the EMFF Regulation, shall constitute a performance reserve to be allocated in accordance with Article 20.

Justification

Given that the decision taken by the Commission as regards to the allocation of performance reserve for programmes and priorities meeting milestone targets is taken only in 2019, there is a concern that the Member States in the remaining time of the programming period will not be able draw out or to use effectively such high amount of the allocation set aside. Furthermore, it is unclear what criteria are going to be used for long-term programmes that stretch beyond 2014-2020 programming period.

Amendment 14

Proposal for a regulation
Article 21

Text proposed by the Commission

Article 21

Conditionality linked to the coordination of Member States' economic policies

1. The Commission may request a Member State to review and propose amendments to its Partnership Contract and the relevant programmes, where this is necessary:

(a) to support the implementation of a Council recommendation, addressed to the Member State concerned and adopted in accordance with Articles 121(2) and/or 148(4) of the Treaty, or to support the implementation of measures addressed to the Member State concerned and adopted in accordance with Article 136(1) of the

Amendment

deleted

Treaty;

(b) to support the implementation of a Council recommendation addressed to the Member State concerned and adopted in accordance with Article 126(7) of the Treaty;

(c) to support the implementation of a Council recommendation addressed to the Member State concerned and adopted in accordance with Article 7(2) of Regulation (EU) No .../2011 [on the prevention and correction of macroeconomic imbalances], provided that these amendments are deemed necessary to help correct the macroeconomic imbalances;

(d) to maximise the growth and competitiveness impact of the available CSF Funds pursuant to paragraph 4, if a Member State meets one of the following conditions:

(i) Union financial assistance is made available to it under Council Regulation (EU) No 407/2010;

(ii) medium-term financial assistance is made available to it in accordance with Council Regulation (EC) No 332/2002;

(iii) financial assistance in the form of an ESM loan is made available to it in accordance with the Treaty establishing the European Stability Mechanism.

2. The Member State shall submit a proposal for amending the Partnership Contract and the relevant programmes within one month. If necessary, the Commission shall make observations within one month from the submission of the amendments, in which case the Member State shall re-submit its proposal within one month.

3. Where the Commission has not made observations or where its observations have been satisfactorily taken into account, the Commission shall adopt a

decision approving the amendments to the Partnership Contract and the relevant programmes without undue delay.

4. By derogation to paragraph 1, where financial assistance is made available to a Member State in accordance with paragraph 1(d) and is linked to an adjustment programme, the Commission may without any proposal from the Member State amend the Partnership Contract and the programmes with a view to maximising the growth and competitiveness impact of the available CSF Funds. To ensure effective implementation of the Partnership Contract and the relevant programmes, the Commission shall become involved in their management as detailed in the adjustment programme or the Memorandum of Understanding signed with the Member State concerned.

5. Where the Member State fails to respond to the Commission's request referred to in paragraph 1 or does not reply satisfactorily within one month to the observations of the Commission referred to in paragraph 2, the Commission may, within three months following its observations, adopt a decision, by means of implementing acts, suspending part or all of the payments for the programmes concerned.

6. The Commission shall suspend, by means of implementing acts, part or all of the payments and commitments for the programmes concerned where:

(a) the Council decides that the Member State does not comply with the specific measures set out by the Council in accordance with Article 136(1) of the Treaty;

(b) the Council decides in accordance with Article 126(8) or Article 126(11) of the Treaty that the Member State concerned has not taken effective action

to correct its excessive deficit;

(c) the Council concludes in accordance with Article 8(3) of Regulation (EU) No [...] /2011 [on the prevention and correction of macroeconomic imbalances] that, on two successive instances, the Member State has not submitted a sufficient corrective action plan or the Council adopts a decision declaring non-compliance in accordance with Article 10(4) of that Regulation;

(d) the Commission concludes that the Member State has not taken measures to implement the adjustment programme referred to in Council Regulation (EU) No 407/2010 or Council Regulation (EC) No 332/2002 and as a consequence decides not to authorise the disbursement of the financial assistance granted to this Member State; or

(e) the Board of Directors of the European stability mechanism concludes that the conditionality attached to an ESM financial assistance in the form of an ESM loan to the concerned Member State was not met and as a consequence decides not to disburse the stability support granted to it.

7. When deciding to suspend part or all of the payments or commitments in accordance with paragraphs 5 and 6 respectively, the Commission shall ensure that the suspension is proportionate and effective, taking into account the economic and social circumstances of the Member State concerned, and respects equality of treatment between Member States, in particular with regard to the impact of the suspension on the economy of the Member State concerned.

8. The Commission shall without delay lift the suspension of payments and commitments where the Member State has proposed amendments to the Partnership Contract and the relevant programmes as requested by the Commission, which the

Commission has approved and, where applicable:

(a) the Council has decided that the Member State complies with the specific measures set out by the Council in accordance with Article 136(1) of the Treaty;

(b) the excessive deficit procedure is held in abeyance in accordance with Article 9 of Regulation (EC) No 1467/97 or the Council has decided in accordance with Article 126(12) of the Treaty to abrogate the decision on the existence of an excessive deficit;

(c) the Council has endorsed the corrective action plan submitted by the concerned Member State in accordance with Article 8(2) of Regulation (EU) No [...] [EIP Regulation] or the excessive imbalance procedure is placed in a position of abeyance in accordance with Article 10(5) of that Regulation or the Council has closed the excessive imbalance procedure in accordance with Article 11 of that Regulation;

(d) the Commission has concluded that the Member State has taken measures to implement the adjustment programme referred to in Council Regulation (EU) No 407/2010 or Council Regulation (EC) No 332/2002 and as a consequence has authorised the disbursement of the financial assistance granted to this Member State;

(e) the Board of Directors of the European stability mechanism has concluded that the conditionality attached to a financial assistance in the form of an ESM loan to the concerned Member State is met and as a consequence has decided to disburse the stability support granted to it.

At the same time, the Council shall decide, on a proposal from the Commission, to re-budget the suspended

commitments in accordance with Article 8 of Council Regulation (EU) No [...] laying down the multiannual financial framework for the years 2014 to 2020.

Justification

It is unacceptable to establish a link between cohesion policy and the Funds on the one hand with the Stability and Growth Pact, economic governance and economic convergence between Member States on the other. Funding for European regions cannot be suspended for non-compliance by Member States with macroeconomic conditions. The purpose of cohesion policy is to ensure balanced growth and eliminate inequalities. Suspending funding for Member States in difficulties will make the situation worse.

Amendment 15

**Proposal for a regulation
Article 22 – title**

Text proposed by the Commission

Increase in payments for Member **State** with temporary budgetary difficulties

Amendment

Increase in payments for Member **States** with temporary budgetary difficulties **and experiencing a severe economic downturn as referred to in Regulation (EC) No 1466/97 and Regulation (EC) No 1467/97**

Amendment 16

**Proposal for a regulation
Article 22 – paragraph 1 – subparagraph 1 – point c a (new)**

Text proposed by the Commission

Amendment

(ca) it experiences a situation of severe economic downturn as referred to in Regulation (EC) No 1466/97 and Regulation (EC) No 1467/97.

Amendment 17

Proposal for a regulation Article 22 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2a. The increased interim payments shall be made available as soon as possible to the managing authority, ensuring fully transparent use thereof for making payments for the implementation of the operational programme.

Justification

In order to ensure that funding is increased immediately and effectively, the procedure for increasing interim payments should take as little time as possible, while the authorities of Member States encountering temporary financial difficulties should receive such payments as soon as possible.

Amendment 18

Proposal for a regulation Article 25 – paragraph 2

Text proposed by the Commission

Amendment

2. The Commission shall make observations within three months of the date of submission of the programme. The Member State shall provide to the Commission all necessary additional information and, where appropriate, revise the proposed programme.

2. The Commission shall make ***duly justified*** observations within three months of the date of submission of the programme. The Member State shall provide to the Commission all necessary additional information and, where appropriate, revise the proposed programme ***accordingly***.

Justification

The Commission needs to ensure justified decisions are taken.

Amendment 19

Proposal for a regulation

Article 26 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

1a. At the initiative of the Member State and the Commission, and with the agreement of the Member State and the local and regional authorities, the operational programmes may be re-examined and, if necessary, the remainder of the programme adjusted in one or more of the following cases:

(a) in order to take account more effectively or in a different way of major changes in EU national or regional priorities;

(b) if implementation difficulties arise.

Justification

It is considered very important to refer directly at the beginning of Article 26 of the new regulation laying down common provisions regarding the funds to the possibility of amending operational programmes and the reasons for this under Article 33 of Regulation 1028/2006, which is to be repealed, and subsequently to follow the established procedure.

Amendment 20

Proposal for a regulation

Article 52 – paragraph 1

Text proposed by the Commission

Amendment

1. At the initiative of a Member State, the CSF Funds may support actions for preparation, management, monitoring, evaluation, information and communication, networking, complaint resolution, and control and audit. The CSF Funds may be used by the Member State to support actions for the reduction of administrative burden for beneficiaries, including electronic data exchange

1. At the initiative of a Member State, the CSF Funds may support actions for preparation, management, monitoring, evaluation, information and communication, networking, complaint resolution, and control and audit. The CSF Funds may be used by the Member State to support actions for the reduction of administrative burden for beneficiaries, including electronic data exchange

systems, and actions to reinforce the capacity of Member State authorities and beneficiaries to administer and use the CSF Funds. These actions may concern preceding and subsequent programming periods.

systems, and actions to reinforce the capacity of Member State authorities and beneficiaries to administer and use the CSF Funds. These actions may concern preceding and subsequent programming periods, ***and shall be geared towards implementing long-lasting institutional capability.***

Amendment 21

Proposal for a regulation Article 56 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

The Commission shall clearly define the forms of support mentioned in paragraph 1 together with the related eligibility criteria before the beginning of the 2014-2020 programming period.

Justification

There need to be clear definitions as to what constitutes a "prize" and "repayable assistance", and what are the conditions for the latter.

Amendment 22

Proposal for a regulation Article 84 – paragraph 2 – point a

Text proposed by the Commission

Amendment

(a) eligible population, regional prosperity, national prosperity and unemployment rate for less developed regions and transition regions;

(a) eligible population, regional prosperity, national prosperity, ***net adjusted disposable income per inhabitant*** and unemployment rate for less developed regions and transition regions;

Amendment 23

Proposal for a regulation

Article 134 – paragraph 1 – sub-paragraph f

Text proposed by the Commission

Amendment

(f) there is evidence resulting from a performance review that a priority axis has failed to achieve the milestones set out in the performance framework; ***deleted***

Justification

The Commission should have the option of suspending all or part of interim payments only for major infringements of management and monitoring procedures or serious spending irregularities.

Amendment 24

Proposal for a regulation

Article 134 – paragraph 1 – sub-paragraph g

Text proposed by the Commission

Amendment

(g) the Member State fails to respond or does not reply satisfactorily under Article 20(3). ***deleted***

Justification

The Commission should have the option of suspending all or part of interim payments only for major infringements of the management and monitoring procedures or serious spending irregularities.

PROCEDURE

Title	Common provisions on European Funds and repealing Regulation (EC) No 1083/2006
References	COM(2011)0615 – C7-0335/2011 – 2011/0276(COD)
Committee responsible Date announced in plenary	REGI 25.10.2011
Opinion by Date announced in plenary	ECON 25.10.2011
Rapporteur Date appointed	Nikolaos Chountis 25.10.2011
Discussed in committee	17.4.2012 21.5.2012
Date adopted	2.7.2012
Result of final vote	+: 32 -: 5 0: 2
Members present for the final vote	Elena Băsescu, Sharon Bowles, Udo Bullmann, Nikolaos Chountis, George Sabin Cutaş, Leonardo Domenici, Derk Jan Eppink, Diogo Feio, Elisa Ferreira, Jean-Paul Gauzès, Sven Giegold, Sylvie Goulard, Liem Hoang Ngoc, Wolf Klinz, Jürgen Klute, Rodi Kratsa-Tsagaropoulou, Philippe Lambert, Werner Langen, Hans-Peter Martin, Sławomir Witold Nitras, Ivari Padar, Alfredo Pallone, Anni Podimata, Antolín Sánchez Presedo, Olle Schmidt, Edward Scicluna, Theodor Dumitru Stolojan, Kay Swinburne, Sampo Terho, Marianne Thyssen, Pablo Zalba Bidegain
Substitute(s) present for the final vote	Herbert Dorfmann, Bas Eickhout, Sari Essayah, Sophia in 't Veld, Danuta Jazłowiecka, Olle Ludvigsson, Thomas Mann, Mario Mauro

27.8.2012

OPINION OF THE COMMITTEE ON THE ENVIRONMENT, PUBLIC HEALTH AND FOOD SAFETY

for the Committee on Regional Development

on the proposal for a regulation of the European Parliament and of the Council 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 covered by the Common Strategic Framework and laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and repealing Council Regulation (EC) No 1083/2006 (COM(2011)0615 – C7-0335/2011 – 2011/0276(COD))

Rapporteur: Sophie Auconie

SHORT JUSTIFICATION

The European funds for cohesion policy, for the common agricultural policy and for the common fisheries policy provide considerable leverage for sustainable territorial development. More than ever, political and economic actors and voluntary organisations in the regions need those funds in order to carry out specific and useful projects of benefit to European citizens, but also, in very many instances, to the environment.

The European Regional Development Fund (ERDF), the European Social Fund (ESF), the Cohesion Fund, the European Agricultural Fund for Rural Development (EAFRD) and the European Maritime and Fisheries Fund (EMFF) are all covered by the Common Strategic Framework (CSF) to be introduced by this regulation.

The common provisions for the CSF Funds must meet three main objectives:

- (1) focusing how the European funds are used on the major challenges facing Europe in order to achieve tangible and visible results (Europe 2020 strategy);
- (2) simplifying funding application procedures in order to make the funds genuinely 'accessible' to potential beneficiaries;
- (3) ensuring rigorous management of aid in order to make the best possible use of what is public money from the EU budget.

In this connection, your rapporteur commends the quality and ambition of the Commission's legislative proposal. While agreeing with the broad thrust, however, she considers that it should be amended, in particular to bolster its positive impact on sustainable territorial development.

Your rapporteur has worked on implementing cohesion policy in her region, Touraine, in the heart of France, and therefore is aware that that policy has strengths and weaknesses. That experience on the ground, together with her parliamentary experience as a member of the Committee on Regional Development (2009-2011), leads her to make the following assessment:

(1) Sustainable development must be bolstered

Article 8 of the proposal for a regulation makes sustainable development a cross-cutting objective to be promoted by the Commission and the Member States in policy implementation. This must be bolstered by incorporating the need to protect biodiversity and ecosystems; those two notions must also be incorporated into the thematic objectives.

In connection with Article 8, national environmental protection bodies should also deliver opinions on each proposal for operational programmes submitted to the Commission for approval.

(2) The funds must be more accessible, visible and transparent

Making the funds more accessible, visible and transparent would appear essential so that environmental projects can be properly carried out.

Accessibility of the European funds depends to a large extent on making them less complex. The regulation's provisions therefore need to be clear and easy to apply. Accordingly, the conditions for carrying out revenue-generating operations should be spelled out. In addition, checks on how the funds are used must be proportionate to the level of support allocated, but also to the risks established during implementation. The fact is that increasing the number of checks, which, in too many cases, are redundant, makes procedures more complex and slows them down, which disadvantages beneficiaries. It should be pointed out, lastly, that implementation of the electronic data exchange system (the 'e-Cohesion' project) will meet the twin requirement of simplification and environmental protection (reduction in the volume of paper documents).

Visibility must be enhanced: firstly by laying down a communication strategy in the Partnership Contracts, and secondly by building detailed information websites. Those websites must set out the conditions for using the CSF Funds as they apply to each operational programme.

Transparency must be improved through increased involvement of MEPs, who are now co-legislators, in the operation of the CSF Funds.

Recommendations

Taken as a whole, the amendments should improve use of the CSF Funds and their effectiveness. As they are already very often regarded as complex to use, the rapporteur is unwilling to go beyond the amendments set out in this opinion, given that adding any further provisions, rules or environmental objectives could well make this policy area more complex.

The task of MEPs is not confined to this legislative work, however essential it may be. Your rapporteur recommends that MEPs be very much involved in implementing the provisions themselves. She calls on them to participate in the monitoring committee meetings which will be taking place throughout the seven-year programming period from 2014 to 2020.

AMENDMENTS

The Committee on the Environment, Public Health and Food Safety calls on the Committee on Regional Development, as the committee responsible, to incorporate the following amendments in its report:

Amendment 1

Proposal for a regulation Recital 6

Text proposed by the Commission

(6) To ensure correct and consistent interpretation of provisions and to contribute to the legal certainty of Member States and beneficiaries, it is necessary to define certain terms that are used in the Regulation.

Amendment

(6) To ensure correct and consistent interpretation of provisions and to contribute to the legal certainty of Member States and beneficiaries, it is necessary to define certain terms that are used in the Regulation ***and to simplify the provisions applicable to the CSF Funds.***

Amendment 2

Proposal for a regulation Recital 8

Text proposed by the Commission

(8) Under Article 317 of the Treaty, and in the context of shared management, the conditions allowing the Commission to exercise its responsibilities for implementation of the general budget of the European Union should be specified and the responsibilities of cooperation by the Member States clarified. Those conditions should enable the Commission to obtain assurance that Member States are using the CSF Funds in a legal and regular manner and in accordance with the principle of sound financial management within the meaning of Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities. Member States and the bodies designated by them for that purpose should be responsible for implementing programmes at the appropriate territorial level, in accordance with the institutional, legal and financial framework of the Member State. These provisions ***also ensure that attention is***

Amendment

(8) Under Article 317 of the Treaty, and in the context of shared management, the conditions allowing the Commission to exercise its responsibilities for implementation of the general budget of the European Union should be specified and the responsibilities of cooperation by the Member States clarified. Those conditions should enable the Commission to obtain assurance that Member States are using the CSF Funds in a legal and regular manner and in accordance with the principle of sound financial management within the meaning of Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities. Member States and the bodies designated by them for that purpose should be responsible for implementing programmes at the appropriate territorial level, in accordance with the institutional, legal and financial framework of the Member State. These provisions ***should*** ensure complementarity

drawn to the need to ensure complementarity and consistency of Union intervention, the proportionality of administrative arrangements and a reduction of the administrative burden of beneficiaries of the CSF Funds.

and consistency of Union intervention, the proportionality of administrative arrangements and a reduction of the administrative burden of beneficiaries of the CSF Funds.

Amendment 3

Proposal for a regulation

Recital 14

Text proposed by the Commission

(14) The Commission should ***adopt by delegated act*** a Common Strategic Framework which translates the objectives of the Union into key actions for the CSF Funds, in order to provide clearer strategic direction to the programming process at the level of Member States and regions. The Common Strategic Framework should facilitate sectoral and territorial coordination of Union intervention under the CSF Funds and with other relevant Union policies and instruments.

Amendment

(14) The Commission should ***submit a legislative proposal to the European Parliament and the Council with a view to adoption of*** a Common Strategic Framework which translates the objectives of the Union into key actions for the CSF Funds, in order to provide clearer strategic direction to the programming process at the level of Member States and regions. The Common Strategic Framework should facilitate sectoral and territorial coordination of Union intervention under the CSF Funds and with other relevant Union policies and instruments.

Justification

As the Common Strategic Framework is a vital feature, the ordinary legislative procedure should be applied.

Amendment 4

Proposal for a regulation

Recital 16

Text proposed by the Commission

(16) On the basis of the Common Strategic Framework ***adopted by the Commission***, each Member State should prepare, in cooperation with its partners and in dialogue with the Commission, a

Amendment

(16) On the basis of the Common Strategic Framework, each Member State should prepare, in cooperation with its partners and in dialogue with the Commission, a Partnership Contract. The Partnership

Partnership Contract. The Partnership Contract should translate the elements set out in the Common Strategic Framework into the national context and set out firm commitments to the achievement of Union objectives through the programming of the CSF Funds.

Contract should translate the elements set out in the Common Strategic Framework into the national context and set out firm commitments to the achievement of Union objectives through the programming of the CSF Funds.

Justification

As the Common Strategic Framework is a vital feature, the ordinary legislative procedure should be applied.

Amendment 5

Proposal for a regulation
Recital 30

Text proposed by the Commission

(30) With a view to monitoring progress of programmes, an annual review meeting should take place between the Member State and the Commission. ***The Member State and the Commission*** should however be able to agree not to organize the meeting in order to avoid unnecessary administrative burden.

Amendment

(30) With a view to monitoring progress of programmes, an annual review meeting should take place between the Member State, ***the European Parliament*** and the Commission. ***They*** should however be able to agree not to organize the meeting in order to avoid unnecessary administrative burden.

Justification

Since the entry into force of the Treaty of Lisbon, Parliament has been involved in codecision. It is therefore essential that it should be involved in policy implementation too.

Amendment 6

Proposal for a regulation
Recital 37

Text proposed by the Commission

(37) In order to ensure an effective use of Union resources, ***and*** avoid the over-financing of revenue generating operations, it is necessary to set out ***the*** rules for calculating the contribution from the CSF

Amendment

(37) In order to ensure an effective use of Union resources, avoid the over-financing of revenue generating operations, ***but also not hinder the carrying out of useful projects***, it is necessary to set out

Funds to a revenue-generating operation.

appropriate rules for calculating the contribution from the CSF Funds to a revenue-generating operation.

Justification

The complexity of the rules applicable to revenue-generating operations tends, in too many cases, to prevent useful projects from being carried out.

Amendment 7

Proposal for a regulation

Recital 67

Text proposed by the Commission

(67) To ensure the availability of essential and up to date information on programme implementation, it is necessary that Member States provide the Commission with the key data on a regular basis. In order to avoid an additional burden on Member States, this should be limited to data collected continuously, and the transmission should be performed by way of electronic data exchange.

Amendment

(67) To ensure the availability of essential and up to date information on programme implementation, it is necessary that Member States provide the Commission with the key data on a regular basis. In order to avoid an additional burden on Member States *and to protect the environment*, this should be limited to data collected continuously, and the transmission should be performed by way of electronic data exchange.

Justification

It should be pointed out that implementation of the electronic data exchange system (the 'e-Cohesion' project) will meet the twin requirement of simplification and environmental protection (reduction in the volume of paper documents).

Amendment 8

Proposal for a regulation

Recital 79

Text proposed by the Commission

(79) Without prejudice to the Commission's powers as regards financial control, cooperation between the Member States and the Commission in this field should be increased and criteria should be

Amendment

(79) Without prejudice to the Commission's powers as regards financial control, cooperation between the Member States and the Commission in this field should be increased and criteria should be

established which allow the Commission to determine, in the context of its strategy of control of national systems, the level of assurance it should obtain from national audit bodies.

established which allow the Commission to determine, in the context of its strategy of **proportionate** control of national systems, the level of assurance it should obtain from national audit bodies.

Justification

Checks on how the funds are used must be proportionate to the level of support allocated, but also to the risks established during implementation. The fact is that increasing the number of checks, which, in too many cases, are redundant, makes procedures more complex and slows them down, which disadvantages beneficiaries.

Amendment 9

Proposal for a regulation

Recital 87

Text proposed by the Commission

(87) The frequency of audits on operations should be proportionate to the extent of the Union's support from the Funds. In particular, the number of audits carried out should be reduced where the total eligible expenditure for an operation does not exceed EUR **100 000**. Nevertheless, it should be possible to carry out audits at any time where there is evidence of an irregularity or fraud, or, following closure of a completed operation, as part of an audit sample. In order that the level of auditing by the Commission is proportionate to the risk, the Commission should be able to reduce its audit work in relation to operational programmes where there are no significant deficiencies or where the audit authority can be relied on.

Amendment

(87) The frequency of audits on operations should be proportionate to the extent of the Union's support from the Funds **and to the risks established**. In particular, the number of audits carried out should be reduced where the total eligible expenditure for an operation does not exceed EUR **200 000**. Nevertheless, it should be possible to carry out audits at any time where there is evidence of an irregularity or fraud, or, following closure of a completed operation, as part of an audit sample. In order that the level of auditing by the Commission is proportionate to the risk, the Commission should be able to reduce its audit work in relation to operational programmes where there are no significant deficiencies or where the audit authority can be relied on.

Justification

Checks on how the funds are used must be proportionate to the level of support allocated, but also to the risks established during implementation. The fact is that increasing the number of checks, which, in too many cases, are redundant, makes procedures more complex and slows

them down, which disadvantages beneficiaries.

Amendment 10

Proposal for a regulation

Recital 88

Text proposed by the Commission

(88) In order to supplement and amend certain non-essential elements of this Regulation, the power to adopt acts in accordance with Article 290 of the Treaty should be delegated to the Commission in respect of a code of conduct on the objectives and criteria to support the implementation of partnership, the adoption of **a Common Strategic Framework**, additional rules on the allocation of the performance reserve, the definition of the area and population covered by the local development strategies, detailed rules on financial instruments (*ex ante* assessment, combination of support, eligibility, types of activities not supported), the rules on certain types of financial instruments set up at national, regional, transnational or cross-border level, rules concerning funding agreements, transfer and management of assets, the arrangements for management and control, the rules on payment requests, and establishment of a system of capitalisation of annual instalments, the definition of the flat rate for revenue generating operations, the definition of the flat rate applied to indirect costs for grants based on existing methods and corresponding rates applicable in Union policies, the responsibilities of Member States concerning the procedure for reporting irregularities and recovery of sums unduly paid, the modalities of exchange of information of operations, the arrangements for the adequate audit trail, the conditions of national audits, the accreditation criteria for managing

Amendment

(88) In order to supplement and amend certain non-essential elements of this Regulation, the power to adopt acts in accordance with Article 290 of the Treaty should be delegated to the Commission in respect of a code of conduct on the objectives and criteria to support the implementation of partnership, the adoption of additional rules on the allocation of the performance reserve, the definition of the area and population covered by the local development strategies, detailed rules on financial instruments (*ex ante* assessment, combination of support, eligibility, types of activities not supported), the rules on certain types of financial instruments set up at national, regional, transnational or cross-border level, rules concerning funding agreements, transfer and management of assets, the arrangements for management and control, the rules on payment requests, and establishment of a system of capitalisation of annual instalments, the definition of the flat rate for revenue generating operations, the definition of the flat rate applied to indirect costs for grants based on existing methods and corresponding rates applicable in Union policies, the responsibilities of Member States concerning the procedure for reporting irregularities and recovery of sums unduly paid, the modalities of exchange of information of operations, the arrangements for the adequate audit trail, the conditions of national audits, the accreditation criteria for managing authorities and certifying authorities, the

authorities and certifying authorities, the identification of commonly accepted data carriers, and the criteria for establishing the level of financial correction to be applied. The Commission should also be empowered to amend Annex V in order to address future adaptation needs. It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level.

identification of commonly accepted data carriers, and the criteria for establishing the level of financial correction to be applied. The Commission should also be empowered to amend Annex V in order to address future adaptation needs. It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level. ***The Commission, when preparing and drawing up delegated acts, should ensure a simultaneous, timely and appropriate transmission of relevant documents to the European Parliament and to the Council.***

Justification

As the Common Strategic Framework is a vital feature, the ordinary legislative procedure should be applied.

Amendment 11

Proposal for a regulation

Article 2 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

(2a) 'Smart Specialization' means the concept for the development of the R&D and innovation policy of the European Union. The objective of smart specialization is to promote efficient and effective use of public investment using synergies among countries and regions and strengthening their innovation capacity. The smart specialization strategy is made of a multi-annual strategy program whose goal is to develop a functional national or regional research innovation system.

Amendment 12

Proposal for a regulation

Article 4 – paragraph 3

Text proposed by the Commission

Amendment

3. Support from the CSF Funds shall be implemented in close cooperation between the Commission and the Member States.

3. Support from the CSF Funds shall be implemented in close cooperation between the Commission and the Member States ***in accordance with the principle of subsidiarity.***

Amendment 13

Proposal for a regulation Article 4 – paragraph 5

Text proposed by the Commission

Amendment

5. Arrangements for the implementation and use of the CSF Funds, and in particular the financial and administrative resources required for the implementation of the CSF Funds, in relation to the reporting, evaluation, management and control shall take into account the principle of proportionality having regard to the level of support allocated.

5. Arrangements for the implementation and use of the CSF Funds, and in particular the financial and administrative resources required for the implementation of the CSF Funds, in relation to the reporting, evaluation, management and control shall take into account the principle of proportionality having regard to the level of support allocated ***and to the risks established.***

Justification

Checks on how the funds are used must be proportionate to the level of support allocated, but also to the risks established during implementation. The fact is that increasing the number of checks, which, in too many cases, are redundant, makes procedures more complex and slows them down, which disadvantages beneficiaries.

Amendment 14

Proposal for a regulation Article 4 – paragraph 6

Text proposed by the Commission

Amendment

6. In accordance with their respective responsibilities, the Commission and the Member States shall ensure coordination

6. In accordance with their respective responsibilities, the Commission and the Member States shall ensure coordination

among the CSF Funds, and with other Union policies and instruments, including those in the framework of the Union's external action.

among the CSF Funds, and with other Union policies and instruments, including those in the framework of the Union's external action. ***Special attention shall be given and, where relevant, resources be allocated for areas in which other Union funds explicitly provide for an integrated approach, such as joint funding for integrated projects in the field of environment and climate.***

Justification

Mainstreaming of environment and climate into all EU funding is one of the major requests of the Parliament's MFF Resolution. "Integrated Projects" under LIFE are a concrete mainstreaming tool. They have the potential to significantly contribute to an efficient use of funds. They aim to support, jointly with other EU funds, the implementation of major environmental legislation such as waste management plans or climate strategies - all with a major potential to create employment and growth.

Amendment 15

Proposal for a regulation

Article 5 – paragraph 1 – point b

Text proposed by the Commission

(b) economic and social partners; and

Amendment

(b) economic and social partners
representing the general interest of industries or branches, employers and employees; and

Amendment 16

Proposal for a regulation

Article 5 – paragraph 3

Text proposed by the Commission

3. The Commission shall be empowered to adopt delegated acts in accordance with Article 142 to provide for a European code of conduct that lays down objectives and criteria to ***support*** the implementation of partnership and to facilitate the sharing of information, experience, results and good

Amendment

3. The Commission shall be empowered to adopt delegated acts in accordance with Article 142 to provide for a European code of conduct that lays down objectives and criteria to ***guide*** the implementation of partnership and to facilitate the sharing of information, experience, results and good

practices among Member States.

practices among Member States *in a manner that provides for the fullest possible transparency and access to information and participation in the partnership.*

Amendment 17

Proposal for a regulation Article 6 – paragraph 1

Text proposed by the Commission

1. Operations financed by the CSF Funds shall comply with applicable Union and national law.

Amendment

1. Operations financed by the CSF Funds shall comply with applicable Union and national law ***and should not, through their support for strategic long-lasting investments, undermine the strategic long-term coherent application of this legislation.***

Justification

Cases have been identified where EU funds did not violate applicable law but supported major investments that locked countries into an infrastructure making it more difficult, in the medium term, to reach EU objectives. The support for landfills is a prominent example - conflicting with the waste hierarchy. EU supported investments would create much stronger long-lasting economic, social and environmental benefits if such strategic sustainability objectives were incorporated at an early stage.

Amendment 18

Proposal for a regulation Article 8 – paragraph 1

Text proposed by the Commission

The objectives of the CSF Funds shall be pursued in the framework of sustainable development and the Union's promotion of the aim of protecting and improving the environment, as set out in Article 11 of the Treaty, taking into account the polluter pays principle.

Amendment

The objectives of the CSF Funds shall be pursued in the framework of sustainable development and the Union's promotion of the aim of protecting and improving the environment, as set out in Article 11 of the Treaty, taking into account the polluter pays principle. ***This will be implemented through the integration of environmental aqis and the protection of biodiversity,***

through minimising future external costs to the environment or public health, and through the application of the precautionary principle in supporting measures under the Funds.

Amendment 19

Proposal for a regulation Article 8 – paragraph 2

Text proposed by the Commission

The Member States and the Commission shall ensure that environmental protection requirements, resource efficiency, climate change mitigation and adaptation, disaster resilience and risk prevention and management are promoted in the preparation and implementation of Partnership Contracts and programmes. Member States shall provide information on the support for climate change objectives using the methodology adopted by the Commission. The Commission shall adopt this methodology by means of an implementing act. The implementing act shall be adopted in accordance with the examination procedure referred to in Article 143(3).

Amendment

The Member States and the Commission shall ensure that environmental protection requirements, resource efficiency, ***protection of biodiversity and ecosystems***, climate change mitigation and adaptation, ***ecosystem-based*** disaster resilience and risk prevention and management are promoted in the preparation and implementation of Partnership Contracts and programmes. Member States shall provide information on the support for climate change ***and environmental*** objectives, ***including biodiversity and resource efficiency***, using the methodology adopted by the Commission. The ***methodology shall also, to the extent possible, assess the negative impacts of CSF-fund expenditure on climate change and environmental objectives.*** The Commission shall adopt this methodology by means of an implementing act. The implementing act shall be adopted in accordance with the examination procedure referred to in Article 143(3).

Amendment 20

Proposal for a regulation Article 9 – paragraph 1 – point 5

Text proposed by the Commission

(5) promoting climate change adaptation,

Amendment

(5) promoting ***ecosystem-based*** climate

risk prevention and management;

change adaptation, risk prevention and management;

Amendment 21

Proposal for a regulation

Article 9 – paragraph 1 – point 6

Text proposed by the Commission

Amendment

(6) protecting the environment and promoting resource efficiency;

6) protecting the environment, ***biodiversity and ecosystems*** and promoting resource efficiency;

Justification

Sustainable development a cross-cutting objective to be promoted by the Commission and the Member States in policy implementation. This must be bolstered by incorporating the need to protect biodiversity and ecosystems; those two notions must also be incorporated into the thematic objectives.

Amendment 22

Proposal for a regulation

Article 9 – paragraph 1 – point 11 a (new)

Text proposed by the Commission

Amendment

(11a) supporting the creation and functioning of management instruments for the organization and implementation of the smart specialization in the regions.

Amendment 23

Proposal for a regulation

Article 12 – paragraph 1

Text proposed by the Commission

Amendment

The Commission shall ***be empowered to adopt a delegated act in accordance with Article 142 on the Common Strategic Framework within 3 months of the adoption of this Regulation.***

The Commission shall ***submit a legislative proposal to the European Parliament and the Council with a view to adoption of a Common Strategic Framework. Once adopted, it shall be annexed to this***

Regulation.

Justification

As the Common Strategic Framework is a vital feature, the ordinary legislative procedure should be applied.

Amendment 24

Proposal for a regulation Article 13 – paragraph 2

Text proposed by the Commission

2. The Partnership Contract shall be drawn up by Member States in cooperation with the partners referred to in Article 5. The Partnership Contract shall be prepared in dialogue with the Commission.

Amendment

2. The Partnership Contract shall be drawn up by Member States in ***close*** cooperation with the partners referred to in Article 5. The Partnership Contract shall be prepared in dialogue with the Commission.

Amendment 25

Proposal for a regulation Article 14 – paragraph 1 – point a – point i

Text proposed by the Commission

(i) an analysis of disparities and development needs with reference to the thematic objectives and key actions defined in the Common Strategic Framework and the targets set in the country-specific recommendations under Article 121(2) of the Treaty and the relevant Council recommendations adopted under Article 148(4) of the Treaty;

Amendment

(i) an analysis of disparities and development needs with reference to the thematic objectives and key actions defined in the Common Strategic Framework ***taking into account any gaps in implementing EU environmental legislation***, and the ***relevant*** targets set in the country-specific recommendations under Article 121(2) of the Treaty and the relevant Council recommendations adopted under Article 148(4) of the Treaty;

Amendment 26

Proposal for a regulation Article 14 – paragraph 1 – point a – point iv

Text proposed by the Commission

Amendment

(iv) the indicative allocation of support by the Union by thematic objective at national level for each of the CSF Funds, as well as the total indicative amount of support foreseen for climate change objectives;

(iv) the indicative allocation of support by the Union by thematic objective at national level for each of the CSF Funds, as well as the total indicative amount of support foreseen for climate change **and environmental, including biodiversity and resource efficiency**, objectives;

Justification

In its MFF Resolution the EP proposes that positive and negative climate and environment effects of the spending of EU-funds should be analysed on aggregated levels. It also supports the obligation to identify where sectoral programmes have promoted the EU's climate and energy objectives and the resource-efficiency goals as part of the Europe 2020 strategy. In Part II of its MFF Communication, the Commission mentions tracking procedures for climate, environment and biodiversity.

Amendment 27

Proposal for a regulation

Article 14 – paragraph 1 – point a – point iv a (new)

Text proposed by the Commission

Amendment

(iv a) the potential amount of support foreseen for complementary activities with non CSF-funds that specifically provide for such cooperation, such as joint funding for integrated projects in the field of environment and climate; for Partnership Contracts that identify environment or climate as thematic objectives, the Member State shall ensure that priority is given to funding activities that complement integrated projects in those fields;

Justification

"Integrated Projects" under LIFE are a concrete mainstreaming tool for environment and climate. They have the potential to significantly contribute to an efficient use of funds, to the coherent implementation of major environmental legislation and to increase the absorption capacity of funding foreseen for environment and climate under cohesion and agricultural policy. To be feasible in practice, potential complementary activities with the CSF funds have

to be identified at an early stage.

Amendment 28

Proposal for a regulation

Article 14 – paragraph 1 – point b – point i

Text proposed by the Commission

(i) the mechanisms at national and regional level that ensure coordination between the CSF Funds and other Union and national funding instruments and with the EIB;

Amendment

(i) the mechanisms at national and regional level that ensure coordination between the CSF Funds and other Union and national funding instruments, ***especially where those provide for a structured cooperation such as the LIFE programme***, and with the EIB;

Justification

"Integrated Projects" under LIFE are a concrete mainstreaming tool for environment and climate. They have the potential to significantly contribute to an efficient use of funds, to the coherent implementation of major environmental legislation and to increase the absorption capacity of funding foreseen for environment and climate under cohesion and agricultural policy. To be feasible in practice, potential complementary activities with the CSF funds have to be identified at an early stage.

Amendment 29

Proposal for a regulation

Article 14 – paragraph 1 – point b – point ii

Text proposed by the Commission

(ii) the arrangements to ensure an integrated approach to the use of the CSF Funds for the territorial development of urban, rural, coastal and fisheries areas and areas with particular territorial features, in particular the implementation arrangements for Articles 28, 29 and 99 accompanied, where appropriate, by a list of the cities to participate in the urban development platform referred to in Article 8 of the ERDF Regulation;

Amendment

(ii) the arrangements to ensure an integrated approach to the use of the CSF Funds for the ***sustainable*** territorial development of urban, rural, coastal and fisheries areas and areas with particular territorial features, in particular the implementation arrangements for Articles 28, 29 and 99 accompanied, where appropriate, by a list of the cities to participate in the urban development platform referred to in Article 8 of the ERDF Regulation;

Amendment 30

Proposal for a regulation

Article 14 – point e – point i a (new)

Text proposed by the Commission

Amendment

(ia) a summary of the actions planned in order to inform potential beneficiaries;

Justification

Fund visibility must be enhanced by laying down a communication strategy in Partnership Contracts.

Amendment 31

Proposal for a regulation

Article 17 – paragraph 4

Text proposed by the Commission

Amendment

4. Member States shall set out the detailed actions relating to the fulfilment of ex ante conditionalities, including the timetable for their implementation, in the relevant programmes.

4. Member States shall set out the detailed actions relating to the fulfilment of ex ante conditionalities, including the timetable for their implementation, in the relevant programmes. ***With regards to the implementation of plans or strategies under the thematic objectives 4, 5 and 6, Member States shall consider integrated projects in the field of climate and environment as a potential model for an efficient, coherent and well coordinated implementation.***

Justification

Ex-ante conditionalities are a crucial instrument to ensure the efficient use of financial resources. The huge benefits of implementing e.g. waste legislation have been estimated at additional 400,000 jobs with savings of €72 bn. LIFE Integrated Projects can be extremely valuable in this context. They are conceived to be of model character, establishing constructive, enduring cooperation between different sectors of administrations and channelling expenditure to key implementation challenges.

Amendment 32

Proposal for a regulation

Article 24 – paragraph 3 – subparagraph 1 – point c a (new)

Text proposed by the Commission

Amendment

(ca) indicators relating to the impact of the operations on the environment and climate change;

Amendment 33

Proposal for a regulation

Article 24 – paragraph 4

Text proposed by the Commission

Amendment

4. Each programme, except those which cover exclusively technical assistance, shall include a description of the actions to ***take into account*** the principles set out in Articles 7 and 8.

4. Each programme, except those which cover exclusively technical assistance, shall include ***milestones and targets, programme specific indicators and a description of the actions to align with*** the principles set out in Articles 7 and 8.

Justification

As required in Article 8 there is a commitment to mainstream the environment CSF funds. To be consistent, programmes should include targets and indicators (in addition to actions) to indicate how these principles will be implemented. This will increase the consistency, quality and delivery of the programmes.

Amendment 34

Proposal for a regulation

Article 24 – paragraph 5

Text proposed by the Commission

Amendment

5. Each programme, except those where technical assistance is undertaken under a specific programme, shall set out the indicative amount of support to be used for climate change objectives.

5. Each programme, except those where technical assistance is undertaken under a specific programme, shall set out the indicative amount of support to be used for climate change ***and environmental, including biodiversity and resource***

efficiency, objectives.

Justification

In its MFF Communication, the Commission mentions tracking procedures for climate, environment and biodiversity. Biodiversity tracking already takes place for the EU development funds. In its resolution on an EU biodiversity strategy to 2020, the EP "urges [...] to value ecosystem services and to integrate these values into accounting systems as a basis for more sustainable policies". Tracking expenditure is part of this.

Amendment 35

Proposal for a regulation

Article 29 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2a. Member States shall support the creation and functioning of managing instruments for the organization and implementation of the smart specialization in the regions.

Amendment 36

Proposal for a regulation

Article 42 – paragraph 2

Text proposed by the Commission

Amendment

2. The Commission shall participate in the work of the monitoring committee in an advisory capacity.

2. The Commission shall participate in the work of the monitoring committee in an advisory capacity. ***The European Parliament may also participate therein in an advisory capacity.***

Justification

Since the entry into force of the Treaty of Lisbon, Parliament has been involved in codecision. It is therefore essential that it should be involved in policy implementation too.

Amendment 37

Proposal for a regulation

Article 44 – paragraph 8

Text proposed by the Commission

8. A citizen's summary of the contents of the annual and the final implementation reports shall be made public.

Amendment

8. A citizen's summary of the contents of the annual and the final implementation reports shall be made public ***in order to increase transparency.***

Amendment 38

Proposal for a regulation Article 45 – paragraph 1

Text proposed by the Commission

1. An annual review meeting shall be organised every year from 2016 until and including 2022 between the Commission and each Member State to examine the performance of each programme, taking account of the annual implementation report and the Commission's observations and recommendations, where applicable.

Amendment

1. An annual review meeting shall be organised every year from 2016 until and including 2022 between the Commission and each Member State to examine the performance of each programme, taking account of the annual implementation report and the Commission's observations and recommendations, where applicable.
The European Parliament shall participate in that meeting.

Justification

Since the entry into force of the Treaty of Lisbon, Parliament has been involved in codecision. It is therefore essential that it should be involved in policy implementation too.

Amendment 39

Proposal for a regulation Article 46 – paragraph 2 – point b

Text proposed by the Commission

(b) progress towards achievement of the Union strategy for smart, sustainable and inclusive growth, in particular in respect of the milestones set out for each programme in the performance framework and the support used for climate change objectives;

Amendment

(b) progress towards achievement of the Union strategy for smart, sustainable and inclusive growth, in particular in respect of the milestones set out for each programme in the performance framework and the support used for climate change ***and***

environmental, including biodiversity and resource efficiency, objectives, including Natura 2000 as requested by national Prioritized Action Frameworks;

Amendment 40

Proposal for a regulation Article 65 – paragraph 1

Text proposed by the Commission

1. The Commission shall satisfy itself on the basis of available information, including the accreditation procedure, annual management declaration, annual control reports, annual audit opinion, annual implementation report and audits carried out by national and Union bodies, that the Member States have set up management and control systems that comply with this Regulation and the Fund-specific rules and that these systems function effectively during the implementation of programmes.

Amendment

1. The Commission shall satisfy itself on the basis of available information, including the accreditation procedure, annual management declaration, annual control reports, annual audit opinion, annual implementation report and audits carried out by national and Union bodies, that the Member States have set up management and control systems that comply with this Regulation and the Fund-specific rules and that these systems function effectively ***and proportionately to the risks established*** during the implementation of programmes.

Justification

Checks on how the funds are used must be proportionate to the level of support allocated, but also to the risks established during implementation. The fact is that increasing the number of checks, which, in too many cases, are redundant, makes procedures more complex and slows them down, which disadvantages beneficiaries.

Amendment 41

Proposal for a regulation Article 81 – paragraph 1 – subparagraph 2

Text proposed by the Commission

The actions supported by the Funds shall contribute to the Union strategy for smart, sustainable and inclusive growth.

Amendment

The actions supported by the Funds shall contribute to the Union strategy for smart, sustainable and inclusive growth ***and to a strategy of improvement of Smart Specialization in the regions.***

Amendment 42

Proposal for a regulation

Article 81 – paragraph 2 – point b a (new)

Text proposed by the Commission

Amendment

(ba) 'Smart Specialization' of the regions shall be supported by all the funds.

Amendment 43

Proposal for a regulation

Article 82 – paragraph 2 – subparagraph 2

Text proposed by the Commission

Amendment

The three categories of regions are determined on the basis of how their GDP per capita, measured in purchasing power parities and calculated on the basis of Union figures for the period **2006 to 2008**, relates to the average GDP of the EU-27 for the same reference period.

The three categories of regions are determined on the basis of how their GDP per capita, measured in purchasing power parities and calculated on the basis of Union figures for the period **2007 to 2009**, relates to the average GDP of the EU-27 for the same reference period.

Justification

As the Eurostat statistics for 2009 are now known, they should be used.

Amendment 44

Proposal for a regulation

Article 87 – paragraph 2 – point c – point i

Text proposed by the Commission

Amendment

(i) the mechanisms that ensure coordination between the Funds, the EAFRD, the EMFF and other Union and national funding instruments, and with the EIB;

(i) the mechanisms that ensure coordination between the Funds, the EAFRD, the EMFF and other Union and national funding instruments, ***especially where those provide for a structured cooperation such as the LIFE programme***, and with the EIB;

Justification

"Integrated Projects" under LIFE are a concrete mainstreaming tool for environment and climate. They have the potential to significantly contribute to an efficient use of funds, to the coherent implementation of major environmental legislation and to increase the absorption capacity of funding foreseen for environment and climate under cohesion and agricultural policy. To be feasible in practice, potential complementary activities with the CSF funds have to be identified at an early stage.

Amendment 45

Proposal for a regulation

Article 87 – paragraph 2 – point c – point i a (new)

Text proposed by the Commission

Amendment

(ia) the arrangement of cooperation on environmental and climate priorities between different sectoral administrations on national and regional level, leading to, first, the identification of areas in which activities that complement integrated projects in the environment and climate field could be envisaged and, second, the determination of funding areas where the use of solutions, methods and approaches validated under the LIFE programme can be beneficial;

Justification

"Integrated Projects" under LIFE are a concrete mainstreaming tool for environment and climate. They have the potential to significantly contribute to an efficient use of funds, to the coherent implementation of major environmental legislation and to increase the absorption capacity of funding foreseen for environment and climate under cohesion and agricultural policy. To be feasible in practice, potential complementary activities with the CSF funds have to be identified at an early stage.

Amendment 46

Proposal for a regulation

Article 87 – paragraph 3 – subparagraph 1 – point i

Text proposed by the Commission

Amendment

(i) a description of specific actions to take into account environmental protection

(i) a description of specific actions to take into account environmental protection

requirements, resource efficiency, climate change mitigation and adaptation, disaster resilience and risk prevention and management, in the selection of operations;

requirements, resource efficiency, ***biodiversity protection, ecosystem-based*** climate change mitigation and adaptation, disaster resilience and risk prevention and management, in the selection of operations;

Amendment 47

Proposal for a regulation Article 87 – paragraph 3 – subparagraph 2

Text proposed by the Commission

Member States shall submit an opinion of the national equality bodies on the measures set out in points (ii) and (iii) with the proposal for an operational programme under the Investment for growth and jobs goal.

Amendment

Member States shall submit ***an opinion of the relevant national or regional environmental bodies on the measures set out in point (i), and*** an opinion of the ***relevant national or regional*** equality bodies on the measures set out in points (ii) and (iii) with the proposal for an operational programme under the Investment for growth and jobs goal.

Amendment 48

Proposal for a regulation Article 91 – paragraph 1 – subparagraph 1 – point f

Text proposed by the Commission

(f) an analysis of the environmental impact, taking into account climate change adaptation and mitigation needs, and disaster resilience;

Amendment

(f) an analysis of the environmental impact, taking into account ***biodiversity protection, resource efficiency,*** climate change adaptation and mitigation needs, and disaster resilience;

Amendment 49

Proposal for a regulation Article 105 – paragraph 1 – point a

Text proposed by the Commission

(a) ensuring the establishment of a single website or a single website portal

Amendment

(a) ensuring the establishment of:

providing information on, and access to, all operational programmes in that Member State;

- a single website or a single website portal providing information on, and access to, all operational programmes in that Member State;

- a website for each operational programme which is accessible from the single website or website portal;

Justification

Fund visibility must be enhanced by building detailed information websites. Those websites must set out the conditions for using the CSF Funds in respect of each operational programme.

Amendment 50

Proposal for a regulation Article 107 – paragraph 2

Text proposed by the Commission

2. The information and communication officer shall coordinate and chair meetings of a national network of Funds' communicators, including relevant European territorial cooperation programmes, the creation and maintenance of the **website or website portal** referred to in Annex V and the obligation to provide an overview about communication measures undertaken at national level.

Amendment

2. The information and communication officer shall coordinate and chair meetings of a national network of Funds' communicators, including relevant European territorial cooperation programmes, the creation and maintenance of the **websites** referred to in Annex V and the obligation to provide an overview about communication measures undertaken at national level.

Justification

Fund visibility must be enhanced by building detailed information websites. Those websites must set out the conditions for using the CSF Funds in respect of each operational programme.

Amendment 51

Proposal for a regulation

Article 112 – paragraph 3 – subparagraph 2

Text proposed by the Commission

The systems shall facilitate interoperability with national and Union frameworks **and** allow for the beneficiaries to submit all information referred to in the first subparagraph only once.

Amendment

The systems shall facilitate interoperability with national and Union frameworks, **shall** allow for the beneficiaries to submit all information referred to in the first subparagraph only once, **and shall contribute towards protection of the environment.**

Justification

It should be pointed out that implementation of the electronic data exchange system (the ‘e-Cohesion’ project) will meet the twin requirement of simplification and environmental protection (reduction in the volume of paper documents).

Amendment 52

Proposal for a regulation

Article 114 – paragraph 3 – point a – point i

Text proposed by the Commission

(i) are non-discriminatory and transparent;

Amendment

(i) are **clear**, non-discriminatory and transparent;

Justification

Accessibility of the European funds depends to a large extent on making them less complex. The regulation’s provisions therefore need to be clear and easy to apply.

Amendment 53

Proposal for a regulation

Article 140 – paragraph 1

Text proposed by the Commission

1. Operations for which the total eligible expenditure does not exceed EUR **100 000** shall not be subject to more than one audit by either the audit authority or the Commission prior to the closure of all the

Amendment

1. Operations for which the total eligible expenditure does not exceed EUR **200 000** shall not be subject to more than one audit by either the audit authority or the Commission prior to the closure of all the

expenditure concerned under Article 131. Other operations shall not be subject to more than one audit per accounting year by the audit authority and the Commission prior to the closure of all the expenditure concerned under Article 131. These provisions are without prejudice to paragraph 4.

expenditure concerned under Article 131. Other operations shall not be subject to more than one audit per accounting year by the audit authority and the Commission prior to the closure of all the expenditure concerned under Article 131. These provisions are without prejudice to paragraph 4.

Justification

Checks on how the funds are used must be proportionate to the level of support allocated, but also to the risks established during implementation. The fact is that increasing the number of checks, which, in too many cases, are redundant, makes procedures more complex and slows them down, which disadvantages beneficiaries.

Amendment 54

Proposal for a regulation

Annex 4 - Table 1 – row 6 – subrow 6.2 a (new)

Text proposed by the Commission

Amendment

	<p>6.2a. Air quality: Implementation of the Directive 2008/50/EC of the European Parliament and of the Council of 21 May 2008 on ambient air quality and cleaner air for Europe.</p>	<p>– A comprehensive air quality management strategy is in place, including evidence of the adoption of air quality plans that set out measures in order to attain the limit values or target values, in accordance with article 23 of Directive 2008/50/EC.</p>
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Justification

Ex-ante conditionalities are an essential tool to increase the effectiveness and the overall strategic performance of EU structural instruments. Given the potential impact of CSF-fund spending on air quality, this should be part of the ex-ante conditionalities.

Amendment 55

Proposal for a regulation

Annex 4 - Table 1 – row 6 – subrow 6.2 b (new)

Text proposed by the Commission

Amendment

	6.2b. Nature and Biodiversity: Implementation of Council Directive 92/43/EEC of 21 May 1992 on the conservation of natural habitats and of wild fauna and flora (Habitats Directive), especially with regards to Prioritised Action Frameworks foreseen in Art. 8 (4).	- Member States have set out funding priorities for management and restoration of Natura 2000 areas as part of national or regional Prioritised Action Frameworks, in accordance with Article 8 of Directive 92/43/EEC on the conservation of natural habitats and of wild fauna and flora, having regard to the co-financing opportunities under different EU funding instruments.
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Justification

Ex-ante conditionalities are an essential tool to increase the effectiveness and the overall strategic performance of EU structural instruments. Given the potential impact of CSF-fund spending on nature, this should be part of the ex-ante conditionalities. In addition, better strategic planning has been identified as one key condition to ensure a greater uptake of EU funds by Member States for Natura 2000 in the next MFF; Prioritised Action Frameworks are a crucial instrument for this. This is in line with the EP's resolution from 20 April 2012 on an EU biodiversity strategy to 2020.

PROCEDURE

Title	Common provisions on European Funds and repealing Regulation (EC) No 1083/2006
References	COM(2011)0615 – C7-0335/2011 – 2011/0276(COD)
Committee responsible Date announced in plenary	REGI 25.10.2011
Opinion by Date announced in plenary	ENVI 25.10.2011
Rapporteur Date appointed	Sophie Auconie 8.11.2011
Discussed in committee	7.5.2012
Date adopted	20.6.2012
Result of final vote	+: 57 –: 1 0: 0
Members present for the final vote	Elena Oana Antonescu, Sophie Auconie, Pilar Ayuso, Paolo Bartolozzi, Sergio Berlato, Lajos Bokros, Martin Callanan, Nessa Childers, Yves Cochet, Chris Davies, Edite Estrela, Jill Evans, Elisabetta Gardini, Matthias Groote, Françoise Grossetête, Cristina Gutiérrez-Cortines, Satu Hassi, Jolanta Emilia Hibner, Dan Jørgensen, Christa Kläß, Eija-Riitta Korhola, Holger Kraemer, Peter Liese, Kartika Tamara Liotard, Zofija Mazej Kukovič, Linda McAvan, Miroslav Ouzký, Vladko Todorov Panayotov, Andres Perello Rodriguez, Mario Pirillo, Pavel Poc, Frédérique Ries, Anna Rosbach, Oreste Rossi, Dagmar Roth-Behrendt, Carl Schlyter, Richard Seeber, Claudiu Ciprian Tănăsescu, Anja Weisgerber, Åsa Westlund, Glenis Willmott, Sabine Wils, Marina Yannakoudakis
Substitute(s) present for the final vote	Margrete Auken, Erik Bánki, Cristian Silviu Buşoi, Nikos Chrysogelos, Minodora Cliveti, Gaston Franco, Vittorio Prodi, Birgit Schnieber-Jastram, Rebecca Taylor, Eleni Theoharous, Marita Ulvskog, Kathleen Van Brempt, Anna Záborská, Andrea Zanoni
Substitute(s) under Rule 187(2) present for the final vote	Véronique Mathieu

21.6.2012

OPINION OF THE COMMITTEE ON INDUSTRY, RESEARCH AND ENERGY

for the Committee on Regional Development

on the proposal for a regulation of the European Parliament and of the Council 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 covered by the Common Strategic Framework and laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and repealing Council Regulation (EC) No 1083/2006 (COM(2011)0615 – C7-0335/2011 – 2011/0276(COD))

Rapporteur: Patrizia Toia

SHORT JUSTIFICATION

The Structural Funds is one of the essential EU instruments for realising the agreed EU policy objectives in the field of energy, innovation, research, telecom and SME by way of strategic financial investments. Our Committee is therefore deeply interested and involved in the right setting of the objectives and investment priorities of the EU Cohesion Policy 2014-2020. Furthermore we have to guarantee that the investments through the Structural Funds are adequately coordinated with other Community programmes, in particular Horizon 2020, the CEF and COSME and that synergies between the different Funds are exploited at the best.

In order to fine tune the objectives and investment priorities and to improve the coordination and proper implementation of the fund, your rapporteur propose therefore several amendments in the Common provision but also in the ERDF and Cohesion fund regulation.

Your rapporteur takes the view that the Common Strategic Framework, which includes some vital elements for the guidelines and rules that are common to all regional policy funds, should be subject to the consideration and approval of Parliament and the Council, with the greatest possible cooperation from the Community institutions.

Keeping this in mind, your rapporteur would like to leave this question up to the lead Committee to decide but at the same time you will see in the opinion:

- amendments that clearly limits the scope of the Common Strategic Framework as it shall only translate to the operational level the objectives and investment priorities as defined in the basic acts
- amendments in the ERDF and the Cohesion Fund that seek to define better the

investment priorities, quasi as a replacement for the key actions envisaged in the Commission staff working document (SWD(2012) 61 final).

By this, your rapporteur would like to guarantee that the strategic objectives and the key investment priorities of the Structural Funds are discussed and decided by the co-legislator.

AMENDMENTS

The Committee on Industry, Research and Energy calls on the Committee on Regional Development, as the committee responsible, to incorporate the following amendments in its report:

Amendment 1

Proposal for a regulation

Recital 14

Text proposed by the Commission

(14) The Commission should adopt by delegated act a Common Strategic Framework which translates the objectives of the Union into key actions for the CSF Funds, in order to provide clearer strategic direction to the programming process at the level of Member States and regions. The Common Strategic Framework should facilitate sectoral and territorial coordination of Union intervention under the CSF Funds and with other relevant Union policies and instruments.

Amendment

(14) The Commission should adopt by delegated act a Common Strategic Framework which translates the objectives of the Union into key actions for the CSF Funds, in order to provide clearer strategic direction to the programming process at the level of Member States and regions. The Common Strategic Framework should facilitate sectoral and territorial coordination of Union intervention under the CSF Funds and with other relevant Union policies and instruments; ***takes the view that Structural Funds should be deployed to their full extent to support capacity building in the regions through dedicated activities aimed at founding centres of excellences, modernising universities, purchase of scientific equipment, local technology transfer, support to start-ups and spin-offs, and local interaction between industry and academia; believes that this will allow a stairway of excellence to be developed, leading these regions to fully participate in the Horizon 2020, based on quality and excellence; downstream from Horizon***

2020, the structural funds could be used to finance or co-finance the follow up to Horizon 2020 research projects and to valorise research results in such a way as to encourage easy access to knowledge or to facilitate the deployment of the resulting knowledge in terms of its direct economic or societal use;

Amendment 2

Proposal for a regulation Recital 16 a (new)

Text proposed by the Commission

Amendment

(16a) In order to increase the synergies between the Structural Funds and other Community programmes, the Commission should set up, and regularly update, an on-line inventory of projects proposals for Community programmes, that have been positively evaluated but have not or not sufficiently achieved Community funding. Member States should consider whether the project proposals of relevance to them in this inventory could be included in their operational programmes.

Justification

This new recital mirrors the suggestion to introduce a "seal of excellence" for excellent projects or demonstration / pilot plants, (introduced in programmes such as Horizon 2020, the CEF or the COSME) that were not or not sufficiently funded out of European funds and that Member States could finance under the SF. A first step, however, would be to have this information available.

Amendment 3

Proposal for a regulation Recital 17

Text proposed by the Commission

Amendment

(17) Member States should concentrate support to ensure a significant contribution

(17) Member States should concentrate support to ensure a significant contribution

to the achievement of Union objectives in line with their specific national and regional development needs. *Ex ante* conditionalities should be defined to ensure that the necessary framework conditions for the effective use of Union support are in place. The fulfilment of those *ex ante* conditionalities should be assessed by the Commission in the framework of its assessment of the Partnership Contract and programmes. In cases where there is a failure to fulfil an *ex ante* conditionality, the Commission should have the power to **suspend** payments to the programme.

to the achievement of Union objectives in line with their specific national and regional development needs. *Ex ante* conditionalitiSSes should be defined **which have a close substantive relationship with, and a direct impact on, the efficient use of the CSF funds** to ensure that the necessary framework conditions for the effective use of Union support are in place. The fulfilment of those *ex ante* conditionalities should be assessed by the Commission in the framework of its assessment of the Partnership Contract and programmes. In cases where there is a failure to fulfil an *ex ante* conditionality, the Commission should have the power to **consider suspending** payments to the programme.

Justification

Sometimes an ex-ante conditionality might not depend on the direct actions of the individual or body managing the programme.

Amendment 4

Proposal for a regulation

Recital 18

Text proposed by the Commission

(18) A performance framework should be defined for each programme with a view to monitoring progress towards the objectives and targets set for each programme over the course of the programming period. The Commission should undertake a performance review in cooperation with the Member States in 2017 and 2019. ***A performance reserve should be foreseen and allocated in 2019 where milestones set in the performance framework have been attained.*** Due to their diversity and multi-country character, there should be no performance reserve for 'European Territorial Cooperation' programmes. In cases where the shortfall in the achievement of milestones or targets is

Amendment

(18) A performance framework should be defined for each programme with a view to monitoring progress towards the objectives and targets set for each programme over the course of the programming period. The Commission should undertake a performance review in cooperation with the Member States in 2017 and 2019. Due to their diversity and multi-country character, there should be no performance reserve for 'European Territorial Cooperation' programmes. In cases where the shortfall in the achievement of milestones or targets is significant, the Commission should be able to suspend payments to the programme or, at the end of the programming period, apply financial

significant, the Commission should be able to suspend payments to the programme or, at the end of the programming period, apply financial corrections, in order to ensure that the Union budget is not used in a wasteful or inefficient way.

corrections, in order to ensure that the Union budget is not used in a wasteful or inefficient way. ***If these corrections or suspensions apply to a Member State which is facing, or in danger of being faced with, serious difficulties in relation to its financial stability, these appropriations may be made available to the Member State in a separate growth programme administered by the Commission. This should be done on the basis of the programmes concerned but while taking the priorities into account which ensure the maximum economic efficiency. The purpose of this arrangement is to avoid further aggravating the economic difficulties.***

Amendment 5

Proposal for a regulation

Recital 19

Text proposed by the Commission

(19) Establishing a closer link between cohesion policy and the economic governance of the Union will ensure that the effectiveness of expenditure under the CSF Funds is underpinned by sound economic policies and that the CSF Funds can, if necessary, be redirected to addressing the economic problems a country is facing. This process has to be gradual, starting with amendments to the Partnership Contract and to the programmes in support of Council recommendations to address macroeconomic imbalances and social and economic difficulties. Where, despite the enhanced use of CSF Funds, a Member State fails to take effective action in the context of the economic governance process, the Commission should have the right to suspend all or part of the payments and commitments. Decisions on suspensions should be proportionate and

Amendment

(19) Establishing a closer link between cohesion policy and the economic governance of the Union will ensure that the effectiveness of expenditure under the CSF Funds is underpinned by sound economic policies and that the CSF Funds can, if necessary, be redirected to addressing the economic problems a country is facing. This process has to be gradual, starting with amendments to the Partnership Contract and to the programmes in support of Council recommendations to address macroeconomic imbalances and social and economic difficulties. Where, despite the enhanced use of CSF Funds, a Member State fails to take effective action in the context of the economic governance process, the Commission should have the right to suspend all or part of the payments and commitments. Decisions on suspensions should be proportionate and

effective, taking into account the impact of the individual programmes for addressing the economic and social situation in the relevant Member State and previous amendments to the Partnership Contract. When deciding on suspensions, the Commission should also respect equality of treatment between Member States, taking into account in particular the impact of the suspension on the economy of the Member State concerned. The suspensions should be lifted and funds be made available again to the Member State concerned as soon as the Member State takes the necessary action.

effective, taking into account the impact of the individual programmes for addressing the economic and social situation in the relevant Member State and previous amendments to the Partnership Contract. When deciding on suspensions, the Commission should also respect equality of treatment between Member States, taking into account in particular the impact of the suspension on the economy of the Member State concerned. The suspensions should be lifted and funds be made available again to the Member State concerned as soon as the Member State takes the necessary action. ***If a Member State has failed to take adequate measures for more than three months, the Commission may make the suspended funds available in a controlled manner in a programme administered by itself. This should be based on priorities of maximum support for growth, for example of economic infrastructure, in order to prevent greater damage to the regional economy and the social situation.***

Amendment 6

Proposal for a regulation Recital 19 a (new)

Text proposed by the Commission

Amendment

(19a) At the request of the Member State concerned, the Commission should adopt an ad hoc decision to set the terms and conditions applicable to this programme, on the basis of appropriations derived from the corrections and suspensions from the Structural Funds and Cohesion Fund.

Amendment 7

Proposal for a regulation Recital 22

PE487.740v05-00

646/821

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Text proposed by the Commission

(22) Financial instruments are increasingly important due to their leverage effect on CSF **Funds**, their capacity to combine different forms of public and private resources to support public policy objectives, and because revolving forms of finance make such support more sustainable over the longer term.

Amendment

(22) Financial instruments are increasingly important due to their leverage effect on CSF **funds**, their capacity to combine different forms of public and private resources to support public policy objectives, and because revolving forms of finance make such support more sustainable over the longer term **and enable a broader range of potential beneficiaries to be reached.**

Justification

To better clarify the relevant concept.

Amendment 8

Proposal for a regulation
Recital 27

Text proposed by the Commission

(27) It is necessary to lay down specific rules regarding the amounts to be accepted as eligible expenditure at closure, to ensure that the amounts, including the management costs and fees, paid from the CSF Funds to financial instruments are effectively used for investments and payments to final recipients. It is also necessary to lay down specific rules regarding the reuse of resources attributable to the support from the CSF Funds, including the use of legacy resources after the closure of the programmes.

Amendment

(27) It is necessary to lay down specific rules regarding the amounts to be accepted as eligible expenditure at closure, to ensure that the amounts, including the management costs and fees, paid from the CSF Funds to financial instruments are effectively used for investments and payments to final recipients. It is also necessary to lay down specific rules regarding the reuse of resources attributable to the support from the CSF Funds, including the use of legacy resources after the closure of the programmes. ***These CSF-attributed resources and legacy resources should be made available to Member States experiencing substantial difficulties with regard to their financial stability jointly with other available funds, for example from financial corrections, under the administration of the Commission and taking into account the priorities which***

most promote growth.

Amendment 9

Proposal for a regulation Recital 41 a (new)

Text proposed by the Commission

Amendment

(41a) When appraising major projects, the Commission should have all necessary information to consider whether the financial contribution from the Funds would not result in a substantial loss of jobs in existing locations within the European Union, in order to ensure that Community funding does not support relocation within the European Union.

Amendment 10

Proposal for a regulation Recital 41 b (new)

Text proposed by the Commission

Amendment

(41b) Calls, in connection with direct subsidies to undertakings, for it to be recognised that cohesion policy funding, rather than influencing decisions by companies – and particularly larger companies – to open a plant in a given location, tends to be pocketed by companies which have already taken such decisions (deadweight effect), and calls, therefore, for grant support for large, private undertakings to focus on investment in research and development or for it to be provided, more often than is currently the case, indirectly through infrastructure financing;

Amendment 11

Proposal for a regulation
Recital 41 c (new)

Text proposed by the Commission

Amendment

(41c) Also calls for clear provisions to be included in the general regulation governing the Structural Funds ruling out the provision of any EU funding for the relocation of undertakings within the Union, lowering the threshold for review of relocation investments to 10 million, excluding large enterprises from direct subsidies, and placing a 10-year limit on the duration of operations;

Amendment 12

Proposal for a regulation
Recital 58

Text proposed by the Commission

Amendment

(58) In order to strengthen the focus on results and achievement of the Europe 2020 objectives and targets, five per cent of the resources for the 'Investment for growth and jobs' goal should be set aside as a performance reserve for each Fund, and category of region in each Member State.

deleted

Amendment 13

Proposal for a regulation
Recital 86 a (new)

Text proposed by the Commission

Amendment

(86a) In the case of Member States which are facing, or in danger of being faced with, a difficult financial situation and which are already in receipt of support measures pursuant to Article 22(1), the Commission may, upon request, make available to the Member State corrected

and/or recovered funds and/or interest gains or other returns under central administration in accordance with Article 53a of Regulation (EC, Euratom) No 1605/2002 in a separate programme which places the emphasis on investment for growth, particularly economic infrastructure projects.

Amendment 14

Proposal for a regulation Recital 86 b (new)

Text proposed by the Commission

Amendment

(86b) In order not to further aggravate the financial position of Member States which are already facing, or in danger of being faced with, a difficult financial situation, the Commission should, at the request of the Member States concerned and under its own administration, as soon as possible, make the recovered or suspended funds available by means of a separate programme to promote growth in practical ways, for example by developing economic infrastructure.

Amendment 15

Proposal for a regulation Recital 87

Text proposed by the Commission

Amendment

(87) The frequency of audits on operations should be proportionate to the extent of the Union's support from the Funds. In particular, the number of audits s carried out should be reduced where the total eligible expenditure for an operation does not exceed EUR 100 000. Nevertheless, it should be possible to carry out audits at any time where there is evidence of an irregularity or fraud, or, following closure

(87) The frequency of audits on operations should be proportionate to the extent of the Union's support from the Funds. In particular, the number of audits s carried out should be reduced where the total eligible expenditure for an operation does not exceed EUR 100 000. ***For projects exceeding EUR 10 million the Commission is required to carry out a mandatory audit.*** Nevertheless, it should

of a completed operation, as part of an audit sample. In order that the level of auditing by the Commission is proportionate to the risk, the Commission should be able to reduce its audit work in relation to operational programmes where there are no significant deficiencies or where the audit authority can be relied on.

be possible to carry out audits at any time where there is evidence of an irregularity, **relocation** or fraud, or, following closure of a completed operation, as part of an audit sample. In order that the level of auditing by the Commission is proportionate to the risk, the Commission should be able to reduce its audit work in relation to operational programmes where there are no significant deficiencies or where the audit authority **has, over the previous funding period, shown that it can** be relied on.

Amendment 16

Proposal for a regulation

Recital 90

Text proposed by the Commission

(90) The Commission should be empowered to adopt, by means of implementing acts, as regards all CSF Funds, decisions approving the Partnership Contracts, **decisions on the allocation of the performance reserve, decisions suspending payments linked to Member States' economic policies**, and, in the case of decommitment, decisions to amend decisions adopting programmes; and as regards the Funds, decisions identifying the regions and Member States fulfilling the Investment for growth and jobs criteria, decisions setting out the annual breakdown of commitment appropriations to the Member States, decisions setting out the amount to be transferred from each Member State's CF allocation to the Connecting Europe Facility, decisions setting out the amount to be transferred from each Member State's Structural Funds allocation for food for deprived people, decisions adopting and amending operational programmes, decisions on major projects, decisions on joint action plans, decisions suspending payments and

Amendment

(90) The Commission should be empowered to adopt, by means of implementing acts, as regards all CSF Funds, decisions approving the Partnership Contracts and, in the case of decommitment, decisions to amend decisions adopting programmes; and as regards the Funds, decisions identifying the regions and Member States fulfilling the Investment for growth and jobs criteria, decisions setting out the annual breakdown of commitment appropriations to the Member States, decisions setting out the amount to be transferred from each Member State's CF allocation to the Connecting Europe Facility, decisions setting out the amount to be transferred from each Member State's Structural Funds allocation for food for deprived people, decisions adopting and amending operational programmes, decisions on major projects, decisions on joint action plans, decisions suspending payments and decisions on financial corrections.

decisions on financial corrections.

Amendment 17

Proposal for a regulation

Part 2 – Article 4 – paragraph 1

Text proposed by the Commission

1. The CSF Funds shall provide support, through multi-annual programmes, which complements national, regional and local intervention, to deliver the Union strategy for smart, sustainable and inclusive growth, taking account of the Integrated Guidelines, the country-specific recommendations under Article 121(2) of the Treaty *and* the relevant Council recommendations adopted under 148(4) of the Treaty.

Amendment

1. The CSF Funds shall provide support, through multi-annual programmes, which complements national, regional and local intervention, to deliver the Union strategy for smart, sustainable and inclusive growth, taking account of the *relevant* Integrated Guidelines, the country-specific recommendations under Article 121(2) of the Treaty, the relevant Council recommendations adopted under 148(4) of the Treaty *based on National Reform Programmes*.

Amendment 18

Proposal for a regulation

Part 2 – Article 4 – paragraph 2

Text proposed by the Commission

2. The Commission and the Member States shall ensure that support from the CSF Funds is consistent with the policies and priorities of the Union and complementary to other instruments of the Union.

Amendment

2. The Commission and the Member States shall ensure that support from the CSF Funds is consistent with the policies and priorities of the Union and complementary to other instruments of the Union *while taking into account the specific context of each Member State*.

Amendment 19

Proposal for a regulation

Part 2 – Article 4 – paragraph 3

Text proposed by the Commission

3. Support from the CSF Funds shall be

Amendment

3. Support from the CSF Funds shall be

implemented in close cooperation between the Commission and the Member States.

implemented in close cooperation between the Commission and the Member States *in accordance with the principle of subsidiarity*.

Amendment 20

Proposal for a regulation

Part 2 – Article 4 – paragraph 7

Text proposed by the Commission

7. The part of the Union budget allocated to the CSF Funds shall be implemented within the framework of shared management between the Member States and the Commission, in accordance with Article 53(b) of the Financial Regulation, with the exception of the amount of the CF transferred to the Connecting Europe Facility referred to in Article 84(4) and innovative actions at the initiative of the Commission under Article 9 of the ERDF Regulation, and technical assistance at the initiative of the Commission.

Amendment

7. The part of the Union budget allocated to the CSF Funds shall be implemented within the framework of shared management between the Member States and the Commission, in accordance with Article 53(b) of the Financial Regulation, with the exception of the amount of the CF transferred to the Connecting Europe Facility referred to in Article 84(4) and innovative actions at the initiative of the Commission under Article 9 of the ERDF Regulation, and technical assistance at the initiative of the Commission, *as well as the programme of assistance for Member States in financial difficulties referred to in Article 22(2a)*.

Amendment 21

Proposal for a regulation

Part 2 – Article 4 – paragraph 9

Text proposed by the Commission

9. The Commission and the Member States shall ensure the effectiveness of the CSF Funds, *in particular* through monitoring, reporting and evaluation.

Amendment

9. The Commission and the Member States shall ensure the *efficiency and effectiveness* of the CSF Funds *by ensuring achievement of the proposed objectives and* through monitoring, reporting and evaluation, *and transparency in the selection processes by stressing the need for justifications to be made public*.

Amendment 22

Proposal for a regulation

Part 2 – Article 5 – paragraph 1 – introductory part

Text proposed by the Commission

1. For the Partnership Contract and each programme respectively, a Member State shall organise a partnership with the following partners:

Amendment

1. For the Partnership Contract and each programme respectively, a Member State shall, ***in accordance with Article 4(4)***, organise a partnership with the ***relevant local and regional authorities and the*** following partners:

Amendment 23

Proposal for a regulation

Part 2 – Article 7 – paragraph 1

Text proposed by the Commission

The Member States and the Commission shall ensure that equality between men and women and the integration of gender perspective is ***promoted*** in the preparation and ***implementation*** of programmes.

Amendment

The Member States and the Commission shall ensure that equality between men and women ***and the reconciliation of family and working life so as to increase women's employment are promoted*** and ***that*** the integration of gender perspective is ***guaranteed*** in the preparation, ***implementation*** and ***evaluation*** of programmes.

Amendment 24

Proposal for a regulation

Part 2 – Article 8 – paragraph 1

Text proposed by the Commission

The objectives of the CSF Funds shall be pursued in the framework of sustainable development and the Union's promotion of the aim of protecting and improving the environment, as set out in ***Article*** 11 of the Treaty, taking into account the polluter pays principle.

Amendment

The objectives of the CSF Funds shall be pursued in the framework of ***integrated*** sustainable development and the Union's promotion of the aim of protecting and improving the environment, as set out in ***Articles*** 11 ***and 19*** of the Treaty, taking into account the polluter pays principle ***and the need to avoid future external costs for***

the European society.

Amendment 25

Proposal for a regulation

Part 2 – Article 9 – paragraph 1 – point 3

Text proposed by the Commission

(3) enhancing the competitiveness of small and medium-sized enterprises, the agricultural sector (for the EAFRD) and the fisheries and aquaculture sector (for the EMFF);

Amendment

(3) enhancing the competitiveness of ***European enterprises, in particular*** small and medium-sized enterprises ***and micro-enterprises***, the agricultural sector (for the EAFRD) and the fisheries and aquaculture sector (for the EMFF);

Amendment 26

Proposal for a regulation

Part 2 – Article 9 – paragraph 1 – point 4

Text proposed by the Commission

(4) supporting the shift towards a low-carbon economy in all sectors;

Amendment

(4) supporting, in all sectors, the shift towards a low-carbon economy ***with low emissions of the pollutants which have the greatest impact;***

Justification

To extend pollution abatement to all pollutants, not only carbon.

Amendment 27

Proposal for a regulation

Part 2 – Article 9 – paragraph 1 – point 5 a (new)

Text proposed by the Commission

Amendment

(5a) increasing energy efficiency in all sectors, in particular the building and housing sectors;

Amendment 28

Proposal for a regulation
Part 2 – Article 9 – paragraph 1 – point 6

Text proposed by the Commission

(6) protecting the environment and promoting resource efficiency;

Amendment

(6) protecting the environment and ***cultural heritage and*** promoting resource efficiency ***as well as its efficient management by an adequate involvement of the private sector;***

Amendment 29

Proposal for a regulation
Part 2 – Article 9 – paragraph 1 – point 7

Text proposed by the Commission

(7) promoting sustainable transport and removing bottlenecks in ***key network*** infrastructures;

Amendment

(7) promoting ***intermodal*** sustainable transport and ***mobility while focusing on*** removing bottlenecks ***and completing missing transborder links in sustainable and intermodal transport*** infrastructures

Amendment 30

Proposal for a regulation
Part 2 – Article 9 – paragraph 1 – point 8

Text proposed by the Commission

(8) ***promoting*** employment and supporting labour mobility

Amendment

(8) ***increasing*** employment and supporting labour mobility;

Amendment 31

Proposal for a regulation
Part 2 – Article 9 – paragraph 1 – point 10

Text proposed by the Commission

(10) investing in education, skills and lifelong learning;

Amendment

(10) investing in ***health***, education, skills and lifelong learning;

Amendment 32

Proposal for a regulation

Part 2 – Article 9 – paragraph 1 – point 11

Text proposed by the Commission

(11) enhancing institutional capacity *and* an efficient public administration.

Amendment

(11) enhancing institutional capacity, an efficient public administration *and providing strategic orientation for territorial development under the Europe 2020 strategy at all governance levels through the Territorial Agenda of the European Union.*

Justification

Technical assistance should also facilitate strategic bottom-up intervention. Territorial Agenda 2020 endorsed by the Member States in 2011 provides very useful recommendations as regards territorial development in the EU.

Amendment 33

Proposal for a regulation

Part 2 – Article 9 – paragraph 1 – point 11 a (new)

Text proposed by the Commission

Amendment

(11a) increasing economic, social and territorial cohesion;

Amendment 34

Proposal for a regulation

Article 10

Text proposed by the Commission

Amendment

In order to promote the harmonious, balanced and sustainable development of the Union, a Common Strategic Framework shall translate the objectives and targets of the Union strategy for smart, sustainable and inclusive growth into key actions for the CSF Funds.

In order to promote the harmonious, balanced and sustainable development of the Union, a Common Strategic Framework shall translate the objectives, *investment priorities* and targets of the Union strategy for smart, sustainable and inclusive growth *as defined in each CSF regulation* into key actions for the CSF

Funds.

The strategy has to be elaborated in dialogue with Member States bodies responsible for implementation of EU regional policy so as to guarantee a common and shared approach.

Justification

The common Strategic Framework shall only translate to the operational level the objectives and investment priorities as defined in the basic acts.

It is advisable to maintain a constant dialogue with the concerned bodies responsible for the implementation.

Amendment 35

Proposal for a regulation

Part 2 – Article 11 – paragraph 1 – point a

Text proposed by the Commission

(a) for each thematic objective, the key actions to be supported by each CSF Fund;

Amendment

(a) for each thematic objective ***and in line with the investments priorities of each CSF Fund***, the key actions to be supported by each CSF Fund;

Justification

The common Strategic Framework shall only translate to the operational level the objectives and investment priorities as defined in the basic acts.

Amendment 36

Proposal for a regulation

Part 2 – Article 11 – paragraph 1 – point d

Text proposed by the Commission

(d) priority areas for cooperation activities for each of the CSF Funds, where appropriate, taking account of macro-regional and sea basin strategies;

Amendment

(d) priority areas for cooperation activities for each of the CSF Funds, where appropriate, taking account of macro-regional ***strategies*** and sea basin ***and river strategies or synergies***;

Amendment 37

Proposal for a regulation

Part 2 – Article 11 – paragraph 1 – point f

Text proposed by the Commission

(f) mechanisms for ensuring the coherence and consistency of the programming of the CSF Funds with the country-specific recommendations under Article 121(2) of the Treaty and the relevant Council recommendations adopted under 148(4) of the Treaty.

Amendment

(f) mechanisms for ensuring the coherence and consistency of the programming of the CSF Funds with the **relevant** country-specific recommendations under Article 121(2) of the Treaty and the relevant Council recommendations adopted under 148(4) of the Treaty **based on National Reform Programmes**.

Amendment 38

Proposal for a regulation

Part 2 – Article 12 – paragraph 1

Text proposed by the Commission

The Commission shall be empowered to adopt a delegated act in accordance with Article 142 on the Common Strategic Framework within 3 months of the adoption of this Regulation.

Amendment

The Common Strategic Framework is annexed to this Regulation.

Amendment 39

Proposal for a regulation

Part 2 – Article 12 – paragraph 2

Text proposed by the Commission

Where there are major changes in the Union strategy for smart, sustainable and inclusive growth, the Commission ***shall review and, where appropriate, adopt, by delegated act in accordance with Article 142, a revised Common Strategic Framework.***

Amendment

Where there are major changes in the Union strategy for smart, sustainable and inclusive growth, the Commission ***may, on the request of the legislature, forward to it a proposed amendment.***

Amendment 40

Proposal for a regulation
Part 2 – Article 13 – paragraph 1

Text proposed by the Commission

1. Each Member State shall prepare a Partnership Contract for the period from 1 January 2014 to 31 December 2020.

Amendment

Each Member State shall, ***with the support and collaboration of the Commission***, prepare ***by 30 September 2013*** a Partnership Contract for the period from 1 January 2014 to 31 December 2020.

Amendment 41

Proposal for a regulation
Part 2 – Article 13 – paragraph 2

Text proposed by the Commission

2. The Partnership Contract shall be drawn up by Member States in cooperation with the partners referred to in Article 5. The Partnership Contract shall be prepared in dialogue with the Commission.

Amendment

2. The Partnership Contract shall ***in accordance with Article 4(4)***, be drawn up by Member States in cooperation with the partners referred to in Article 5. The Partnership Contract shall be prepared in dialogue with the Commission.

Amendment 42

Proposal for a regulation
Part 2 – Article 14 – paragraph 1 – point a – point i

Text proposed by the Commission

(i) an analysis of disparities and development needs with reference to the thematic objectives and key actions defined in the Common Strategic Framework and the targets set in the country-specific recommendations under Article 121(2) of the Treaty and the relevant Council recommendations adopted under Article 148(4) of the Treaty;

Amendment

(i) an analysis of disparities and development needs with reference to the thematic objectives and key actions defined in the Common Strategic Framework and the targets set in the ***relevant*** country-specific recommendations under Article 121(2) of the Treaty and the relevant Council recommendations adopted under Article 148(4) of the Treaty ***based on National Reform Programmes***;

Amendment 43

Proposal for a regulation

Part 2 – Article 14 – paragraph 1 – point a – point ii

Text proposed by the Commission

(ii) a summary analysis of the ex ante evaluations of the programmes justifying the selection of the thematic objectives and the indicative allocations of the CSF Funds;

Amendment

(ii) a summary analysis of the ex ante evaluations of the programmes justifying the selection of the thematic objectives and the indicative allocations of the CSF Funds, **and distribution of responsibilities.**

Amendment 44

Proposal for a regulation

Part 2 – Article 14 – paragraph 1 – point a – subpoint (iv)

Text proposed by the Commission

(iv) the indicative allocation of support by the Union by thematic objective at national level for each of the CSF Funds, as well as the total indicative amount of support foreseen for climate change objectives;

Amendment

(iv) the indicative allocation of support by the Union by thematic objective at national **and regional** level for each of the CSF Funds, as well as the total indicative amount of support foreseen for climate change objectives;

Justification

It is important to understand the allocation of support that is given on regional level for the thematic objectives.

Amendment 45

Proposal for a regulation

Part 2 – Article 14 – paragraph 1 – point a – point v

Text proposed by the Commission

(v) the main priority areas for cooperation, taking account, where appropriate, of macro-regional and sea basin strategies;

Amendment

(v) the main priority areas for cooperation, taking account, where appropriate, of macro-regional **strategies** and sea basin **and river** strategies **and existing synergies**;

Amendment 46

Proposal for a regulation

Part 2 – Article 14 – paragraph 1 – point b – subpoint (i)

Text proposed by the Commission

(i) the mechanisms at national and regional level that ensure coordination between the CSF Funds and other Union and national funding instruments and with the EIB;

Amendment

(i) the mechanisms, ***structures and bodies*** at national and regional level that ensure coordination between the CSF Funds and other Union and national funding instruments and with the EIB; ***concerning coordination with other Union funding instruments it should indicate the structures that guarantee the strategic identification of priorities for the different instruments. Such structures should also seek to avoid duplication of effort, identify areas where additional financial support is needed and to deliver coherent and streamlined funding opportunities for beneficiaries.***

Justification

This addition is inspired by the explanation given in the Commission staff working document (SWD (2012) 61 final) on how the coordination with other Union funding instruments should work. These elements - essential for the successful implementation of the Structural Funds - should be dealt in the basic act.

Amendment 47

Proposal for a regulation

Part 2 – Article 14 – paragraph 1 – point c

Text proposed by the Commission

(c) an integrated approach to address the specific needs of geographical areas most affected by poverty or of target groups at highest risk of discrimination or exclusion, with special regard to marginalised communities, where appropriate, including the indicative financial allocation for the relevant CSF Funds;

Amendment

(c) an integrated approach to address the specific needs of ***the regions with*** geographical areas most affected by poverty ***or regions facing demographic challenges*** or of target groups at highest risk of discrimination or exclusion, with special regard to marginalised communities, where appropriate, including the indicative financial allocation for the relevant CSF Funds;

Amendment 48

Proposal for a regulation

Part 2 – Article 14 – paragraph 1 – point c a (new)

Text proposed by the Commission

Amendment

(ca) an integrated regional infrastructure development strategy, in particular the integrated use of CSF funds, the "Connecting Europe" facility and the TEN funds, focusing particularly on cross-border links and regional connections to transnational transport axes;

Amendment 49

Proposal for a regulation

Part 2 – Article 14 – paragraph 1 – point d – point i

Text proposed by the Commission

Amendment

(i) a consolidated table of milestones and targets established in programmes for the performance framework referred to in Article 19(1), together with the methodology and mechanism to ensure consistency across programmes and CSF Funds;

(i) a consolidated table of ***measurable qualitative and quantitative*** milestones and targets established in programmes for the performance framework referred to in Article 19(1), together with the methodology and mechanism to ensure consistency across programmes and CSF Funds;

Amendment 50

Proposal for a regulation

Part 2 – Article 14 – paragraph 1 – point d – point ii

Text proposed by the Commission

Amendment

ii) a summary of the assessment of the fulfilment of ex ante conditionalities and of the actions to be taken at national and regional level, and the timetable for their implementation, where ex ante

ii) a summary of the assessment of the fulfilment of ex ante conditionalities and of the actions to be taken at ***European,*** national and regional level, and the timetable for their implementation, where

conditionalities are not fulfilled;

ex ante conditionalities are not fulfilled;

Amendment 51

Proposal for a regulation

Part 2 – Article 15 – paragraph 1

Text proposed by the Commission

1. The Commission shall assess the consistency of the Partnership Contract with this Regulation, with the Common Strategic Framework, and the country-specific recommendations under Article 121(2) of the Treaty and the Council recommendations adopted under 148(4) of the Treaty, taking account of the ex ante evaluations of the programmes, and shall make observations within three months of the date of submission of the Partnership Contract. The Member State shall provide all necessary additional information and, where appropriate, shall revise the Partnership Contract.

Amendment

1. The Commission shall assess the consistency of the Partnership Contract with this Regulation, with the Common Strategic Framework, and the **relevant** country-specific recommendations under Article 121(2) of the Treaty and the Council recommendations adopted under 148(4) of the Treaty **based on National Reform Programmes**, taking account of the ex ante evaluations of the programmes, and shall make observations within three months of the date of submission of the Partnership Contract. The Member State shall provide all necessary additional information and, where appropriate, shall revise the Partnership Contract.

Amendment 52

Proposal for a regulation

Part 2 – Article 15 – paragraph 2

Text proposed by the Commission

2. The Commission shall adopt a decision, by means of implementing acts, approving the Partnership Contract no later than **six** months after its submission by the Member State, **provided that any** observations made by the Commission have been **satisfactorily** taken into account. The Partnership Contract shall not enter into force before 1 January 2014.

Amendment

2. The Commission shall adopt a decision, by means of implementing acts, approving the Partnership Contract no later than **four** months after its submission by the Member State, **after which** observations made by the Commission have been taken into account. **The Member State in question and the Commission shall collaborate in order to adopt the Partnership Contract as rapidly as possible. In any case, the maximum period for approval of the Partnership Contract shall be no more than six months from the transmission**

thereof to the Member State. The Partnership Contract shall not enter into force before 1 January 2014.

Amendment 53

Proposal for a regulation

Part 2 – Article 17 – paragraph 1

Text proposed by the Commission

1. Ex ante conditionalities shall be defined for each CSF Fund in the Fund-specific rules.

Amendment

1. Ex ante conditionalities shall be defined for each CSF Fund in the Fund-specific rules. ***These ex-ante conditionalities must be closely related to the effectiveness of the CSF funds.***

Amendment 54

Proposal for a regulation

Part 2 – Article 17 – paragraph 5

Text proposed by the Commission

5. The Commission shall assess the information provided on the fulfilment of ex ante conditionalities in the framework of its assessment of the Partnership Contract and programmes. It may decide, when adopting a programme, to suspend all or part of interim payments to the programme pending the satisfactory completion of actions to fulfil an ex ante conditionality. The failure to complete actions to fulfil an ex ante conditionality by the deadline set out in the programme shall constitute a basis for suspending payments by the Commission.

Amendment

5. The Commission shall assess the information provided on the fulfilment of ex ante conditionalities in the framework of its assessment of the Partnership Contract and programmes. It may decide, when adopting a programme, to suspend all or part of interim payments to the programme, ***as regards the resources concerning the sector affected by conditionality***, pending the satisfactory completion of actions to fulfil an ex ante conditionality. The failure to complete actions to fulfil an ex ante conditionality by the deadline set out in the programme shall constitute a basis for suspending payments by the Commission. ***Regarding Member States in danger of or affected by financial difficulties, Article 22(2a) (application for special programme administered by the Commission) shall apply.***

Justification

The Partnership Contract should clearly describe how responsibilities are apportioned between the Commission, Member State and managing authority with regard to the implementation of the mechanism.

Since the conditionalities include a penalty system, they should be closely linked to the implementation of cohesion policy and to the objectives of the operational programmes. The conditions laid down at EU level might not take account of other variables relating to the specific local or regional context, which are crucial to the success of the operations.

Amendment 55

Proposal for a regulation

Part 2 – Article 18 – paragraph 1

Text proposed by the Commission

Amendment

5% of the resources allocated to each CSF Fund and Member State, with the exception of resources allocated to the European territorial cooperation goal and to Title V of the EMFF Regulation, shall constitute a performance reserve to be allocated in accordance with Article 20. ***deleted***

Amendment 56

Proposal for a regulation

Part 2 – Article 19 – paragraph 2

Text proposed by the Commission

Amendment

2. The review shall examine the achievement of the milestones of the programmes at the level of priorities, on the basis of the information and the assessments presented in the progress reports submitted by the Member States in the years 2017 and 2019.

2. The ***interim*** review shall examine the achievement of the milestones of the programmes at the level of priorities, on the basis of the information and the assessments presented in the progress reports submitted by the Member States in the years 2017 and 2019.

Amendment 57

Proposal for a regulation

Part 2 – Article 20

Text proposed by the Commission

Amendment

Article deleted

Amendment 58

Proposal for a regulation

Part 2 – Article 21 – paragraph 7 a (new)

Text proposed by the Commission

Amendment

7a. Member States fulfilling one of the conditions set out in Article 22(1) (a), (b) or (c) may, in order to stabilise their economic situation and avert devastating financial losses, call on the Commission to launch a special programme by means of an implementing act, as referred to in Article 53a of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities¹ (central fund management), ensuring that payments to the Member State in question that have been discontinued or withdrawn are used as soon as possible to achieve the objectives set out in Article 21(4) of this Regulation with a view to maximizing the impact of the funding on growth and competitiveness;

¹ *OJ L 248, 16.9.2002, p.1.*

Amendment 59

Proposal for a regulation

Part 2 – Article 22 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2a. Member States fulfilling one of the conditions set out in Article 22(1) (a), (b) or (c) may, in order to stabilise their economic situation and avert devastating

financial losses, call on the Commission to launch a special programme by means of an implementing act, as referred to in Article 53a of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities¹ (central fund management), ensuring that payments to the Member State in question that have been discontinued or withdrawn are used as soon as possible to achieve the objectives set out in Article 21(4) of this Regulation with a view to maximising the impact of the funding on growth and competitiveness;

¹ OJ L 248, 16.9.2002, p.1.

Amendment 60

Proposal for a regulation

Part 2 – Article 25 – paragraph 1

Text proposed by the Commission

1. The Commission shall assess the consistency of programmes with this Regulation, the Fund-specific rules, their effective contribution to the thematic objectives and the Union priorities specific to each CSF Fund, the Common Strategic Framework, the Partnership Contract, the country-specific recommendations under Article 121(2) of the Treaty and the Council recommendations adopted under 148(4) of the Treaty, taking account of the ex ante evaluation. The assessment shall address, in particular, the adequacy of the programme strategy, the corresponding objectives, indicators, targets and the allocation of budgetary resources.

Amendment

1. The Commission shall assess the consistency of programmes with this Regulation, the Fund-specific rules, their effective contribution to the thematic objectives and the Union priorities specific to each CSF Fund, the Common Strategic Framework, the Partnership Contract, the **relevant** country-specific recommendations under Article 121(2) of the Treaty and the Council recommendations adopted under 148(4) of the Treaty **based on National Reform Programmes**, taking account of the ex ante evaluation. The assessment shall address, in particular, the adequacy of the programme strategy, the corresponding objectives, indicators, targets and the allocation of budgetary resources. **The decision should be preceded by a transparent process.**

Amendment 61

Proposal for a regulation

Part 2 – Article 28 – paragraph 1 – point b

Text proposed by the Commission

(b) community-led, by local action groups composed of representatives of public and private local socio-economic interests, where at the decision-making level neither the public sector nor any single interest group shall represent more than 49 % of the voting rights;

Amendment

(b) community-led, by local action groups composed of representatives of public and private local socio-economic interests, where at the decision-making level neither the public sector nor any single interest group shall represent more than 49 % of the voting rights; ***gender equality should be pursued in the compilation of the group.***

Amendment 62

Proposal for a regulation

Part 2 – Article 37 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2a. Member States which are in a difficult financial situation and fulfil one of the conditions set out in Article 22(1) shall, with the support of the Commission if necessary, invest interest or other gains with a view to increasing growth and competitiveness as much as possible, and in particular in infrastructure projects which benefit the economy.

Amendment 63

Proposal for a regulation

Part 2 – Article 38 – paragraph 2 – point c a (new)

Text proposed by the Commission

Amendment

(ca) infrastructure projects.

Amendment 64

Proposal for a regulation

Part 2 – Article 38 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2a. Member States which are in a difficult financial situation and fulfil one of the conditions set out in Article 22(1) shall, with the support of the Commission if necessary, use the resources specified in the first two paragraphs of the present article with a view to increasing growth and competitiveness as much as possible, and in particular for infrastructure projects which benefit the economy.

Amendment 65

Proposal for a regulation

Part 2 – Article 39 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

Member States which are in a difficult financial situation and fulfil the conditions set out in Article 22(1) should, with the support of the Commission if necessary, invest the resources specified in the first two paragraphs of the present article with a view to increasing growth and competitiveness as much as possible, and in particular in infrastructure projects which benefit the economy.

Amendment 66

Proposal for a regulation

Part 2 – Article 42 – paragraph 1 – subparagraph 1

Text proposed by the Commission

Amendment

The monitoring committee shall be composed of representatives of the managing authority and intermediate bodies and of representatives of the partners. Each member of the monitoring committee shall have a voting right.

The monitoring committee shall be composed of representatives of the managing authority and intermediate bodies and of representatives of the partners. Each member of the monitoring committee shall have a voting right.
Gender equality should be pursued in the

compilation of the committee.

Amendment 67

Proposal for a regulation

Part 2 – Article 44 – paragraph 8

Text proposed by the Commission

8. *A citizen's summary of the contents of the annual and the final implementation reports shall be made public.*

Amendment

8. *The Commission shall submit to the European Parliament and the Council annual and interim reports on the way in which the funds are being used and the achievement of the Union's strategic objectives for smart, sustainable and inclusive growth.*

Amendment 68

Proposal for a regulation

Part 2 – Article 48 – paragraph 1

Text proposed by the Commission

1. Member States shall carry out ex ante evaluations to improve the quality of the design of each programme.

Amendment

1. Member States, *in cooperation with and under the guidance of the Commission*, shall carry out ex ante evaluations to improve the quality of the design of each programme.

Amendment 69

Proposal for a regulation

Part 2 – Article 48 – paragraph 3 – point d

Text proposed by the Commission

(d) the consistency of the selected thematic objectives, the priorities and corresponding objectives of the programmes with the Common Strategic Framework, the Partnership Contract and the country-specific recommendations under Article 121(2) of the Treaty and the Council recommendations adopted under Article

Amendment

(d) the consistency of the selected thematic objectives, the priorities and corresponding objectives of the programmes with the Common Strategic Framework, the Partnership Contract and the *relevant* country-specific recommendations under Article 121(2) of the Treaty and the Council recommendations adopted under

148(4) of the Treaty;

Article 148(4) of the Treaty *based on National Reform Programmes*;

Amendment 70

Proposal for a regulation

Part 2 – Article 50 – paragraph 1

Text proposed by the Commission

The ex post evaluations shall be carried out by the Commission *or by* the Member States, in close cooperation. Ex post evaluations shall examine the effectiveness and efficiency of the CSF Funds and their contribution to the Union strategy for smart, sustainable and inclusive growth in accordance with specific requirements established in the Fund-specific rules. Ex post evaluations shall be completed by 31 December 2023.

Amendment

The ex post evaluations shall be carried out by the Commission *and* the Member States, in close cooperation. Ex post evaluations shall examine the effectiveness and efficiency of the CSF Funds and their contribution to the Union strategy for smart, sustainable and inclusive growth in accordance with specific requirements established in the Fund-specific rules. Ex post evaluations shall be completed by 31 December 2023.

Amendment 71

Proposal for a regulation

Part 2 – Article 51 – paragraph 1 – subparagraph 1

Text proposed by the Commission

At the initiative of, or on behalf of the Commission, the CSF Funds may support the preparatory, monitoring, administrative and technical assistance, evaluation, audit and control measures necessary for implementing this Regulation.

Amendment

At the initiative of, or on behalf of the Commission, *or at the request of a Member State following approval by the Commission*, the CSF Funds may support the preparatory, monitoring, administrative and technical assistance, evaluation, audit and control measures necessary for implementing this Regulation.

Amendment 72

Proposal for a regulation

Part 2 – Article 51 – paragraph 1 – point (c a) (new)

Text proposed by the Commission

Amendment

(ca) measures related to the analysis of relevant ongoing projects in other Community programmes, such as the Framework Programme for R&D, the CEF or the Competitiveness and Innovation Programme, as well as projects proposals for these programmes that have been positively evaluated but have not achieved Community funding because of budgetary limitations;

Amendment 73

Proposal for a regulation

Part 2 – Article 61 – paragraph 1 – subparagraph 1 – introductory part

Text proposed by the Commission

Amendment

An operation comprising investment in infrastructure or productive investment shall repay the contribution from the CSF Funds if within **five** years from the final payment to the beneficiary or within the period of time set out in the State aid rules, where applicable, it is subject to:

An operation comprising investment in infrastructure or productive investment shall repay the contribution from the CSF Funds if within **ten** years from the final payment to the beneficiary or within the period of time set out in the State aid rules, where applicable, it is subject to:

Amendment 74

Proposal for a regulation

Part 2 – Article 65 – paragraph 4 a (new)

Text proposed by the Commission

Amendment

4a. The Commission and each of the Member States shall be jointly responsible for the achievement of the objectives set and the sound management of the funds.

Amendment 75

Proposal for a regulation

Part 2 – Article 66 – paragraph 4

Text proposed by the Commission

As regards the performance reserve, budget commitments shall follow the Commission decision approving the amendment of the programme.

Amendment

deleted

Amendment 76

Proposal for a regulation

Part 2 – Article 77 – paragraph 3 a (new)

Text proposed by the Commission

Amendment

3a. Where a Member State which is in a difficult financial situation fulfils one of the conditions specified in Article 22(1) the Commission should, if so requested, and by means of an implementing act, set up a separate programme, to be implemented on a centralised basis in accordance with Article 53a of Council Regulation No 1605/2002, for the purpose of consolidating funds that have been suspended and/or recovered and the interest earnings or unused funds of the Member State concerned and using them to promote growth and economic performance as effectively as possible, particularly by means of infrastructure projects that benefit the economy;

Amendment 77

Proposal for a regulation

Part 2 – Article 80 – paragraph 4 a (new)

Text proposed by the Commission

Amendment

4 a. Where Member States which are in financial difficulties fulfil one of the

conditions set out in Article 22(1), the cancelled funding shall be invested, under a programme set up by means of an implementing act and implemented by the Commission in accordance with Article 53a of Council Regulation (EC, Euratom) No 1605/2002, in such a way as to prioritise the promotion of growth and economic development to the greatest possible extent and, in particular, in infrastructure projects that benefit the economy, with a view to preventing any further economic damage from being inflicted on the regions;

Amendment 78

Proposal for a regulation

Part 3 – Article 82 – paragraph 2 – subparagraph 1 a (new)

Text proposed by the Commission

Amendment

Less developed regions which have received support under this category for longer than two funding periods but, despite having received the maximum level of assistance, have failed to achieve any significant improvements in their economic, social and environmental situation, shall be assigned to a category that requires a higher level of national co-financing in the next period;

Amendment 79

Proposal for a regulation

Part 3 – Article 84 – paragraph 1 – subparagraph 1 – point c

Text proposed by the Commission

Amendment

(c) 16.39 % (i.e., a total of EUR 53 142 922 017) for more developed regions;

(c) 16.39 % for more developed regions;

Amendment 80

Proposal for a regulation

Part 3 – Article 84 – paragraph 1 – subparagraph 1 – point d

Text proposed by the Commission

Amendment

(d) 21.19 % (*i.e., a total of EUR 68 710 486 782*) for Member States supported by the Cohesion Fund;

(d) 21.19 % for Member States supported by the Cohesion Fund;

Amendment 81

Proposal for a regulation

Part 3 – Article 84 – paragraph 1 – subparagraph 1 – point e

Text proposed by the Commission

Amendment

(e) 0.29 % (*i.e., a total of EUR 925 680 000*) as additional funding for the outermost regions identified in Article 349 of the Treaty and the NUTS level 2 regions fulfilling the criteria laid down in Article 2 of Protocol No 6 to the Treaty of Accession of Austria, Finland and Sweden.

(e) 0.29 % as additional funding for the outermost regions identified in Article 349 of the Treaty and the NUTS level 2 regions fulfilling the criteria laid down in Article 2 of Protocol No 6 to the Treaty of Accession of Austria, Finland and Sweden.

Amendment 82

Proposal for a regulation

Part 3 – Article 84 – paragraph 1 – subparagraph 2

Text proposed by the Commission

Amendment

All regions *whose GDP per capita for the 2007-2013 period was less than 75% of the average of the EU-25 for the reference period but* whose GDP per capita is above 75% of the GDP average of the EU-27 shall receive an allocation under the Structural Funds equal to at least two thirds of their 2007-2013 allocation.

All regions *which were supported under the Convergence objective in* the 2007-2013 period *and* whose GDP per capita is above 75% of the GDP average of the EU-27 shall receive an allocation under the Structural Funds equal to at least two thirds of their 2007-2013 allocation.

Amendment 83

Proposal for a regulation

Part 3 – Article 84 – paragraph 1 – subparagraph 2 a (new)

Text proposed by the Commission

Amendment

In order to reduce the disparities in average per capita aid intensities that may arise for some Member States in comparison to period 2007-2013 such rates shall be introduced to allocate funding for the period 2014-2020 at least at the level of the period 2007-2013 referring to the calculation methodology set out in the Annex II of the Council Regulation (EC) No 1083/2006. The level of capping shall be reduced according to the exclusion of fisheries and rural development funds.

Justification

Introducing the flat capping rate at 2.5% does not provide a flexibility to reflect the existing disparities among the Member States with respect to the absorption rate and the development level and, as a consequence, would have a negative impact on the small and less developed regions whose economies heavily suffered from the financial and economic crisis in the years 2008-2010.

Amendment 84

Proposal for a regulation

Part 3 – Article 84 – paragraph 2 – point a

Text proposed by the Commission

Amendment

(a) eligible population, regional prosperity, national prosperity and unemployment rate for less developed regions and transition regions;

(a) eligible population, regional prosperity, national prosperity, ***employment rate among the active population*** and unemployment rate for less developed regions and transition regions;

Amendment 85

Proposal for a regulation

Part 3 – Article 84 – paragraph 3

Text proposed by the Commission

Amendment

3. At least 25 % of the Structural Funds

3. At least 25 % of the Structural Funds

resources *for less developed regions, 40% for transition regions and 52% for more developed regions* in each Member State shall be allocated to the ESF. For the purposes of this provision, the support to a Member State through the [Food for deprived people instrument] shall be considered as part of the share of Structural Funds allocated to the ESF.

resources in each Member State shall be allocated to the ESF For the purposes of this provision, the support to a Member State through the [Food for deprived people instrument] shall be considered as part of the share of Structural Funds allocated to the ESF.

Amendment 86

Proposal for a regulation

Part 3 – Article 84 – paragraph 4 – subparagraph 1 a (new)

Text proposed by the Commission

Amendment

The Member States and the Commission shall ensure that partnership contracts and operational programmes provide an effective and efficient means of linking Structural Funds and Cohesion Fund resources together, and with the Connecting Europe Facility and the TEN regulations;

Amendment 87

Proposal for a regulation

Part 3 – Article 84 – paragraph 6

Text proposed by the Commission

Amendment

6. 5% of the resources for the Investment for growth and jobs goal shall constitute the performance reserve to be allocated in accordance with Article 20.

deleted

Amendment 88

Proposal for a regulation

Part 3 – Article 84 – paragraph 8

Text proposed by the Commission

8. Resources for the European territorial cooperation goal shall amount to **3.48 %** of the global resources available for budgetary commitment from the Funds for the period 2014 to 2020 (*i.e., a total of EUR 11 700 000 004*).

Amendment

8. Resources for the European territorial cooperation goal shall amount to **7 %** of the global resources available for budgetary commitment from the Funds for the period 2014 to 2020.

Amendment 89

Proposal for a regulation

Part 3 – Article 85 – paragraph 1

Text proposed by the Commission

1. The total appropriations allocated to each Member State in respect of less developed regions, transition regions and more developed regions shall not be transferable between each of those categories of regions.

Amendment

1. The total appropriations allocated to each Member State in respect of less developed regions, transition regions and more developed regions shall not, *as a general rule*, be transferable between each of those categories of regions.

Amendment 90

Proposal for a regulation

Part 3 – Article 85 – paragraph 2

Text proposed by the Commission

2. By way of derogation from paragraph 1, the Commission may accept, in duly justified circumstances which are linked to the implementation of one or more thematic objectives, a proposal by a Member State in its first submission of the Partnership Contract to transfer up to **2%** of the total appropriation for a category of regions to other categories of regions.

Amendment

2. By way of derogation from paragraph 1, the Commission may accept, in duly justified circumstances which are linked to the implementation of one or more thematic objectives, a proposal by a Member State in its first submission of the Partnership Contract to transfer up to **30%** of the total appropriation for a category of regions to other categories of regions.

Amendment 91

Proposal for a regulation

Part 3 – Article 87 – paragraph 2 – point a – point i

Text proposed by the Commission

Amendment

(i) an identification of needs addressing the challenges identified in the country-specific recommendations under Article 121(2) and the Council recommendations adopted under Article 148(4) of the Treaty, and taking into account the Integrated Guidelines and national and regional specificities;

(i) an identification of needs addressing the challenges identified in the **relevant** country-specific recommendations under Article 121(2) and the Council recommendations adopted under Article 148(4) of the Treaty **based on National Reform Programmes**, and taking into account the Integrated Guidelines and national and regional specificities;

Amendment 92

Proposal for a regulation

Part 3 – Article 87 – paragraph 2 – point c – point i

Text proposed by the Commission

Amendment

i) the mechanisms that ensure coordination between the Funds, the EAFRD, the EMFF and other Union and national funding instruments, and with the EIB;

i) the mechanisms that ensure coordination between the Funds, the EAFRD, the EMFF, **the Connecting Europe Facility** and other Union and national funding instruments, and with the EIB;

Amendment 93

Proposal for a regulation

Part 3 – Article 87 – paragraph 2 – point c – point vi

Text proposed by the Commission

Amendment

(vi) where appropriate, the contribution of the planned interventions towards macro regional strategies and sea basin strategies;

(vi) where appropriate, the contribution of the planned interventions towards macro regional strategies **and synergies** and sea **and river** basin strategies;

Amendment 94

Proposal for a regulation

Part 3 – Article 87 – paragraph 2 – point c – point vi a (new)

Text proposed by the Commission

Amendment

(vi a) the identification of areas in which cross-border infrastructure links and/or regional connections will be supported;

Amendment 95

Proposal for a regulation

Part 3 – Article 87 – paragraph 2 – point g – point ii a (new)

Text proposed by the Commission

Amendment

(ii a) the planned linking of Structural Funds and Cohesion Fund resources with other financial instruments, particularly the Connecting Europe Facility;

Amendment 96

Proposal for a regulation

Part 3 – Article 87 – paragraph 3 – subparagraph 1 – point i

Text proposed by the Commission

Amendment

(i) a description of specific actions to take into account environmental protection requirements, resource efficiency, climate change mitigation and adaptation, disaster resilience and risk prevention and management, in the selection of operations;

(i) a description of specific actions to take into account environmental protection requirements, resource efficiency, ***biodiversity protection, ecosystem-based*** climate change mitigation and adaptation, disaster resilience and risk prevention and management, in the selection of operations;

Amendment 97

Proposal for a regulation

Part 3 – Article 87 – paragraph 3 – subparagraph 1 – point i a (new)

Text proposed by the Commission

Amendment

(i a) a description of its contribution to infrastructure development;

Amendment 98

Proposal for a regulation

Part 3 – Article 88 – paragraph 2

Text proposed by the Commission

2. The ERDF and the ESF may finance, ***in a complementary manner and*** subject to a limit of **5 %** of Union funding for each priority axis of an operational programme, a part of an operation for which the costs are eligible for support from the other Fund on the basis of eligibility rules applied to that Fund, provided that they are necessary for the satisfactory implementation of the operation and are directly linked to it.

Amendment

2. The ERDF and the ESF may finance, subject to a limit of **20 %** of Union funding for each priority axis of an operational programme, a part of an operation for which the costs are eligible for support from the other Fund on the basis of eligibility rules applied to that Fund, provided that they are necessary for the satisfactory implementation of the operation and are directly linked to it.

Amendment 99

Proposal for a regulation

Part 3 – Article 91 – paragraph 1 – subparagraph 1 – point f

Text proposed by the Commission

(f) an analysis of the environmental impact, taking into account climate change adaptation and mitigation needs, and disaster resilience;

Amendment

(f) an analysis of the environmental impact, taking into account climate change adaptation and mitigation needs, ***resource efficiency, biodiversity protection,*** and disaster resilience;

Amendment 100

Proposal for a regulation

Part 3 – Article 92 – paragraph 1

Text proposed by the Commission

1. The Commission shall appraise the major project on the basis of the information referred to in Article 91 in order to determine whether the proposed support from the Funds is justified.

Amendment

1. The Commission shall appraise the major project on the basis of the information referred to in Article 91 in order to determine whether the proposed support from the Funds is justified. ***The decision should be preceded by a transparent process.***

Amendment 101

Proposal for a regulation

Part 3 – Article 92 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

1a. When appraising major projects the Commission shall ascertain whether the financial contribution made by the Funds would lead to significant job losses at existing establishments in the European Union, with a view to ensuring that Community funding does not support the relocation of companies inside the Union.

Amendment 102

Proposal for a regulation

Part 3 – Article 97 – paragraph 1 – subparagraph 2

Text proposed by the Commission

Amendment

Its composition shall be decided by the Member State in agreement with the managing authority, respecting the principle of partnership.

Its composition shall be decided by the Member State in agreement with the managing authority, respecting the principle of partnership ***and promoting gender equality in its compilation.***

Amendment 103

Proposal for a regulation

Part 3 – Article 99 – paragraph 1

Text proposed by the Commission

Amendment

1. Where an urban development strategy or ***other*** territorial strategy or pact as defined in Article 12(1) of Regulation...[ESF] requires an integrated approach involving investments under more than one priority axis of one or more operational programmes, the action shall be carried out as an integrated territorial investment (an 'ITI').

1. Where an urban development strategy, ***an infrastructure development strategy*** or ***another*** territorial strategy or pact as defined in Article 12(1) of Regulation...[ESF] requires an integrated approach involving investments under more than one priority axis of one or more operational programmes, the action shall be carried out as an integrated territorial investment (an 'ITI').

Amendment 104

Proposal for a regulation

Part 3 – Article 110 – paragraph 3 – subparagraph 1 – point f a (new)

Text proposed by the Commission

Amendment

(f a) Recommends that the Commission analyse the possibility of setting up an all-European common fund financed by the structural funds to promote collaborative European research;

Amendment 105

Proposal for a regulation

Part 3 – Article 110 – paragraph 3 – subparagraph 2

Text proposed by the Commission

Amendment

The co-financing rate at the level of each priority axis of operational programmes under the European territorial cooperation goal shall be no higher than 75%.

The co-financing rate at the level of each priority axis of operational programmes under the European territorial cooperation goal shall be no higher than 85%.

Amendment 106

Proposal for a regulation

Part 3 – Article 110 – paragraph 7 – subparagraph 1 a (new)

Text proposed by the Commission

Amendment

A separate priority axis with a co-financing rate of up to 80% may be established within the thematic objective set out in point (1) of Article 9, that are set up at Union or interregional level and managed directly or indirectly by the Commission.

Justification

This amendment offers the possibility for regions to voluntarily contribute and participate in R&D cooperation projects, but with a centralized and harmonised selection procedure,

implementation and management approach. This idea has been proposed by ERAC and several MEPs in recent reports.

Amendment 107

Proposal for a regulation

Part 3 – Article 111 – paragraph 1 – point 4 – point c

Text proposed by the Commission

(c) sparsely (less than **50** inhabitants per square kilometre) and very sparsely (less than 8 inhabitants per square kilometre) populated areas.

Amendment

(c) sparsely (less than **125** inhabitants per square kilometre) and very sparsely (less than 8 inhabitants per square kilometre) populated areas ***with a sustained negative migration balance.***

Amendment 108

Proposal for a regulation

Part 3 – Article 112 – paragraph 2 – subparagraph 3

Text proposed by the Commission

The Commission shall be empowered to adopt delegated acts in accordance with Article 142 laying down detailed rules concerning the obligations of the Member States specified in this paragraph.

Amendment

deleted

Amendment 109

Proposal for a regulation

Part 3 – Article 127 – paragraph 1 – subparagraph 1 a (new)

Text proposed by the Commission

Amendment

Where a Member State which is in a difficult financial situation fulfils one of the conditions specified in Article 22(1) the Commission shall, if so requested, and by means of an implementing act, set up a separate programme, to be implemented on a centralised basis in accordance with Article 53a of Council Regulation No 1605/2002, for the purpose of

consolidating funds that have been suspended and/or recovered and the interest earnings or unused funds of the Member State concerned and using them to promote growth as effectively as possible, particularly by means of infrastructure projects that benefit the economy;

Amendment 110

Proposal for a regulation

Part 3 – Article 137 – paragraph 6 a (new)

Text proposed by the Commission

Amendment

6 a. Where a Member State which is in a difficult financial situation fulfils one of the conditions specified in Article 22(1) the Commission shall, if so requested, and by means of an implementing act, set up a separate programme, to be implemented on a centralised basis in accordance with Article 53a of Council Regulation No 1605/2002, for the purpose of consolidating funds that have been suspended and/or recovered and the interest earnings or unused funds of the Member State concerned and using them to promote growth as effectively as possible, particularly by means of infrastructure projects that benefit the economy;

Amendment 111

Proposal for a regulation

Part 4 – Article 143 – paragraph 1

Text proposed by the Commission

Amendment

1. The Commission shall be assisted by a Coordination Committee of the Funds. That committee shall be a committee within the meaning of Regulation (EU) No

1. The Commission shall be assisted by a Coordination Committee of the Funds. That committee shall be a committee within the meaning of Regulation (EU) No 182/2011. ***Gender equality should be***

Amendment 112

Proposal for a regulation Annex I – point 3 – indent 4 a (new)

Text proposed by the Commission

Amendment

- consistent with the principles set out in Articles 7 and 8.

Amendment 113

Proposal for a regulation Annex IV – table – point 1 – third column "criteria for fulfilment"

Text proposed by the Commission

Amendment

– A national or regional research and innovation strategy for smart specialisation is in place that:

– A national or regional research and innovation strategy for smart specialisation is in place that:

- is drawn up in close cooperation with regional stakeholders;

– is based on a SWOT analysis to concentrate resources on a limited set of research and innovation priorities;

– is based on a SWOT analysis to concentrate resources on a limited set of research and innovation priorities, *taking account of evaluations of previous experience, where available;*

– outlines measures to stimulate private RTD investment;

– outlines measures to stimulate private RTD investment;

- outlines possible synergies with actions undertaken under the Horizon 2020 programme;

– contains a monitoring and review system.

– contains a monitoring and review system *that allows for flexible adaptation of the plan;*

– A Member State has adopted a framework outlining available budgetary resources for research and innovation;

– A Member State has adopted a framework outlining available budgetary resources for research and innovation *and programs and prioritization of investments linked to the EU priorities;*

– A Member State has adopted a multi-annual plan for budgeting and prioritization of investments linked to EU priorities (European Strategy Forum on Research Infrastructures -ESFRI).

– A Member State has adopted a multi-annual plan for budgeting and prioritization of investments linked to EU priorities (European Strategy Forum on Research Infrastructures -ESFRI).

Amendment 114

Proposal for a regulation

Annex IV - table - point 2 - second column "ex ante conditionality" - paragraph 2.2

Text proposed by the Commission

2.2. Next Generation Access (NGA) Infrastructure: The existence of national NGA Plans which take account of regional actions in order to reach the EU high-speed Internet access targets focusing on areas where the market fails to provide an open infrastructure at an affordable cost and to an adequate quality in line with the EU competition and state aid rules, and provide accessible services to vulnerable groups.

Amendment

2.2. Next Generation Access (NGA) Infrastructure: The existence of national **and/or regional** NGA Plans which take account of regional actions in order to reach the EU high-speed Internet access targets **and promote territorial cohesion**, focusing on areas where the market fails to provide an open infrastructure at an affordable cost and to an adequate quality in line with the EU competition and state aid rules, and provide accessible services to vulnerable groups.

Amendment 115

Proposal for a regulation

Annex IV - table - point 2 - third column "criteria for fulfilment" - subparagraph 1

Text proposed by the Commission

- A national NGA Plan is in place that contains:

Amendment

- A national **and or regional** NGA Plan is in place that contains:

Amendment 116

Proposal for a regulation

Annex V - point 2.1 - paragraph 3

Text proposed by the Commission

3. The managing authority shall involve in

Amendment

3. The managing authority shall involve in

information and publicity measures, in accordance with national laws and practices, the following bodies:

information and publicity measures, in accordance with national laws and practices, ***at least one of*** the following bodies:

Justification

A degree of flexibility is required here, in order to involve the most appropriate bodies in relation to the type of operation/project for which information and publicity measures need to be provided.

PROCEDURE

Title	Common provisions on European Funds and repealing Regulation (EC) No 1083/2006
References	COM(2011)0615 – C7-0335/2011 – 2011/0276(COD)
Committee responsible Date announced in plenary	REGI 25.10.2011
Opinion by Date announced in plenary	ITRE 25.10.2011
Rapporteur Date appointed	Patrizia Toia 15.11.2011
Discussed in committee	23.4.2012
Date adopted	19.6.2012
Result of final vote	+ : 45 - : 2 0 : 8
Members present for the final vote	Amelia Andersdotter, Josefa Andrés Barea, Zigmantas Balčytis, Ivo Belet, Bendt Bendtsen, Jan Březina, Reinhard Bütikofer, Maria Da Graça Carvalho, Giles Chichester, Jürgen Creutzmann, Pilar del Castillo Vera, Christian Ehler, Vicky Ford, Gaston Franco, Adam Gierek, Norbert Glante, Fiona Hall, Kent Johansson, Romana Jordan, Krišjānis Kariņš, Lena Kolarska-Bobińska, Philippe Lambert, Bogdan Kazimierz Marcinkiewicz, Marisa Matias, Jaroslav Paška, Aldo Patriciello, Vittorio Prodi, Miloslav Ransdorf, Teresa Riera Madurell, Michèle Rivasi, Paul Rübig, Salvador Sedó i Alabart, Francisco Sosa Wagner, Konrad Szymański, Patrizia Toia, Ioannis A. Tsoukalas, Claude Turmes, Niki Tzavela, Marita Ulvskog, Vladimir Urutchev, Adina-Ioana Vălean, Kathleen Van Brempt, Alejo Vidal-Quadras, Henri Weber
Substitute(s) present for the final vote	Antonio Cancian, António Fernando Correia de Campos, Ioan Enciu, Roger Helmer, Jolanta Emilia Hibner, Ivailo Kalfin, Seán Kelly, Werner Langen, Mario Pirillo, Lambert van Nistelrooij
Substitute(s) under Rule 187(2) present for the final vote	Jorgo Chatzimarkakis

25.6.2012

OPINION OF THE COMMITTEE ON TRANSPORT AND TOURISM

for the Committee on Regional Development

on the proposal for a regulation of the European Parliament and of the Council 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 covered by the Common Strategic Framework and laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and repealing Council Regulation (EC) No 1083/2006 (COM(2011)0615 – C7-0335/2011 – 2011/0276(COD))

Rapporteur: Michael Cramer

SHORT JUSTIFICATION

Commission's proposal

This regulation establishes a series of common provisions governing all structural instruments covered by the Common Strategic Framework in the period 2014-2020, including general principles of support such as partnership, multi-level governance, gender equality, sustainable development and compliance with applicable EU and national law. The proposal includes a list of joint thematic objectives derived from the Europe 2020 Strategy as well as the provisions on the Common Strategic Framework at Union level and on Partnership Contracts. Furthermore, it aims at reinforcing the performance orientation of the Union's policies by setting out a common approach consisting of provisions concerning conditionalities and performance review as well as the arrangements for monitoring, reporting and evaluation. Finally, it includes specific provisions on the ERDF, ESF and the CF, in particular those related to the mission and goals of cohesion policy, the financial framework, specific programming and reporting arrangements, major projects, control systems and financial management.

In order to maximise the impact of the policy in delivering European priorities and reinforce the strategic programming process, the proposal aims at translating a list of thematic objectives defined in line with the Europe 2020 Strategy into key actions for the ERDF, the CF, the ESF, the EAFRD and the EMFF. In so doing, it seeks to improve old and introduces new solutions, including 'ex-ante' conditionality, performance reserve mechanism, reinforcement of the rules governing the Funds on macro-fiscal conditionality and their alignment with the new Stability and Growth Pact, setting up of a system of national

accreditation to ensure sound financial management by the Member States, introduction of management declaration of assurance and mandatory annual clearance of accounts and last but not least, result-oriented programming process and support through innovative financial instruments.

Rapporteur's point of view

The rapporteur supports the Commission's proposal but advocates for a better integration of the EU 2020 targets into the EU's structural instruments, in particular when it comes to funding priorities. Furthermore, coherence between these regulations and those on the Trans-European Transport Networks (TEN-T) and the Connecting Europe Facility (CEF) is indispensable.

He endorses a result-oriented approach and supports the increased use of (ex ante-) conditionality when it comes to a shift towards more sustainable and efficient transport and mobility as well as to safety, noise reduction, environmental legislation and the protection of the climate and biodiversity.

The transport sector is responsible for approximately 24% of all CO₂ emissions and has seen them increase by 34% since 1990. Given the time needed to design and deliver large-scale infrastructure projects, investments made over the next years will determine transport and mobility over the next decades. In order to ensure the quality standard of living for the next generations of the EU citizens, European projects should support sustainable modes, focusing on mobility chains that combine walking, cycling, car sharing, car pooling and public transport and are flexible enough to accommodate new mobility solutions.

As the Cohesion Fund and the ERDF are a major source of EU transport funding it is crucial to shift the EU's funding priorities within their respective frameworks and to focus on investments in smart and sustainable mobility in order to avoid, or at least limit, any related external costs in the future. This will also reduce the burden on future public budgets at the level of regions, Member States and the EU. Europe can no longer afford to support extremely costly and lengthy large-scale projects. Instead of "thinking big" the EU start to "act smart".

In this respect, the European added value is decisive and it is the rapporteur's view that the focus of structural support should be put on reinforcing intermodality and removing bottlenecks, filling-in missing trans-border links as well as ensuring that legislation related to safety and the protection of the environment, the climate and biodiversity is fully respected. To this end there is a need for better environmental impact assessments and clear ex ante criteria in order to incentivise the beneficiaries and make them rethink their policies at national, regional and local level.

This point of view is reflected by the following amendments.

AMENDMENTS

The Committee on Transport and Tourism calls on the Committee on Regional Development, as the committee responsible, to incorporate the following amendments in its report:

Amendment 1

Proposal for a regulation

Recital 1

Text proposed by the Commission

(1) Article 174 of the Treaty provides that, in order to strengthen its economic, social and territorial cohesion, the Union shall aim at reducing disparities between the levels of development of the various regions and the backwardness of the least favoured regions **or islands**, particular rural areas, areas affected by industrial transition, and regions which suffer from severe and permanent natural or demographic handicaps. Article 175 of the Treaty requires that the Union would support the achievement of these objectives by action it takes through the European Agricultural Guidance and Guarantee Fund, Guidance Section, the European Social Fund, the European Regional Development Fund, the European Investment Bank and other instruments.

Amendment

(1) Article 174 of the Treaty provides that, in order to strengthen its economic, social and territorial cohesion, the Union shall aim at reducing disparities between the levels of development of the various regions and the backwardness of the least favoured regions. **Among those regions**, particular **attention should be paid to** rural areas, areas affected by industrial transition, and regions which suffer from severe and permanent natural or demographic handicaps, **such as island, cross-border and upland regions**. Article 175 of the Treaty requires that the Union would support the achievement of these objectives by action it takes through the European Agricultural Guidance and Guarantee Fund, Guidance Section, the European Social Fund, the European Regional Development Fund, the European Investment Bank and other instruments.

Amendment 2

Proposal for a regulation

Recital 12

Text proposed by the Commission

(12) The objectives of the CSF Funds should be pursued in the framework of sustainable development and the Union's promotion of the aim of protecting and improving the environment as set out in Article 11 and 19 of the Treaty, taking into account the polluter pays principle. The

Amendment

(12) The objectives of the CSF Funds should be pursued in the framework of sustainable development and the Union's promotion of the aim of protecting and improving the environment as set out in Article 11 and 19 of the Treaty, taking into account the polluter pays principle **and**

Member States should provide information on the support for climate change objectives in line with the ambition to devote at least 20% of the Union budget to this end, using a methodology adopted by the Commission by implementing act.

minimising external costs. The Member States should provide information on the support for climate change objectives in line with the ambition to devote at least 20% of the Union budget to this end, using a methodology adopted by the Commission by implementing act.

Amendment 3

Proposal for a regulation

Recital 55

Text proposed by the Commission

(55) Objective criteria should be fixed for designating eligible regions and areas for support from the Funds. To this end, the identification of the regions and areas at Union level should be based on the common system of classification of the regions established by Regulation (EC) No 1059/2003 of the European Parliament and the Council of 26 May 2003 on the establishment of a common classification of territorial units for statistics (NUTS).

Amendment

(55) Objective criteria should be fixed for designating eligible regions and areas for support from the Funds. To this end, the identification of the regions and areas at Union level should be based on the common system of classification of the regions established by Regulation (EC) No 1059/2003 of the European Parliament and the Council of 26 May 2003 on the establishment of a common classification of territorial units for statistics (NUTS)¹². ***Particular attention should be paid to regions which suffer from severe and permanent natural or demographic handicaps, such as island, cross-border and upland regions, although it must be borne in mind that the current NUTS classification does not necessarily reflect actual territorial specificities.***

Amendment 4

Proposal for a regulation

Recital 88

Text proposed by the Commission

(88) In order to supplement and amend certain non-essential elements of this Regulation, the power to adopt acts in accordance with Article 290 of the Treaty

Amendment

(88) In order to supplement and amend certain non-essential elements of this Regulation, the power to adopt acts in accordance with Article 290 of the Treaty

should be delegated to the Commission in respect of a code of conduct on the objectives and criteria to support the implementation of partnership, the adoption of a Common Strategic Framework, additional rules on the allocation of the performance reserve, the definition of the area and population covered by the local development strategies, detailed rules on financial instruments (ex ante assessment, combination of support, eligibility, types of activities not supported), the rules on certain types of financial instruments set up at national, regional, transnational or cross-border level, rules concerning funding agreements, transfer and management of assets, the arrangements for management and control, the rules on payment requests, and establishment of a system of capitalisation of annual instalments, ***the definition of the flat rate for revenue generating operations***, the definition of the flat rate applied to indirect costs for grants based on existing methods and corresponding rates applicable in Union policies, the responsibilities of Member States concerning the procedure for reporting irregularities and recovery of sums unduly paid, the modalities of exchange of information of operations, the arrangements for the adequate audit trail, the conditions of national audits, the accreditation criteria for managing authorities and certifying authorities, the identification of commonly accepted data carriers, and the criteria for establishing the level of financial correction to be applied. The Commission should also be empowered to amend Annex V in order to address future adaptation needs. It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level.

should be delegated to the Commission in respect of a code of conduct on the objectives and criteria to support the implementation of partnership, the adoption of a Common Strategic Framework, additional rules on the allocation of the performance reserve, the definition of the area and population covered by the local development strategies, detailed rules on financial instruments (ex ante assessment, combination of support, eligibility, types of activities not supported), the rules on certain types of financial instruments set up at national, regional, transnational or cross-border level, rules concerning funding agreements, transfer and management of assets, the arrangements for management and control, the rules on payment requests, and establishment of a system of capitalisation of annual instalments, the definition of the flat rate applied to indirect costs for grants based on existing methods and corresponding rates applicable in Union policies, the responsibilities of Member States concerning the procedure for reporting irregularities and recovery of sums unduly paid, the modalities of exchange of information of operations, the arrangements for the adequate audit trail, the conditions of national audits, the accreditation criteria for managing authorities and certifying authorities, the identification of commonly accepted data carriers, and the criteria for establishing the level of financial correction to be applied. The Commission should also be empowered to amend Annex V in order to address future adaptation needs. It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level.

Justification

Definition of a flat rate is unnecessary as net revenue can be accurately assessed, as required by the current Regulation (EC) No 1083/2006, and inappropriate as there would be a political aspect to defining flat rates which implies a risk of misallocation of funds. Article 54 conveys implementing powers relating to the methodology for the calculation of net revenue for revenue-generating projects.

Amendment 5

Proposal for a regulation

Article 4 – paragraph 9

Text proposed by the Commission

9. The Commission and the Member States shall ensure the effectiveness of the CSF Funds, in particular through monitoring, reporting and evaluation.

Amendment

9. The Commission and the Member States shall ensure the ***efficiency and*** effectiveness of the CSF Funds, in particular ***by ensuring achievement of the proposed objectives and*** through monitoring, reporting and evaluation.

Amendment 6

Proposal for a regulation

Article 8 – paragraph 1

Text proposed by the Commission

The objectives of the CSF Funds shall be pursued in the framework of sustainable development and the Union's promotion of the aim of protecting and improving the environment, as set out in Article 11 of the Treaty, taking into account the polluter pays principle.

Amendment

The objectives of the CSF Funds shall be pursued in the framework of sustainable development and the Union's promotion of the aim of protecting and improving the environment, as set out in Article 11 of the Treaty, taking into account the polluter pays principle ***and minimising external costs***.

Amendment 7

Proposal for a regulation

Article 8 – paragraph 2

Text proposed by the Commission

The Member States and the Commission shall ensure that environmental protection requirements, resource efficiency, climate change mitigation and adaptation, disaster resilience and risk prevention and management are promoted in the preparation and implementation of Partnership Contracts and programmes. Member States shall provide information on the support for climate change objectives using the methodology adopted by the Commission. The Commission shall adopt this methodology by means of an implementing act. The implementing act shall be adopted in accordance with the examination procedure referred to in Article 143(3).

Amendment

The Member States and the Commission shall ensure that environmental protection requirements, resource efficiency, climate change mitigation and adaptation, ***transport sustainability and transport efficiency***, disaster resilience and risk prevention and management are promoted in the preparation and implementation of Partnership Contracts and programmes. Member States shall provide information on the support for climate change objectives using the methodology adopted by the Commission. The Commission shall adopt this methodology by means of an implementing act. The implementing act shall be adopted in accordance with the examination procedure referred to in Article 143(3).

Amendment 8

Proposal for a regulation

Article 9 – paragraph 1 – point 3

Text proposed by the Commission

(3) enhancing the competitiveness of small and medium-sized enterprises, the agricultural sector (for the EAFRD) and the fisheries and aquaculture sector (for the EMFF);

Amendment

(3) enhancing the competitiveness of ***European enterprises, and especially micro-enterprises and*** the agricultural sector (for the EAFRD) and the fisheries and aquaculture sector (for the EMFF);

Amendment 9

Proposal for a regulation

Article 9 – paragraph 1 – point 4

Text proposed by the Commission

(4) supporting the shift towards a low-carbon economy in all sectors;

Amendment

(4) supporting the shift towards a low-carbon economy ***based on energy saving, efficiency and the use of renewable resources*** in all sectors; ***including, in particular, the promotion of intermodal***

sustainable transport and mobility while focusing on removing bottlenecks and completing missing trans-border links in sustainable and intermodal transport infrastructures;

Amendment 10

Proposal for a regulation Article 9 – paragraph 1 – point 5 a (new)

Text proposed by the Commission

Amendment

(5a) increasing energy efficiency in the transport sector, especially in the field of urban transport;

Amendment 11

Proposal for a regulation Article 9 – paragraph 1 – point 7

Text proposed by the Commission

Amendment

(7) promoting sustainable transport and removing bottlenecks in key network infrastructures;

(7) promoting *efficient co-modality aiming at sustainable, safe and eco-efficient* transport and *mobility, while focusing on improving existing infrastructure, bridging missing-links in cross-border connections and* removing bottlenecks in key network infrastructures, *including connections to regional, local, rural and urban areas;*

Amendment 12

Proposal for a regulation Article 9 – paragraph 1 – point 8

Text proposed by the Commission

Amendment

(8) *promoting* employment and supporting

(8) *boosting* employment and supporting

labour mobility;

labour mobility;

Amendment 13

Proposal for a regulation

Article 9 – paragraph 1 – point 10

Text proposed by the Commission

(10) investing in education, skills and lifelong learning;

Amendment

(10) investing in **health**, education, skills and lifelong learning;

Amendment 14

Proposal for a regulation

Article 9 – paragraph 1 – point 11 a (new)

Text proposed by the Commission

Amendment

(11a) boosting economic, social and territorial cohesion.

Amendment 15

Proposal for a regulation

Article 11 – paragraph 1 – point d

Text proposed by the Commission

(d) priority areas for cooperation activities for each of the CSF Funds, where appropriate, taking account of macro-regional and sea basin strategies;

Amendment

(d) priority areas for cooperation activities for each of the CSF Funds, where appropriate, taking account of macro-regional and sea **and river** basin strategies **and synergies**;

Amendment 16

Proposal for a regulation

Article 14 – paragraph 1 – point d – point i

Text proposed by the Commission

(i) a consolidated table of milestones and targets established in programmes for the performance framework referred to in

Amendment

(i) a consolidated table of **measurable qualitative and quantitative** milestones and targets established in programmes for

Article 19(1), together with the methodology and mechanism to ensure consistency across programmes and CSF Funds;

the performance framework referred to in Article 19(1), together with the methodology and mechanism to ensure consistency across programmes and CSF Funds;

Amendment 17

Proposal for a regulation Article 16 – paragraph 1

Text proposed by the Commission

Member States shall concentrate support, in accordance with the Fund-specific rules, on actions bringing the greatest added value in relation to the Union strategy for smart, sustainable and inclusive **growth**, addressing the challenges identified in the country-specific recommendations under Article 121(2) of the Treaty and the relevant Council recommendations adopted under 148(4) of the Treaty, and taking into account national and regional needs.

Amendment

Member States shall concentrate support, in accordance with the Fund-specific rules, on actions bringing the greatest added value **while minimising external costs** in relation to the Union strategy for smart, sustainable and inclusive **development within the time frame of the multiannual financial framework 2014-2020**, addressing the challenges identified in the country-specific recommendations under Article 121(2) of the Treaty and the relevant Council recommendations adopted under 148(4) of the Treaty, and taking into account national and regional needs.

Amendment 18

Proposal for a regulation Article 17 – paragraph 2

Text proposed by the Commission

2. Member States shall assess whether the applicable ex ante conditionalities are fulfilled.

Amendment

2. Member States shall assess whether the applicable ex ante conditionalities are fulfilled. **The assessment shall be based on a common methodology and involve the partners referred to in Article 5.**

Amendment 19

Proposal for a regulation Article 24 – paragraph 3 – subparagraph 1 – introductory part

Text proposed by the Commission

Each priority shall set out indicators to assess progress of programme implementation towards achievement of objectives as the basis for monitoring, evaluation and review of performance. These shall include:

Amendment

Each priority shall set out **measurable qualitative and quantitative** indicators to assess progress of programme implementation towards achievement of objectives as the basis for monitoring, evaluation and review of performance. These shall include:

Amendment 20

Proposal for a regulation

Article 24 – paragraph 3 – subparagraph 1 – point c a (new)

Text proposed by the Commission

Amendment

(c a) indicators relating to the impact of operations on noise emissions, the environment, safety and climate change, according to the EU 2020 targets.

Amendment 21

Proposal for a regulation

Article 24 – paragraph 4

Text proposed by the Commission

Amendment

4. Each programme, except those which cover exclusively technical assistance, shall include a description of the actions to take **into account** the principles set out in Articles 7 and 8.

4. Each programme, except those which cover exclusively technical assistance, shall include **measurable qualitative and quantitative targets and milestones, programme-specific indicators and a description of the actions to take in order to comply with** the principles set out in Articles 7 and 8.

Amendment 22

Proposal for a regulation

Article 24 – paragraph 4 a (new)

4a. In order to improve the delivery of benefits from EU environment measures¹, each programme, plan and project shall set out the results of the Member States' and other project promoters' environmental assessment in particular based on Council Directives 85/337/EEC of 27 June 1985 on the assessment of the effects of certain public and private projects on the environment², on Directive 2001/42/EC of the European Parliament and of the Council of 27 June 2001 on the assessment of the effects of certain plans and programmes on the environment³ and 92/43/EEC of 21 May 1992 on the conservation of natural habitats and of wild fauna and flora⁴, and Directives of the European Parliament and of the Council: 2000/60/EC of 23 October 2000 establishing a framework for Community action in the field of water policy⁵, and 2009/147/EC of 30 November 2009 on the conservation of wild birds⁶ in order to avoid or, when not possible, mitigate or compensate for negative impacts on the environment, such as to landscape fragmentation, soil sealing, air and water pollution as well as noise, and to effectively protect biodiversity.

¹See COM 2012 95 final "Improving the delivery of benefits from EU environment measures: building confidence through better knowledge and responsiveness".

²OJ L 175, 5.7.1985, p. 40.

³OJ L 197, 21.7.2001.

⁴OJ L 206, 22.7.1992, p. 7.

⁵OJ L 327, 22.12.2000, p. 1.

⁶OJ L 20, 26.1.2010, p. 7.

Justification

In order to ensure coherence in EU legislation, the wording of the Commission's proposal on environmental protection (Article 42) within the revision of Union guidelines for the development of the trans-European transport network (COM/2011/0650) has been integrated here.

Amendment 23

Proposal for a regulation

Article 24 – paragraph 4 c (new)

Text proposed by the Commission

Amendment

4c. Each programme, plan and project related to transport and mobility shall be based on an assessment of the effects on safety and on the avoidance of accidents in accordance with the Union's target to reduce fatal accidents by 50 % by 2020.

Amendment 24

Proposal for a regulation

Article 46 – paragraph 2 – point b

Text proposed by the Commission

Amendment

(b) progress towards achievement of the Union strategy for smart, sustainable and inclusive growth, in particular in respect of ***the*** milestones set out for each programme in the performance framework and the support used for climate change objectives;

(b) progress towards achievement of the Union strategy for smart, sustainable and inclusive ***development and*** growth, in particular in respect of ***measurable qualitative and quantitative*** milestones set out for each programme in the performance framework and the support used for climate change ***and biodiversity*** objectives;

Amendment 25

Proposal for a regulation

Article 48 – paragraph 1

Text proposed by the Commission

Amendment

1. Member States shall carry out ex ante evaluations to improve the quality of the design of each programme.

1. Member States, ***in cooperation with, and under the guidance of, the Commission,*** shall carry out ex ante

evaluations to improve the quality of the design of each programme.

Amendment 26

Proposal for a regulation

Article 48 – paragraph 3 – point m

Text proposed by the Commission

(m) the adequacy of planned measures to promote sustainable development.

Amendment

(m) the adequacy of planned measures to promote sustainable development **and to minimise external costs.**

Amendment 27

Proposal for a regulation

Article 51 – paragraph 1 – subparagraph 1

Text proposed by the Commission

At the initiative of, or on behalf of the Commission, the CSF Funds may support the preparatory, monitoring, administrative and technical assistance, evaluation, audit and control measures necessary for implementing this Regulation.

Amendment

At the initiative of, or on behalf of the Commission, **or at the request of a Member State and following approval by the Commission,** the CSF Funds may support the preparatory, monitoring, administrative and technical assistance, evaluation, audit and control measures necessary for implementing this Regulation.

Amendment 28

Proposal for a regulation

Article 54 – paragraph 1 – subparagraph 1 – introductory part

Text proposed by the Commission

Net revenue generated after completion of an operation over a specific reference period shall be determined in advance by **one of the following methods:**

Amendment

Net revenue generated after completion of an operation over a specific reference period shall be determined in advance by:

Amendment 29

Proposal for a regulation

Article 61 – paragraph 1 – subparagraph 1 – point a

Text proposed by the Commission

(a) a cessation or relocation of a productive activity;

Amendment

(a) a cessation or ***complete or partial*** relocation of a productive activity;

Amendment 30

Proposal for a regulation

Article 84 – paragraph 4 – subparagraph 2

Text proposed by the Commission

The Commission shall adopt a decision by implementing act setting out the amount to be transferred from each Member State's Cohesion Fund allocation for the whole period. The Cohesion Fund allocation of each Member State shall be reduced accordingly.

Amendment

The Commission shall adopt a decision by implementing act setting out the amount to be transferred from each Member State's Cohesion Fund allocation for the whole period. The Cohesion Fund allocation of each Member State shall be reduced accordingly, ***to enable the amount to be allocated explicitly to the Member State concerned, under the Connecting Europe Facility.***

Amendment 31

Proposal for a regulation

Article 84 – paragraph 4 – subparagraph 4

Text proposed by the Commission

Support from the Cohesion Fund under the Connecting Europe Facility shall be implemented in accordance with Article [13] of Regulation (EU) [...] /2012 on establishing the Connecting Europe Facility³⁵ in respect of projects listed in Annex I to that Regulation, giving ***greatest possible*** priority to projects respecting the national allocations under the Cohesion Fund.

Amendment

Support from the Cohesion Fund under the Connecting Europe Facility shall be implemented in accordance with Article [13] of Regulation (EU) [...] /2012 on establishing the Connecting Europe Facility³⁵ in respect of projects listed in Annex I to that Regulation, giving priority to projects respecting the national allocations under the Cohesion Fund ***and assuring that no distortion of the national allocations is possible. The Commission***

shall provide necessary coordination and assistance to the eligible Member States in order to remove administrative and bureaucratic barriers and ensure transparent process of selection of the projects.

Amendment 32

Proposal for a regulation

Article 87 – paragraph 2 – point c – point vi

Text proposed by the Commission

(vi) where appropriate, the contribution of the planned interventions towards macro regional strategies and sea basin strategies;

Amendment

(vi) where appropriate, the contribution of the planned interventions towards macro regional strategies and sea **and river** basin strategies **and synergies**;

Amendment 33

Proposal for a regulation

Article 87 – paragraph 3 – subparagraph 2

Text proposed by the Commission

Member States shall submit an opinion of the national equality bodies on the measures set out in points (ii) and (iii) with the proposal for an operational programme under the Investment for growth and jobs goal.

Amendment

Member States shall submit an opinion of the national **environmental and** equality bodies **and partners** on the measures set out in points **(i)**, (ii) and (iii) with the proposal for an operational programme under the Investment for growth and jobs goal.

Amendment 34

Proposal for a regulation

Article 111 - paragraph 3 a (new)

Text proposed by the Commission

Amendment

3a. The economic and financial self-sustainability of the project, favoring revenue-generating operations with

higher co-financing rates over ones applied to non-revenue-generating operations;

Amendment 35

Proposal for a regulation Article 144 a (new)

Text proposed by the Commission

Amendment

Article 144a

Transparency

The Commission shall publish on its website all the Partnership Contracts, programmes, local development strategies, operational programmes, major projects and joint action plans adopted by the Commission, for each Member State;

Amendment 36

Proposal for a regulation Annex I – paragraph 3 – indent 2

Text proposed by the Commission

Amendment

– transparent, with objectively verifiable targets and the source data identified and publicly available;

– transparent, *easily understandable*, with objectively verifiable targets and the source data identified and publicly available;

Amendment 37

Proposal for a regulation Annex IV – row 7

Text proposed by the Commission

<i>Text proposed by the Commission</i>		
7. Promoting sustainable transport and removing bottlenecks in key network infrastructures (referred to in Article	7.1. <i>Road</i> : The existence of a comprehensive national transport plan which contains an appropriate prioritisation of investments in the core	A comprehensive transport plan is in place that contains:

9(7))	Trans European Network of Transport Infrastructure (TEN-T) network, in the comprehensive network (investments other than the core TEN-T) and in secondary connectivity (including public transport at regional and local level).	
		prioritisation of investments in the core TEN-T network, the comprehensive network and secondary connectivity. The prioritisation should take into account the contribution of investments to mobility, sustainability, the reduction of greenhouse gas emissions and contribution to the Single European transport area;
		a realistic and mature project pipeline (including timetable, budgetary framework);
		a strategic environmental assessment fulfilling the legal requirements for the transport plan;
		measures to strengthen capacity of intermediary bodies and beneficiaries to deliver the project pipeline.
	7.2. <i>Railway</i> : The existence within the comprehensive national transport plan of an explicit chapter on railway development which contains an appropriate	A chapter on railway development within the comprehensive transport plan is in place that contains:

	prioritisation of investments in the core Trans European Network of Transport Infrastructure (TEN-T) network, in the comprehensive network (investments other than the core TEN-T) and in secondary connectivity of the railway system according to their contributions to mobility, sustainability, national and European wide network effects. The investments cover mobile assets and interoperability and capacity building.	
		a realistic and mature project pipeline (including timetable, budgetary framework);
		a strategic environmental assessment fulfilling the legal requirements for the transport plan;
		measures to strengthen capacity of intermediary bodies and beneficiaries to deliver the project pipeline.
<i>Amendment by Parliament</i>		
7. promoting sustainable transport, removing bottlenecks in key network infrastructures and closing gaps in cross-border routes, with a view to guaranteeing efficient comodality (referred to in Article 9(7))	7.1. <i>Road</i> : The existence of a comprehensive national transport plan which contains an appropriate prioritisation of investments in the core Trans European Network of Transport Infrastructure (TEN-T) network, in the comprehensive network (investments other than the core TEN-T) and in secondary connectivity	A comprehensive transport plan is in place that contains:

	(including public transport at regional and local level).	
		prioritisation of investments in the core TEN-T network, the comprehensive network and secondary connectivity. The prioritisation should take into account the contribution of investments to mobility, sustainability, the reduction of greenhouse gas emissions and contribution to the Single European transport area;
		a realistic and mature project pipeline (including timetable, budgetary framework);
		a strategic environmental assessment fulfilling the legal requirements for the transport plan;
		measures to strengthen capacity of intermediary bodies and beneficiaries to deliver the project pipeline.
	7.2. <i>Railway</i> : The existence within the comprehensive national transport plan of an explicit chapter on railway development which contains an appropriate prioritisation of investments in the core Trans European Network of Transport Infrastructure (TEN-T) network, in the comprehensive network (investments other than	A chapter on railway development within the comprehensive transport plan is in place that contains:

	the core TEN-T) and in secondary connectivity of the railway system according to their contributions to mobility, sustainability, national and European wide network effects. The investments cover mobile assets and interoperability and capacity building.	
		a realistic and mature project pipeline (including timetable, budgetary framework);
		a strategic environmental assessment fulfilling the legal requirements for the transport plan;
		measures to strengthen capacity of intermediary bodies and beneficiaries to deliver the project pipeline.

Amendment 38

**Proposal for a regulation
Annex IV – row 7.1**

<i>Text proposed by the Commission</i>		
7. Promoting sustainable transport and removing bottlenecks in key network infrastructures (referred to in Article 9(7))	7.1. <i>Road</i> : The existence of a comprehensive national transport plan which contains an appropriate prioritisation of investments in the core Trans European Network of Transport Infrastructure (TEN-T) network, in the comprehensive network (investments other than the core TEN-T) and in secondary connectivity	– A comprehensive transport plan is in place that contains:

	(including public transport at regional and local level).	
		<ul style="list-style-type: none"> – prioritisation of investments in the core TEN-T network, the comprehensive network and secondary connectivity. The prioritisation should take into account the contribution of investments to mobility, sustainability, the reduction of greenhouse gas emissions and contribution to the Single European transport area;
		<ul style="list-style-type: none"> – a realistic and mature project pipeline (including timetable, budgetary framework);
		<ul style="list-style-type: none"> – a strategic environmental assessment fulfilling the legal requirements for the transport plan;
		<ul style="list-style-type: none"> – measures to strengthen capacity of intermediary bodies and beneficiaries to deliver the project pipeline.
	<p>7.2. <i>Railway</i>: The existence within the comprehensive national transport plan of an explicit chapter on railway development which contains an appropriate prioritisation of investments in the core Trans European Network of Transport Infrastructure (TEN-T) network, in the comprehensive network</p>	<ul style="list-style-type: none"> – A chapter on railway development within the comprehensive transport plan is in place that contains:

	(investments other than the core TEN-T) and in secondary connectivity of the railway system according to their contributions to mobility, sustainability, national and European wide network effects. The investments cover mobile assets and interoperability and capacity building.	
		2. a realistic and mature project pipeline (including a timetable, budgetary framework);
		3. a strategic environmental assessment fulfilling the legal requirements for the transport plan;
		4. measures to strengthen capacity of intermediary bodies and beneficiaries to deliver the project pipeline.
<i>Amendment by Parliament</i>		
7. Promoting sustainable transport and removing bottlenecks in key network infrastructures (referred to in Article 9(7))	7.1. <i>Road</i> : The existence of a comprehensive national transport plan which contains an appropriate prioritisation of investments in the core Trans European Network of Transport Infrastructure (TEN-T) network, in the comprehensive network (investments other than the core TEN-T) and in secondary connectivity (including public transport at regional and local level).	– A comprehensive transport plan is in place that contains:
		– prioritisation of

		investments in the core TEN-T network, the comprehensive network and secondary connectivity. The prioritisation should take into account the contribution of investments to mobility, sustainability (<i>including safety</i>), the reduction of greenhouse gas emissions and contribution to the Single European transport area;
		– a realistic and mature project pipeline (including timetable, budgetary framework);
		– a strategic environmental assessment fulfilling the legal requirements for the transport plan;
		– measures to strengthen capacity of intermediary bodies and beneficiaries to deliver the project pipeline.
	7.2. <i>Railway</i> : The existence within the comprehensive national transport plan of an explicit chapter on railway development which contains an appropriate prioritisation of investments in the core Trans European Network of Transport Infrastructure (TEN-T) network, in the comprehensive network (investments other than the core TEN-T) and in secondary connectivity of the railway system	– A chapter on railway development within the comprehensive transport plan is in place that contains:

	according to their contributions to mobility, sustainability, national and European wide network effects. The investments cover mobile assets and interoperability and capacity building.	
		2. a realistic and mature project pipeline (including a timetable, budgetary framework);
		3. a strategic environmental assessment fulfilling the legal requirements for the transport plan;
		4. measures to strengthen capacity of intermediary bodies and beneficiaries to deliver the project pipeline.

Amendment 39

Proposal for a regulation Annex IV – row 7.1

<i>Text proposed by the Commission</i>		
7. Promoting sustainable transport and removing bottlenecks in key network infrastructures (referred to in Article 9(7))	7.1. <i>Road</i> : The existence of a comprehensive national transport plan which contains an appropriate prioritisation of investments in the core Trans European Network of Transport Infrastructure (TEN-T) network, in the comprehensive network (investments other than the core TEN-T) and in secondary connectivity (including public transport at regional and local level).	– A comprehensive transport plan is in place that contains:

		<p>– prioritisation of investments in the core TEN-T network, the comprehensive network and secondary connectivity. The prioritisation should take into account the contribution of investments to mobility, sustainability, the reduction of greenhouse gas emissions and contribution to the Single European transport area;</p>
		<p>– a realistic and mature project pipeline (including timetable, budgetary framework);</p>
		<p>– a strategic environmental assessment fulfilling the legal requirements for the transport plan;</p>
		<p>– measures to strengthen capacity of intermediary bodies and beneficiaries to deliver the project pipeline.</p>
	<p><i>7.2. Railway:</i> The existence within the comprehensive national transport plan of an explicit chapter on railway development which contains an appropriate prioritisation of investments in the core Trans European Network of Transport Infrastructure (TEN-T) network, in the comprehensive network (investments other than the core TEN-T) and in secondary connectivity of the railway system</p>	<p>– A chapter on railway development within the comprehensive transport plan is in place that contains:</p>

	according to their contributions to mobility, sustainability, national and European wide network effects. The investments cover mobile assets and interoperability and capacity building.	
		2. a realistic and mature project pipeline (including a timetable, budgetary framework);
		3. a strategic environmental assessment fulfilling the legal requirements for the transport plan;
		4. measures to strengthen capacity of intermediary bodies and beneficiaries to deliver the project pipeline.
<i>Amendment by Parliament</i>		
7. Promoting sustainable transport, removing bottlenecks in key network infrastructures (referred to in Article 9(7))	7.1. <i>Road</i> : The existence of a comprehensive national transport plan which contains an appropriate prioritisation of investments in the core Trans European Network of Transport Infrastructure (TEN-T) network, in the comprehensive network (investments other than the core TEN-T) and in secondary connectivity (including public transport at regional and local level). <i>Transposition and application of Directive 2011/76/EU on the charging of heavy goods vehicles for the use of certain infrastructures.</i>	– A comprehensive transport plan is in place that contains:

		<p>– prioritisation of investments in the core TEN-T network, the comprehensive network and secondary connectivity. The prioritisation should take into account the contribution of investments to mobility, sustainability, the reduction of greenhouse gas emissions and contribution to the Single European transport area;</p>
		<p>– a realistic and mature project pipeline (including timetable, budgetary framework);</p>
		<p>– a strategic environmental assessment fulfilling the legal requirements for the transport plan;</p>
		<p>– measures to strengthen capacity of intermediary bodies and beneficiaries to deliver the project pipeline.</p>
		<p><i>– National road user charging systems in place, in line with the provisions of 2011/76/EU, including recovery of costs for infrastructure, noise and air pollution, applied on all motorways since the beginning of their operation.</i></p>
	<p>7.2. <i>Railway</i>: The existence within the comprehensive national transport plan of an explicit chapter on railway</p>	<p>– A chapter on railway development within the comprehensive transport plan is in place that contains:</p>

	development which contains an appropriate prioritisation of investments in the core Trans European Network of Transport Infrastructure (TEN-T) network, in the comprehensive network (investments other than the core TEN-T) and in secondary connectivity of the railway system according to their contributions to mobility, sustainability, national and European wide network effects. The investments cover mobile assets and interoperability and capacity building.	
		2. a realistic and mature project pipeline (including a timetable, budgetary framework);
		3. a strategic environmental assessment fulfilling the legal requirements for the transport plan;
		4. measures to strengthen capacity of intermediary bodies and beneficiaries to deliver the project pipeline.

Justification

Currently, Cohesion Policy allows financing construction of new motorways which are not tolled since the beginning of their operation. This provision should ensure that national user charging systems are applied on all projects receiving EU co-financing and the revenues are used for recovery of the infrastructure costs, thus lowering necessary co-financing.

Amendment 40

Proposal for a regulation Annex IV – row 7.1

<i>Text proposed by the Commission</i>		
7. Promoting sustainable transport and removing bottlenecks in key network infrastructures (referred to in Article 9(7))	7.1. <i>Road</i> : The existence of a comprehensive national transport plan which contains an appropriate prioritisation of investments in the core Trans European Network of Transport Infrastructure (TEN-T) network, in the comprehensive network (investments other than the core TEN-T) and in secondary connectivity (including public transport at regional and local level).	A comprehensive transport plan is in place that contains:
		prioritisation of investments in the core TEN-T network, the comprehensive network and secondary connectivity. The prioritisation should take into account the contribution of investments to mobility, sustainability, the reduction of greenhouse gas emissions and contribution to the Single European transport area;
		a realistic and mature project pipeline (including timetable, budgetary framework);
		a strategic environmental assessment fulfilling the legal requirements for the transport plan;
		measures to strengthen capacity of intermediary bodies and beneficiaries to deliver the project

		pipeline.
	<p><i>7.2. Railway:</i> The existence within the comprehensive national transport plan of an explicit chapter on railway development which contains an appropriate prioritisation of investments in the core Trans European Network of Transport Infrastructure (TEN-T) network, in the comprehensive network (investments other than the core TEN-T) and in secondary connectivity of the railway system according to their contributions to mobility, sustainability, national and European wide network effects. The investments cover mobile assets and interoperability and capacity building.</p>	<p>A chapter on railway development within the comprehensive transport plan is in place that contains:</p>
		a realistic and mature project pipeline (including timetable, budgetary framework);
		a strategic environmental assessment fulfilling the legal requirements for the transport plan;
		measures to strengthen capacity of intermediary bodies and beneficiaries to deliver the project pipeline.
<i>Amendment by Parliament</i>		
7. Promoting sustainable transport and removing bottlenecks in key network infrastructures	<p><i>7.1. Road and waterway:</i> The existence of a comprehensive, <i>efficient comodal</i> national</p>	<p>A comprehensive transport plan is in place that contains:</p>

(referred to in Article 9(7))	transport plan which contains an appropriate prioritisation of investments, including intelligent transport systems , in the core Trans European Network of Transport Infrastructure (TEN-T) network, in the comprehensive network (investments other than the core TEN-T) and in secondary connectivity (including public transport at regional and local level).	
		prioritisation of investments in the core TEN-T network, the comprehensive network and secondary connectivity. The prioritisation should take into account the contribution of investments to mobility, sustainability, the reduction of greenhouse gas emissions and contribution to the Single European transport area;
		a realistic and mature project pipeline (including timetable, budgetary framework);
		a strategic environmental assessment fulfilling the legal requirements for the transport plan;
		measures to strengthen capacity of intermediary bodies and beneficiaries to deliver the project pipeline.
	7.2. <i>Railway</i> : The	A chapter on railway

	<p>existence within the comprehensive national transport plan of an explicit chapter on railway development which contains an appropriate prioritisation of investments in the core Trans European Network of Transport Infrastructure (TEN-T) network, in the comprehensive network (investments other than the core TEN-T) and in secondary connectivity of the railway system according to their contributions to mobility, sustainability, national and European wide network effects. The investments cover mobile assets and interoperability and capacity building.</p>	<p>development within the comprehensive transport plan is in place that contains:</p>
		<p>a realistic and mature project pipeline (including timetable, budgetary framework);</p>
		<p>a strategic environmental assessment fulfilling the legal requirements for the transport plan;</p>
		<p>measures to strengthen capacity of intermediary bodies and beneficiaries to deliver the project pipeline.</p>

Amendment 41

**Proposal for a regulation
Annex IV – row 7.2**

<i>Text proposed by the Commission</i>		
7. Promoting sustainable transport and removing bottlenecks in key network infrastructures (referred to in Article 9(7))	7.1. <i>Road</i> : The existence of a comprehensive national transport plan which contains an appropriate prioritisation of investments in the core Trans European Network of Transport Infrastructure (TEN-T) network, in the comprehensive network (investments other than the core TEN-T) and in secondary connectivity (including public transport at regional and local level).	A comprehensive transport plan is in place that contains:
		prioritisation of investments in the core TEN-T network, the comprehensive network and secondary connectivity. The prioritisation should take into account the contribution of investments to mobility, sustainability, the reduction of greenhouse gas emissions and contribution to the Single European transport area;
		a realistic and mature project pipeline (including timetable, budgetary framework);
		a strategic environmental assessment fulfilling the legal requirements for the transport plan;
		measures to strengthen capacity of intermediary bodies and beneficiaries to deliver the project

		pipeline.
	<p><i>7.2. Railway:</i> The existence within the comprehensive national transport plan of an explicit chapter on railway development which contains an appropriate prioritisation of investments in the core Trans European Network of Transport Infrastructure (TEN-T) network, in the comprehensive network (investments other than the core TEN-T) and in secondary connectivity of the railway system according to their contributions to mobility, sustainability, national and European wide network effects. The investments cover mobile assets and interoperability and capacity building.</p>	<p>A chapter on railway development within the comprehensive transport plan is in place that contains:</p>
		<p>a realistic and mature project pipeline (including timetable, budgetary framework);</p>
		<p>a strategic environmental assessment fulfilling the legal requirements for the transport plan;</p>
		<p>measures to strengthen capacity of intermediary bodies and beneficiaries to deliver the project pipeline.</p>
<i>Amendment by Parliament</i>		
<p>7. Promoting sustainable transport and removing bottlenecks in key network infrastructures</p>	<p><i>7.1. Road:</i> The existence of a comprehensive national transport plan which contains an</p>	<p>A comprehensive transport plan is in place that contains:</p>

(referred to in Article 9(7))	appropriate prioritisation of investments in the core Trans European Network of Transport Infrastructure (TEN-T) network, in the comprehensive network (investments other than the core TEN-T) and in secondary connectivity (including public transport at regional and local level).	
		prioritisation of investments in the core TEN-T network, the comprehensive network and secondary connectivity. The prioritisation should take into account the contribution of investments to mobility, sustainability, the reduction of greenhouse gas emissions and contribution to the Single European transport area;
		a realistic and mature project pipeline (including timetable, budgetary framework);
		a strategic environmental assessment fulfilling the legal requirements for the transport plan;
		measures to strengthen capacity of intermediary bodies and beneficiaries to deliver the project pipeline.
	7.2. <i>Railway</i> : The existence within the comprehensive, <i>efficient comodal</i> national transport plan of an	A chapter on railway development within the comprehensive transport plan is in place that contains:

	<p>explicit chapter on railway development which contains an appropriate prioritisation of investments in the core Trans European Network of Transport Infrastructure (TEN-T) network, in the comprehensive network (investments other than the core TEN-T) and in secondary connectivity of the railway system according to their contributions to mobility, sustainability, national and European wide network effects. The investments cover mobile assets and interoperability and capacity building.</p>	
		<p>a realistic and mature project pipeline (including timetable, budgetary framework);</p>
		<p>a strategic environmental assessment fulfilling the legal requirements for the transport plan;</p>
		<p>measures to strengthen capacity of intermediary bodies and beneficiaries to deliver the project pipeline.</p>

PROCEDURE

Title	Common provisions on European Funds and repealing Regulation (EC) No 1083/2006		
References	COM(2011)0615 – C7-0335/2011 – 2011/0276(COD)		
Committee responsible Date announced in plenary	REGI 25.10.2011		
Opinion by Date announced in plenary	TRAN 25.10.2011		
Rapporteur Date appointed	Michael Cramer 25.11.2011		
Discussed in committee	28.2.2012	26.3.2012	24.4.2012
Date adopted	19.6.2012		
Result of final vote	+: –: 0:	36 0 6	
Members present for the final vote	Magdi Cristiano Allam, Inés Ayala Sender, Georges Bach, Izaskun Bilbao Barandica, Philip Bradbourn, Antonio Cancian, Michael Cramer, Joseph Cuschieri, Philippe De Backer, Luis de Grandes Pascual, Christine De Veyrac, Saïd El Khadraoui, Ismail Ertug, Knut Fleckenstein, Jacqueline Foster, Mathieu Grosch, Jim Higgins, Juozas Imbrasas, Dieter-Lebrecht Koch, Ádám Kósa, Werner Kuhn, Eva Lichtenberger, Marian-Jean Marinescu, Gesine Meissner, Hubert Pirker, Dominique Riquet, Petri Sarvamaa, Vilja Savisaar-Toomast, Olga Sehnalová, Brian Simpson, Keith Taylor, Silvia-Adriana Țicău, Giommaria Uggias, Peter van Dalen, Dominique Vlasto, Artur Zasada, Roberts Zīle		
Substitute(s) present for the final vote	Spyros Danellis, Gilles Pargneaux, Alfreds Rubiks, Janusz Władysław Zemke		
Substitute(s) under Rule 187(2) present for the final vote	María Irigoyen Pérez		

22.6.2012

OPINION OF THE COMMITTEE ON AGRICULTURE AND RURAL DEVELOPMENT

for the Committee on Regional Development

on the proposal for a regulation of the European Parliament and of the Council 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 covered by the Common Strategic Framework and laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and repealing Regulation (EC) No 1083/2006 (COM(2011)0615 – C7-0335/2011 – 2011/0276(COD))

Rapporteur: Salvatore Caronna

SHORT JUSTIFICATION

The first part of the Commission's proposal for a regulation laying down the lines of the future cohesion policy for 2014 - 2020 sets out a series of common provisions governing all structural instruments covered by the Common Strategic Framework (CSF).

The European Regional Development Fund (ERDF), the European Social Fund (ESF), the Cohesion Fund (CF), the European Agricultural Fund for Rural Development (EAFRD) and the European Maritime and Fisheries Fund (EMFF) will pursue, in the next programming period, complementary policy objectives in line with the objectives outlined in the Europe 2020 Strategy.

Even the European Agricultural Fund for Rural Development will shortly be called upon to give its contribution to the achievement of the strategy for a smart, inclusive and sustainable Europe, to complement the other instruments of the common agricultural policy, cohesion policy and fisheries policy.

Your rapporteur welcomes this new approach geared to reinforcing the strategic integrated programming process and bringing it into line with the Europe 2020 Strategy; however, he believes that some changes should be made to the legislative text in order to define more clearly the priorities and implementing bodies and to eliminate anything that may be liable to misinterpretation and undermine the effectiveness of the entire cohesion policy.

Below is a summary of the main changes to the Commission proposal for a regulation suggested by your rapporteur.

1. Thematic concentration

Under the new structural programming period, cohesion policy has now become the main investment tool with which to support the EU's key priorities as set out in the Europe 2020 Strategy.

Your rapporteur welcomes the principle of thematic concentration with regard to the key objectives of the strategy for a smart, inclusive and sustainable Europe; however, he fears that this lack of flexibility in the choice of objectives could call into question the bottom-up approach typical of cohesion policy, which enables that policy to be geared to the needs of individual regions, which are the true drivers of development as they are more deeply connected to local communities and their needs.

2. Multi-level governance

The proposal for a regulation introduces the instrument of the Partnership Contract, the document which, amongst other things, sets out the Member State's strategy, priorities and arrangements for using the Common Strategic Framework funds in an effective and efficient way. The Partnership Contract is drawn up by the Member State, in cooperation with the partners listed in Article 5 of the proposal.

Your rapporteur takes the view that the system of governance proposed by the Commission with regard to the involvement of local and regional partners in the drawing up of the Partnership Contract does not respect the principle of subsidiarity.

More specifically, the bodies at which cohesion policy is mainly targeted, and those which also implement the policy, i.e. the local and regional authorities of the Member States, are being assigned the same role as that of the economic and social partners and civil society associations; in other words, they are all being put on an equal footing in a manner that is not in keeping with the management responsibilities that the local and regional authorities have in relation to cohesion policy.

In view of these considerations, your rapporteur calls for greater involvement of local authorities, and in particular of regional authorities.

3. Macroeconomic conditionalities

In its proposal, the Commission provides for the tightening up of the rules on macro-fiscal conditionality which, as a last resort, make the partial or full disbursement of funds subject to compliance with the new Stability and Growth Pact enforcement measures.

Your rapporteur totally objects to this provision, and therefore proposes that it be deleted. The risk is that macroeconomic conditionality will shift the blame for the failure to meet the conditions laid down as part of the macroeconomic convergence measures onto the local and regional authorities, when the responsibility actually lies with the Member States themselves.

4. Performance reserve

The Commission proposal provides for the establishment in each Member State of a performance reserve equal to 5% of the total funds allocated to it, which is to be frozen for the entire programming period until the Commission carries out a performance review in 2019.

Your rapporteur objects to this provision, as he fears that this mechanism might ultimately tempt Member States to set targets that are particularly modest and thus easy to attain, in order to receive additional funding.

5. Common Strategic Framework

Fund coordination mechanisms and the general objectives and aims of the European Union with regard to smart, inclusive and sustainable growth are set out in the Common Strategic Framework. In its proposal, the Commission states that this important strategic document is to be adopted by means of a delegated act.

Your rapporteur considers the legal status of the Common Strategic Framework as proposed to be inappropriate. Through delegated acts the legislator confers on the Commission the power to adopt non-legislative acts of general application to supplement or amend certain non-essential elements of a legislative act.

Your rapporteur therefore calls for the Common Strategic Framework to be adopted under the ordinary legislative procedure and to be placed in a specific annex to the regulation.

AMENDMENTS

The Committee on Agriculture and Rural Development calls on the Committee on Regional Development, as the committee responsible, to incorporate the following amendments in its report:

Amendment 1

Proposal for a regulation Recital 14

Text proposed by the Commission

(14) The Commission should adopt by delegated act a Common Strategic Framework which translates the objectives of the Union into key actions for the CSF Funds, in order to provide clearer strategic direction to the programming process at the level of Member States and regions. The Common Strategic Framework should facilitate sectoral and territorial coordination of Union intervention under the CSF Funds and with other relevant

Amendment

(14) The Commission should adopt by delegated act a Common Strategic Framework ***as laid down in Annex Ia of this Regulation*** which translates the objectives of the Union into key actions for the CSF Funds, in order to provide clearer strategic direction to the programming process at the level of Member States and regions. The Common Strategic Framework should facilitate sectoral and territorial coordination of Union

Union policies and instruments.

intervention under the CSF Funds and with other relevant Union policies and instruments, ***taking into account the principle of territoriality and governance at various levels, and the specific characteristics recognised in Article 349 TFEU with regard to the outermost regions.***

Amendment 2

Proposal for a regulation Recital 16

Text proposed by the Commission

(16) On the basis of the Common Strategic Framework ***adopted by the Commission***, each Member State should prepare, in cooperation with its partners and in dialogue with the Commission, a Partnership Contract. The Partnership Contract should translate the elements set out in the Common Strategic Framework into the national context and set out firm commitments to the achievement of Union objectives through the programming of the CSF Funds.

Amendment

(16) On the basis of the Common Strategic Framework, each Member State should prepare, in cooperation with its partners, and in dialogue with the Commission, a Partnership Contract. The Partnership Contract should translate the elements set out in the Common Strategic Framework into the national context and set out firm commitments to the achievement of Union objectives through the programming of the CSF Funds.

Amendment 3

Proposal for a regulation Recital 17

Text proposed by the Commission

(17) Member States should concentrate support to ensure a significant contribution to the achievement of Union objectives in line with their specific national and regional development needs. Ex ante conditionalities should be defined to ensure that the necessary framework conditions for the effective use of Union support are

Amendment

(17) Member States should concentrate support to ensure a significant contribution to the achievement of Union objectives in line with their specific national and regional development needs. Ex ante conditionalities should be defined ***which have a close substantive relationship with, and a direct impact on, the efficient use of***

in place. The fulfilment of those ex ante conditionalities should be assessed by the Commission in the framework of its assessment of the Partnership Contract and programmes. In cases where there is a failure to fulfil an ex ante conditionality, the Commission should have the power to suspend payments to the programme.

the CSF funds, in order to ensure that the necessary framework conditions for the effective use of Union support are in place. The fulfilment of those ex ante conditionalities should be assessed by the Commission in the framework of its assessment of the Partnership Contract and programmes. In cases where there is a failure to fulfil an ex ante conditionality, the Commission should have the power to suspend payments to the programme.

Amendment 4

Proposal for a regulation Recital 18

Text proposed by the Commission

(18) A performance framework should be defined for each programme with a view to monitoring progress towards the objectives and targets set for each programme over the course of the programming period. The Commission should undertake a performance review in cooperation with the Member States in 2017 and 2019. ***A performance reserve should be foreseen and allocated in 2019 where milestones set in the performance framework have been attained. Due to their diversity and multi-country character, there should be no performance reserve for 'European Territorial Cooperation' programmes. In cases where the shortfall in the achievement of milestones or targets is significant, the Commission should be able to suspend payments to the programme or, at the end of the programming period, apply financial corrections, in order to ensure that the Union budget is not used in a wasteful or inefficient way.***

Amendment

(18) A performance framework should be defined for each programme with a view to monitoring progress towards the objectives and targets set for each programme over the course of the programming period. The Commission should undertake a performance review in cooperation with the Member States in 2017 and 2019.

Justification

Consequence of the suggested deletion of Articles 18 to 20.

Amendment 5

Proposal for a regulation Recital 19

Text proposed by the Commission

Amendment

(19) Establishing a closer link between cohesion policy and the economic governance of the Union will ensure that the effectiveness of expenditure under the CSF Funds is underpinned by sound economic policies and that the CSF Funds can, if necessary, be redirected to addressing the economic problems a country is facing. This process has to be gradual, starting with amendments to the Partnership Contract and to the programmes in support of Council recommendations to address macroeconomic imbalances and social and economic difficulties. Where, despite the enhanced use of CSF funds, a Member State fails to take effective action in the context of the economic governance process, the Commission should have the right to suspend all or part of the payments and commitments. Decisions on suspensions should be proportionate and effective, taking into account the impact of the individual programmes for addressing the economic and social situation in the relevant Member State and previous amendments to the Partnership Contract. When deciding on suspensions, the Commission should also respect equality of treatment between Member States, taking into account in particular the impact of the suspension on the economy of the Member State concerned. The suspensions should be lifted and funds be made available again to the Member State concerned as soon as the Member State takes the necessary action.

deleted

Justification

Consequence of the suggested deletion of Article 21.

Amendment 6

Proposal for a regulation
Recital 33

Text proposed by the Commission

(33) In order to improve the quality and design of each programme, and verify that objectives and targets can be reached, an ex ante evaluation of each programme should be carried out.

Amendment

(33) In order to improve the quality and design of each programme, and verify that objectives and targets can be reached ***and are consistent in terms of programme aims and financial allocations***, an ex ante evaluation of each programme should be carried out ***that draws on prior experiences***.

Amendment 7

Proposal for a regulation
Recital 58

Text proposed by the Commission

(58) In order to strengthen the focus on results and achievement of the Europe 2020 objectives and targets, five per cent of the resources for the 'Investment for growth and jobs' goal should be set aside as a performance reserve for each Fund, and category of region in each Member State.

Amendment

deleted

Amendment 8

Proposal for a regulation
Recital 59

Text proposed by the Commission

(59) As regards the Funds and with a view to ensuring an appropriate allocation to

Amendment

(59) As regards the Funds and with a view to ensuring an appropriate allocation to

each category of regions, resources should not be transferred between *less developed, transition and more developed* regions except in duly justified circumstances linked to the delivery of one or more thematic objectives and for no more than **2** % of the total appropriation for that category of region.

each category of regions, resources should, *as a rule, not* be transferred between *different* regions except in duly justified circumstances linked to the delivery of one or more thematic objectives and for no more than **30** % of the total appropriation for that category of region.

Amendment 9

Proposal for a regulation Recital 87

Text proposed by the Commission

(87) The frequency of audits on operations should be proportionate to the extent of the Union's support from the Funds. In particular, *the number of audits* carried out *should be reduced* where the total eligible expenditure for an operation does not exceed EUR **100 000**. Nevertheless, it should be possible to carry out audits at any time where there is evidence of an irregularity or fraud, or, following closure of a completed operation, as part of an audit sample. In order that the level of auditing by the Commission is proportionate to the risk, the Commission should be able to reduce its audit work in relation to operational programmes where there are no significant deficiencies or where the audit authority can be relied on.

Amendment

(87) The frequency of audits on operations should be proportionate to the extent of the Union's support from the Funds. In particular, *a single audit should be* carried out where the total eligible expenditure for an operation does not exceed EUR **200 000**. Nevertheless, it should be possible to carry out audits at any time where there is evidence of an irregularity or fraud, or, following closure of a completed operation, as part of an audit sample. In order that the level of auditing by the Commission is proportionate to the risk, the Commission should be able to reduce its audit work in relation to operational programmes where there are no significant deficiencies or where the audit authority can be relied on.

Amendment 10

Proposal for a regulation Recital 88

Text proposed by the Commission

(88) In order to supplement and amend certain non-essential elements of this Regulation, the power to adopt acts in

Amendment

(88) In order to supplement and amend certain non-essential elements of this Regulation, the power to adopt acts in

accordance with Article 290 of the Treaty should be delegated to the Commission in respect of the following: a code of conduct on the objectives and criteria to support the implementation of partnership, *the adoption of a Common Strategic Framework*, additional rules on the allocation of the growth and competitiveness reserve, the definition of the area and population covered by the local development strategies, detailed rules on financial instruments (ex ante assessment, eligibility of expenses, types of activities not supported, combination of support, transfer and management of assets, payment requests, and capitalisation of annual instalments), the definition of the flat rate for revenue generating operations, the responsibilities of Member States concerning the procedure for reporting irregularities and recovery of sums unduly paid, the model of management declaration of assurance on the functioning of the management and control system, the conditions of national audits, the accreditation criteria for managing authorities and certifying authorities, the identification of commonly accepted data carriers, the level of financial correction to be applied, the amendment of annexes; the specific measures necessary for the facilitation of transition from Regulation (EC) No 1083/2006. The Commission should also be empowered to amend Annexes I and IV in order to address future adaptation needs. It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level.

Amendment 11

Proposal for a regulation Recital 90

accordance with Article 290 of the Treaty should be delegated to the Commission in respect of the following: a code of conduct on the objectives and criteria to support the implementation of partnership, additional rules on the allocation of the growth and competitiveness reserve, the definition of the area and population covered by the local development strategies, detailed rules on financial instruments (ex ante assessment, eligibility of expenses, types of activities not supported, combination of support, transfer and management of assets, payment requests, and capitalisation of annual instalments), the definition of the flat rate for revenue generating operations, the responsibilities of Member States concerning the procedure for reporting irregularities and recovery of sums unduly paid, the model of management declaration of assurance on the functioning of the management and control system, the conditions of national audits, the accreditation criteria for managing authorities and certifying authorities, the identification of commonly accepted data carriers, the level of financial correction to be applied, the amendment of annexes; the specific measures necessary for the facilitation of transition from Regulation (EC) No 1083/2006. The Commission should also be empowered to amend Annexes I and IV in order to address future adaptation needs. It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level.

Text proposed by the Commission

(90) The Commission should be empowered to adopt, by means of implementing acts, as regards all CSF Funds, decisions approving the Partnership Contracts, ***decisions on the allocation of the performance reserve, decisions suspending payments linked to Member States' economic policies***, and, in the case of decommitment, decisions to amend decisions adopting programmes; and as regards the Funds, decisions identifying the regions and Member States fulfilling the Investment for growth and jobs criteria, decisions setting out the annual breakdown of commitment appropriations to the Member States, decisions setting out the amount to be transferred from each Member State's CF allocation to the Connecting Europe Facility, decisions setting out the amount to be transferred from each Member State's Structural Funds allocation for food for deprived people, decisions adopting and amending operational programmes, decisions on major projects, decisions on joint action plans, decisions suspending payments and decisions on financial corrections.

Amendment 12

Proposal for a regulation
Article 4 – paragraph 1

Text proposed by the Commission

1. The CSF Funds shall provide support, through multi-annual programmes, which complements national, regional and local intervention, to deliver the Union strategy for smart, sustainable and inclusive growth, taking account of the Integrated Guidelines, the country-specific recommendations under Article 121(2) of the Treaty and the relevant Council

Amendment

(90) The Commission should be empowered to adopt, by means of implementing acts, as regards all CSF Funds, decisions approving the Partnership Contracts, and, in the case of decommitment, decisions to amend decisions adopting programmes; and as regards the Funds, decisions identifying the regions and Member States fulfilling the Investment for growth and jobs criteria, decisions setting out the annual breakdown of commitment appropriations to the Member States, decisions setting out the amount to be transferred from each Member State's CF allocation to the Connecting Europe Facility, decisions setting out the amount to be transferred from each Member State's Structural Funds allocation for food for deprived people, decisions adopting and amending operational programmes, decisions on major projects, decisions on joint action plans, decisions suspending payments and decisions on financial corrections.

Amendment

1. The CSF Funds shall provide support, through multi-annual programmes, which ***creates synergies and*** complements national, regional and local intervention, to deliver the Union strategy for smart, sustainable and inclusive growth, taking account of the Integrated Guidelines, the country-specific recommendations under Article 121(2) of the Treaty and the

recommendations adopted under 148(4) of the Treaty.

relevant Council recommendations adopted under 148(4) of the Treaty.

Amendment 13

Proposal for a regulation

Article 4 – paragraph 3

Text proposed by the Commission

3. Support from the CSF Funds shall be implemented in close cooperation between the Commission and the Member States.

Amendment

3. Support from the CSF Funds shall be implemented in close cooperation between the Commission and the Member States, ***in accordance with the principle of subsidiarity.***

Amendment 14

Proposal for a regulation

Article 4 – paragraph 6

Text proposed by the Commission

6. In accordance with their respective responsibilities, the Commission and the Member States shall ensure coordination among the CSF Funds, and with other Union policies and instruments, including those in the framework of the Union's external action.

Amendment

6. In accordance with their respective responsibilities, the Commission and the Member States shall ensure coordination among the CSF Funds, and with other Union policies and instruments, including those in the framework of the Union's external action ***and ensure policy coherence for development in accordance with Article 208 TFEU.***

Amendment 15

Proposal for a regulation

Article 5 – paragraph 1

Text proposed by the Commission

1. For the Partnership Contract and each programme respectively, ***a*** Member ***State*** shall organise a partnership with the following partners:

Amendment

1. For the Partnership Contract and each programme respectively, Member ***States and regional and local authorities*** shall organise a partnership with the following

- (a) **competent regional, local, urban and** other public authorities;
- (b) economic and social partners; and
- (c) bodies representing civil society, including environmental partners, non-governmental organisations, and bodies responsible for promoting equality and non-discrimination.

partners:

- (a) other public authorities;
- (b) economic and social partners; and
- (c) bodies representing civil society, including environmental partners, non-governmental organisations, and bodies responsible for promoting equality and non-discrimination.

Justification

Regional and local authorities shall be involved in the Partnership on equal footing with the Member States.

Amendment 16

Proposal for a regulation

Article 5 – paragraph 1 – point c

Text proposed by the Commission

(c) bodies representing civil society, including environmental partners, non-governmental organisations, and bodies responsible for promoting equality and non-discrimination.

Amendment

(c) bodies representing civil society, including environmental partners, non-governmental organisations, and bodies responsible for promoting equality and non-discrimination, **and others such as non-governmental organisations promoting social inclusion and organisations active in the areas of culture, education and youth policy.**

Amendment 17

Proposal for a regulation

Article 5 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

1a. A Member State, or sub-national government with competent authority, shall include those institutions, organisations and groups in the Partnership that might influence or might be affected by the implementation of the

programmes. Specific attention shall be paid to groups that might be affected by the programmes and may suffer difficulties to influence them, in particular the most vulnerable and marginalised groups.

Amendment 18

Proposal for a regulation Article 5 – paragraph 2

Text proposed by the Commission

2. In accordance with the multi-level governance approach, the partners shall be involved by Member States in the preparation of Partnership Contracts and progress reports and in the preparation, implementation, monitoring and evaluation of programmes. The partners shall participate in the monitoring committees for programmes.

Amendment

2. In accordance with the multi-level governance approach, the partners ***representing the different territorial levels in the Member States*** shall be involved by Member States, ***and sub-national governments with competent authority***, in ***all stages of*** the preparation of Partnership Contracts and progress reports and in ***all stages of*** the preparation, implementation, monitoring and evaluation of programmes. The partners shall participate in the monitoring committees for programmes.

Amendment 19

Proposal for a regulation Article 5 – paragraph 4 a (new)

Text proposed by the Commission

Amendment

4a. Member States shall ensure that the partners are provided capacity building to participate in partnership and public consultation processes effectively.

Amendment 20

Proposal for a regulation Article 8 – paragraph 1

Text proposed by the Commission

The objectives of the CSF Funds shall be pursued in the framework of sustainable development and the Union's promotion of the aim of protecting and improving the environment, as set out in Article 11 *of the Treaty*, taking into account the polluter pays principle.

Amendment

The objectives of the CSF Funds shall be pursued in the framework of ***integrated*** sustainable development and the Union's promotion of the aim of protecting and improving the environment, as set out in Article 11 TFEU, taking into account the polluter pays principle ***and avoiding future external costs for European society.***

Amendment 21

Proposal for a regulation
Article 8 – paragraph 2

Text proposed by the Commission

The Member States and the Commission shall ensure that environmental protection requirements, resource efficiency, climate change mitigation and adaptation, disaster resilience and risk prevention and management are promoted in the preparation and implementation of Partnership Contracts and programmes. Member States shall provide information on the support for climate change objectives using the methodology adopted by the Commission. The Commission shall adopt this methodology by means of an implementing act. The implementing act shall be adopted in accordance with the examination procedure referred to in Article 143(3).

Amendment

The Member States and the Commission shall ensure that environmental protection requirements, resource efficiency, climate change mitigation and adaptation, disaster resilience and risk prevention and management are promoted in the preparation and implementation of Partnership Contracts and programmes. Member States shall provide information on the support for climate change objectives using the methodology adopted by the Commission. The Commission shall adopt this methodology by means of an implementing act. The implementing act shall be adopted in accordance with the examination procedure referred to in Article 143(3). ***Sustainability shall also be ensured in terms of maintaining and creating employment.***

Amendment 22

Proposal for a regulation

Article 9 – paragraph 1 – point 6

Text proposed by the Commission

(6) protecting the environment and promoting resource efficiency,

Amendment

(6) protecting the environment **and the cultural heritage**, and promoting resource efficiency,

Amendment 23

Proposal for a regulation

Article 9 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

Each Member State shall, in response to the specific analyses in connection with the thematic objectives, establish the types and levels of support to be provided in the context of each of the measures.

Amendment 24

Proposal for a regulation

Article 10

Text proposed by the Commission

In order to promote the harmonious, balanced and sustainable development of the Union, a Common Strategic Framework shall ***translate*** the objectives and targets of the Union strategy for smart, sustainable and inclusive growth ***into key actions for the CSF Funds***.

Amendment

In order to promote the harmonious, balanced and sustainable development of the Union, ***the*** Common Strategic Framework ***as laid down in Annex Ia*** shall ***provide coordination of the CSF funds in order to achieve*** the objectives and targets of the Union strategy for smart, sustainable and inclusive growth.

Justification

Horizontal amendment. If adopted, references to the Common Strategic Framework shall be

transformed into references to the new Annex throughout the text.

The Common Strategic Framework shall be included in the basic act.

Amendment 25

Proposal for a regulation

Article 12

Text proposed by the Commission

The Commission shall be empowered to adopt a delegated act in accordance with Article 142 on the Common Strategic Framework within 3 months of the adoption of this Regulation.

Where there are major changes in the Union strategy for smart, sustainable and inclusive growth, the Commission shall review and, where appropriate, ***adopt***, by delegated act in accordance with Article 142, ***a revised*** Common Strategic Framework.

Within 6 months of adoption of a revised Common Strategic Framework, Member States shall propose amendments, where necessary, to their Partnership Contract and programmes to ensure their consistency with the revised Common Strategic Framework.

Amendment

The Common Strategic Framework is laid down in Annex Ia.

Where there are major changes in the Union strategy for smart, sustainable and inclusive growth, the Commission shall review and, where appropriate, ***amend***, by delegated act in accordance with Article 142, ***the*** Common Strategic Framework ***laid down in Annex Ia.***

Within 6 months of adoption of a revised Common Strategic Framework, Member States shall propose amendments, where necessary, to their Partnership Contract and programmes to ensure their consistency with the revised Common Strategic Framework.

Justification

Horizontal amendment. If adopted, references to the Common Strategic Framework shall be transformed into references to the new Annex throughout the text.

The Common Strategic Framework shall be included in the basic act.

Amendment 26

Proposal for a regulation

Article 13 – paragraph 1

Text proposed by the Commission

1. Each Member State shall prepare a

Amendment

1. Each Member State shall prepare, ***in***

Partnership Contract for the period from 1 January 2014 to 31 December 2020.

agreement with its own local and regional authorities, a Partnership Contract for the period from 1 January 2014 to 31 December 2020.

Justification

Since the local and regional authorities finance and manage cohesion policy, they should play a full role in framing, negotiating, implementing and amending it.

Amendment 27

**Proposal for a regulation
Article 13 – paragraph 1 a (new)**

Text proposed by the Commission

Amendment

1a. In those Member States in which, under national law or certain administrative provisions, the local and regional authorities act as the managing authority for the operational programmes, those local and regional authorities shall play a full role in drawing up the Partnership Contract.

Justification

Since the local and regional authorities finance and manage cohesion policy, they should play a full role in framing, negotiating, implementing and amending it.

Amendment 28

**Proposal for a regulation
Article 13 – paragraph 4**

Text proposed by the Commission

Amendment

4. Each Member State shall transmit its Partnership Contract to the Commission within **3** months of the adoption of the Common Strategic Framework.

4. Each Member State shall transmit its Partnership Contract to the Commission within **5** months of the adoption of the Common Strategic Framework.

Justification

Given the amount and precise nature of the information requested, the fact that the programmes have to be submitted at the same time as the Partnership Contract (in accordance with Article 23(3)) and the need for an effective and active partnership, a longer

time frame is essential.

Amendment 29

Proposal for a regulation

Article 13 – paragraph 4 a (new)

Text proposed by the Commission

Amendment

4a. The Partnership Contract shall undergo public consultation prior to its submission to the Commission.

Amendment 30

Proposal for a regulation

Article 14 – point a – indent iv

Text proposed by the Commission

Amendment

(iv) the indicative allocation of support by the Union by thematic objective at national level for each of the CSF Funds, as well as the total indicative amount of support foreseen for climate change objectives;

(iv) the indicative allocation of support by the Union by thematic objective at national level for each of the CSF Funds, ***in accordance with the priorities laid down in the specific regulations on the CSF funds***, as well as the total indicative amount of support foreseen for climate change objectives;

Justification

The regulations on the individual CSF funds, adopted by ordinary legislative procedure, shall not be overruled by priorities laid down in the Partnership Contracts.

Amendment 31

Proposal for a regulation

Article 14 – paragraph 1 – point c

Text proposed by the Commission

Amendment

(c) an integrated approach to address the specific needs of geographical areas most affected by poverty or of target groups at highest risk of discrimination or exclusion,

(c) an integrated approach to address the specific needs of ***the regions containing*** geographical areas most affected by poverty, ***of regions facing demographic***

with special regard to marginalised communities, where appropriate, including the indicative financial allocation for the relevant CSF Funds;

challenges or of target groups at highest risk of discrimination or exclusion, with special regard to marginalised communities, where appropriate, including the indicative financial allocation for the relevant CSF Funds;

Amendment 32

Proposal for a regulation Article 15 – paragraph 2

Text proposed by the Commission

2. The Commission shall adopt a decision, by means of implementing acts, approving the Partnership Contract no later than six months after its submission by the Member State, provided that any observations made by the Commission have been satisfactorily taken into account. The Partnership Contract shall not enter into force before 1 January 2014.

Amendment

2. The Commission shall adopt a decision, by means of implementing acts, approving the Partnership Contract no later than six months after its submission by the Member State, provided that any observations made by the Commission have been satisfactorily taken into account. The Partnership Contract shall not enter into force before 1 January 2014. ***In its decision, the Commission shall refer to the genuine involvement of the local and regional authorities, which shall be called upon to sign the Partnership Contract in accordance with the institutional system of each Member State.***

Justification

Regional and local authorities shall be involved in the Partnership on an equal footing with the Member States.

Amendment 33

Proposal for a regulation Article 15 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2a. Where appropriate, the Commission may adopt a decision, by means of implementing acts, allowing the Member States to start implementing specific CSF

programmes in advance of the approval of the Partnership contract. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 143(3).

Justification

In specific cases, it should be possible for the Commission to give a partial go ahead for the implementation of specific funds, even if the conditions for approval of the Partnership contract are not fulfilled completely.

Amendment 34

**Proposal for a regulation
Article 15 – paragraph 3 a (new)**

Text proposed by the Commission

Amendment

3a. Where a Member State implements the specific funds through more than one programme, the Partnership Contract may be adjusted after the last programme of that Member State has been approved.

Justification

In the context of the European Agricultural Fund for Rural Development, federal Member States usually implement several regional programmes instead of a single national one. It is appropriate to provide for a simplified procedure for federal MS to adjust their Partnership Contract. Else, the modification of a single regional programme due to COM comments might entail the need to change the Partnership Contract through the administratively burdensome procedure described in Art. 15(3).

Amendment 35

**Proposal for a regulation
Article 16**

Text proposed by the Commission

Amendment

Member States shall concentrate support, in accordance with the Fund-specific rules, on actions bringing the greatest added value in relation to the Union strategy for smart, sustainable and inclusive growth,

Member States shall concentrate support, in accordance with the Fund-specific rules, on actions bringing the greatest added value in relation to the Union strategy for smart, sustainable and inclusive growth,

addressing the challenges identified in the country-specific recommendations under Article 121(2) of the Treaty and the relevant Council recommendations adopted under 148(4) of the Treaty, and taking into account national and regional needs.

addressing the challenges identified in the country-specific recommendations under Article 121(2) of the Treaty and the relevant Council recommendations adopted under 148(4) of the Treaty, and taking into account national and regional needs *as well as the principles of subsidiarity and multi-level governance.*

Justification

Regional and local authorities shall be involved in the Partnership on equal footing with the Member States.

Amendment 36

**Proposal for a regulation
Article 17 – paragraph 1**

Text proposed by the Commission

1. Ex ante conditionalities shall be defined for each CSF Fund in the Fund-specific rules.

Amendment

1. Ex ante conditionalities shall be defined for each CSF Fund in the Fund-specific rules. ***These conditionalities should, without fail, have a close substantive connection to the actual implementation of the CSF Fund.***

Amendment 37

**Proposal for a regulation
Article 18**

Text proposed by the Commission

Article 18

Performance reserve

5% of the resources allocated to each CSF Fund and Member State, with the exception of resources allocated to the European territorial cooperation goal and to Title V of the EMFF Regulation, shall constitute a performance reserve to be allocated in accordance with Article 20.

Amendment

deleted

Justification

The amendment deletes the performance reserve which would bring little added value to the programming, while being very burdensome in implementation.

Amendment 38

Proposal for a regulation

Article 20

Text proposed by the Commission

Amendment

Article 20

deleted

Allocation of performance reserve

- 1. Where the review of performance undertaken in 2017 reveals that a priority within a programme has not attained its milestones set for the year 2016, the Commission shall make recommendations to the Member State concerned.*
- 2. On the basis of the review undertaken in 2019, the Commission shall adopt a decision, by means of implementing acts, to determine for each CSF Fund and Member State the programmes and priorities which have attained their milestones. The Member State shall propose the attribution of the performance reserve for the programmes and priorities set out in that Commission decision. The Commission shall approve the amendment of the programmes concerned in accordance with Article 26. Where a Member State fails to submit the information in accordance with Article 46(2) and (3), the performance reserve for the programmes or the priorities concerned shall not be allocated.*
- 3. Where there is evidence resulting from a performance review that a priority has failed to achieve the milestones set out in the performance framework, the Commission may suspend all or part of an interim payment of a priority of a programme in accordance with the procedure laid down in Fund-specific*

rules.

4. Where the Commission, based on the examination of the final implementation report of the programme, establishes a serious failure to achieve the targets set out in the performance framework, it may apply financial corrections in respect of the priorities concerned in accordance with Fund-specific rules. The Commission shall be empowered to adopt delegated acts in accordance with Article 142 to establish criteria and the methodology for determining the level of financial correction to be applied.

5. Paragraph 2 shall not apply to programmes under the European territorial cooperation goal and to Title V of the EMFF Regulation.

Justification

Consequence of the suggested deletion of Article 18.

Amendment 39

Proposal for a regulation Article 21

Text proposed by the Commission

Amendment

This article is deleted

Justification

References to macroeconomic conditionalities should be adapted throughout the text.

Amendment 40

Proposal for a regulation Article 24 – paragraph 2

Text proposed by the Commission

Amendment

2. Each programme shall define priorities setting out specific objectives, financial

2. Each programme shall define priorities setting out specific objectives, financial

appropriations of support from the CSF Funds and corresponding national co-financing.

appropriations of support *it receives* from *one or more of* the CSF Funds *referred to in Article 1* and corresponding national co-financing. *Where a programme receives support from more than one Fund, a lead Fund may be designated, in which case the running costs shall be financed by the lead Fund and the financial management rules of the lead Fund shall apply.*

Amendment 41

Proposal for a regulation

Article 24 – paragraph 3 – subparagraph 1 – point c a (new)

Text proposed by the Commission

Amendment

(ca) indicators relating to the impact of the operations on the environment and climate change.

Amendment 42

Proposal for a regulation

Article 29 – paragraph 3

Text proposed by the Commission

Amendment

3. Local development strategies shall be selected by a committee set up for this purpose by the relevant managing authorities of the programmes.

3. Local development strategies shall be selected by a committee set up for this purpose by the relevant managing authorities of the programmes. *The partners referred to in Article 5 shall be appropriately represented in this committee.*

Amendment 43

Proposal for a regulation

Article 59 – paragraph 3 –point c

Text proposed by the Commission

Amendment

c) value added tax. However, VAT amounts shall be eligible where they are

c) value added tax. However, VAT amounts shall be eligible where they are

not recoverable under national VAT legislation *and are paid by a beneficiary other than non-taxable person as defined in the first subparagraph of Article 13(1) of Directive 2006/112/EC, provided that such VAT amounts are not incurred in relation to the provision of infrastructure.*

not recoverable under national VAT legislation.

Justification

This amendment is in order to maintain continuity with the previous programming periods and is based on the need to refrain from further draining the budgets of public sector bodies which, being unable to include VAT in their accounts, are liable to jeopardise the implementation of the operations and, ultimately, the very effectiveness of the policies they are meant to be supporting.

The proposal, moreover, takes over an amendment adopted by the Agriculture Committee regarding the proposal to amend Regulation (EC) No 1698/2005, which is awaiting final adoption.

Amendment 44

Proposal for a regulation Article 66 – paragraph 4

Text proposed by the Commission

Amendment

As regards the performance reserve, budget commitments shall follow the Commission decision approving the amendment of the programme.

deleted

Justification

Consequence of the suggested deletion of Article 18.

Amendment 45

Proposal for a regulation Article 82 – paragraph 2 – subparagraph 1 – point b

Text proposed by the Commission

Amendment

(b) transition regions, whose GDP per capita is between 75% and 90% of the average GDP of the EU-27;

deleted

Amendment 46

Proposal for a regulation Article 84 – paragraph 3

Text proposed by the Commission

3. At least 25 % of the Structural Funds resources ***for less developed regions, 40% for transition regions and 52% for more developed regions*** in each Member State shall be allocated to the ESF. For the purposes of this provision, the support to a Member State through the [Food for deprived people instrument] shall be considered as part of the share of Structural Funds allocated to the ESF.

Amendment

3. At least 25 % of the Structural Funds resources in each Member State shall be allocated to the ESF. For the purposes of this provision, the support to a Member State through the [Food for deprived people instrument] shall be considered as part of the share of Structural Funds allocated to the ESF.

Amendment 47

Proposal for a regulation Article 84 – paragraph 5

Text proposed by the Commission

5. The support from the Structural Funds for [food for deprived people] under the Investment for Growth and Jobs shall be EUR 2 500 000 000.

The Commission shall adopt a decision by implementing act setting out the amount to be transferred from each Member State's Structural Funds allocation for the whole period in each Member State. The Structural Funds allocation of each Member State shall be reduced accordingly.

The annual appropriations corresponding to the support from the Structural Funds mentioned in the first subparagraph shall be entered in the relevant budget lines of the [food for deprived people instrument] with the 2014 budgetary exercise.

Amendment

deleted

Amendment 48

Proposal for a regulation
Article 84 – paragraph 6

Text proposed by the Commission

Amendment

6. 5% of the resources for the Investment for growth and jobs goal shall constitute the performance reserve to be allocated in accordance with Article 20.

deleted

Amendment 49

Proposal for a regulation
Article 85 – paragraph 1

Text proposed by the Commission

Amendment

1. The total appropriations allocated to each Member State in respect of less developed regions, transition regions and more developed regions shall not be transferable between each of those categories of regions.

1. The total appropriations allocated to each Member State in respect of less developed regions, transition regions and more developed regions shall not, **as a general rule**, be transferable between each of those categories of regions.

Amendment 50

Proposal for a regulation
Article 85 – paragraph 2

Text proposed by the Commission

Amendment

2. By way of derogation from paragraph 1, the Commission may accept, in duly justified circumstances which are linked to the implementation of one or more thematic objectives, a proposal by a Member State in its first submission of the Partnership Contract to transfer up to **2 %** of the total appropriation for a category of regions to other categories of regions.

2. By way of derogation from paragraph 1, the Commission may accept, in duly justified circumstances which are linked to the implementation of one or more thematic objectives, a proposal by a Member State in its first submission of the Partnership Contract to transfer up to **30 %** of the total appropriation for a category of regions to other categories of regions.

Amendment 51

Proposal for a regulation
Article 88 – paragraph 2

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Text proposed by the Commission

2. The ERDF and the ESF may finance, ***in a complementary manner and*** subject to a limit of **5 %** of Union funding for each priority axis of an operational programme, a part of an operation for which the costs are eligible for support from the other Fund on the basis of eligibility rules applied to that Fund, provided that they are necessary for the satisfactory implementation of the operation and are directly linked to it.

Amendment

2. The ERDF and the ESF may finance, subject to a limit of **20 %** of Union funding for each priority axis of an operational programme, a part of an operation for which the costs are eligible for support from the other Fund on the basis of eligibility rules applied to that Fund, provided that they are necessary for the satisfactory implementation of the operation and are directly linked to it.

Amendment 52

Proposal for a regulation

Article 105 – paragraph 1 – point a

Text proposed by the Commission

(a) ensuring the establishment of a single website or a single website portal providing information on, and access to, all operational programmes in that Member State;

Amendment

(a) ensuring the establishment of a single website or a single website portal providing information on, and access to, all operational programmes in that Member State; ***that website or portal shall be updated promptly if any changes are made;***

Amendment 53

Proposal for a regulation

Article 105 – paragraph 1 – point b

Text proposed by the Commission

(b) informing potential beneficiaries about funding opportunities under operational programmes;

Amendment

(b) informing potential beneficiaries, ***using a range of accessible methods,*** about funding opportunities under operational programmes;

Amendment 54

Proposal for a regulation

Article 110 – paragraph 3 – subparagraph 1 – point d

Text proposed by the Commission

(d) 75 % for the less developed regions of Member States ***other than those referred to*** in points (b) and (c), and for all regions ***whose GDP per capita for the 2007-2013 period was less than 75 % of the average of the EU-25 for the reference period but whose GDP per capita is above 75 % of the GDP average of the EU-27;***

Amendment

(d) 75 % for the less developed regions of Member States ***which do not fulfil the criteria*** in points (b) and (c), and for all regions ***which received funding under the ‘Convergence’ objective for the 2007-2013 period and whose GDP per capita was above 75 % of the GDP average of the EU-27;***

Amendment 55

Proposal for a regulation Article 140 – paragraph 1

Text proposed by the Commission

1. Operations for which the total eligible expenditure does not exceed EUR ***100 000*** shall not be subject to more than one audit by either the audit authority or the Commission prior to the closure of all the expenditure concerned under Article 131. Other operations shall not be subject to more than one audit per accounting year by the audit authority and the Commission prior to the closure of all the expenditure concerned under Article 131. These provisions are without prejudice to paragraph 4.

Amendment

1. Operations for which the total eligible expenditure does not exceed EUR ***200 000*** shall not be subject to more than one audit by either the audit authority or the Commission prior to the closure of all the expenditure concerned under Article 131. Other operations shall not be subject to more than one audit per accounting year by the audit authority and the Commission prior to the closure of all the expenditure concerned under Article 131. These provisions are without prejudice to paragraph 4.

Amendment 56

Proposal for a regulation Annex -I (new) introductory part

Text proposed by the Commission

Amendment

The purpose of this framework is to serve, in accordance with Article 10, as a means of coordinating, integrating and balancing the objectives of different policies in specific regional contexts, and, in particular, as a means of coordinating

and balancing investment priorities with the thematic objectives set out in Article 9 and without prejudice to the priorities and objectives laid down in the fund-specific regulations.

Amendment 57

Proposal for a regulation

Annex -I (new) - Part 1 – Section 1.2 – paragraph 1.2.4

Text proposed by the Commission

Amendment

1.2.4 The ERDF and CF must continue to make major investments in Member States' and Regions infrastructures to meet the requirements of the water framework and other relevant directives. Technological solutions, aimed at contributing to sustainable actions, exist and new ones are emerging, the ERDF must therefore continue to provide support to research in this area. Such support must aim to complement measures covered by Horizon 2020. Finance for biodiversity actions may also be made available through the EAFRD and the EMFF. The EAFRD may also be used to provide support for sustainable management of natural resources, to foster knowledge transfer and innovation, enhance the competitiveness of agriculture and the inclusive development of rural areas.

Amendment 58

Proposal for a regulation

Annex V – paragraph 3 – subparagraph 3.1 – point 2 – introductory part

Text proposed by the Commission

Amendment

2. The managing authority shall ensure that potential beneficiaries are informed on at least the following:

2. The managing authority shall ensure that potential beneficiaries are informed, ***using a range of accessible methods***, on at least

the following:

Amendment 59

Proposal for a regulation

Annex V – paragraph 3 – subparagraph 3.1 – point 2 – point d a (new)

Text proposed by the Commission

Amendment

(da) any change to the information referred to in points (a) to (d), at least three months before that change comes into effect;

PROCEDURE

Title	Common provisions on European Funds and repealing Regulation (EC) No 1083/2006
References	COM(2011)0615 – C7-0335/2011 – 2011/0276(COD)
Committee responsible Date announced in plenary	REGI 25.10.2011
Opinion by Date announced in plenary	AGRI 25.10.2011
Rapporteur Date appointed	Salvatore Caronna 23.11.2011
Discussed in committee	24.4.2012
Date adopted	19.6.2012
Result of final vote	+ : 41 - : 1 0 : 0
Members present for the final vote	Liam Aylward, José Bové, Luis Manuel Capoulas Santos, Vasilica Viorica Dăncilă, Michel Dantin, Paolo De Castro, Albert Deß, Diane Dodds, Herbert Dorfmann, Hynek Fajmon, Iratxe García Pérez, Julie Girling, Béla Glattfelder, Sergio Gutiérrez Prieto, Martin Häusling, Esther Herranz García, Peter Jahr, Elisabeth Jeggle, Elisabeth Köstinger, George Lyon, Gabriel Mato Adrover, Mairead McGuinness, Mariya Nedelcheva, Rareş-Lucian Niculescu, Wojciech Michał Olejniczak, Georgios Papastamkos, Marit Paulsen, Britta Reimers, Ulrike Rodust, Alfreds Rubiks, Giancarlo Scottà, Czesław Adam Siekierski, Alyn Smith, Janusz Wojciechowski
Substitute(s) present for the final vote	Luís Paulo Alves, Salvatore Caronna, María Auxiliadora Correa Zamora, Spyros Danellis, Jill Evans, Sylvie Goulard, Christa Kläß, Giovanni La Via, Anthea McIntyre, Petri Sarvamaa, Milan Zver

20.6.2012

OPINION OF THE COMMITTEE ON FISHERIES

for the Committee on Regional Development

on the proposal for a regulation of the European Parliament and of the Council 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 covered by the Common Strategic Framework and laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and repealing Council Regulation (EC) No 1083/2006 (COM(2011)0615 – C7-0335/2011 – 2011/0276(COD))

Rapporteur: Jean-Paul Basset

SHORT JUSTIFICATION

The Commission's proposal is for a regulation to lay down common provisions for a number of European funds, including the European Maritime and Fisheries Fund (EMFF). The Regional Development Committee takes the lead on this file. Consequently, only a few comments, mostly pertaining to fisheries, are made in this opinion.

Overall the Commission's proposal is positive for three main reasons:

- it develops a more integrated approach and improved harmonisation among the various funds;
- it creates more conditionalities, especially regarding sustainable development and climate change objectives;
- it follows a better territorial approach, including a reinforcement of the role of local authorities.

As far as general amendments are concerned, your rapporteur will only propose to add biodiversity objectives to some articles to strengthen the aim of sustainable development.

On the other hand, from a political perspective, I am opposed to the macro-economic conditionality (Article 21) which forces European regions to follow a strict budgetary discipline.

With respect to fisheries matters, I fully endorse many points in the proposal that tend to improve sustainability and contribute to stability of the fish stocks and the maintenance of employment.

Certain specific proposals for amendments are included in the draft opinion:

- role of local and regional authorities in the Funds' implementation is reinforced;
- some of the implementing measures are facilitated;
- the proportionality principle is enlarged for small-sized beneficiaries.

AMENDMENTS

The Committee on Fisheries calls on the Committee on Regional Development, as the committee responsible, to incorporate the following amendments in its report:

Amendment 1

Proposal for a regulation Recital 54

Text proposed by the Commission

(54) In order to promote the Treaty objectives of economic, social and territorial cohesion, the 'Investment for growth and jobs' goal should support all regions. To provide balanced and gradual support and reflect the level of economic and social development, resources under that goal should be allocated from the ERDF and the ESF among the less developed regions, the transition regions and the more developed regions according to their gross domestic product (GDP) per capita in relation to the EU average. In order to ensure the long-term sustainability of investment from the Structural Funds, regions whose GDP per capita for the 2007-2013 period was less than 75% of the

Amendment

(54) In order to promote the Treaty objectives of economic, social and territorial cohesion, the 'Investment for growth and jobs' goal should support all regions. To provide balanced and gradual support and reflect the level of economic and social development, resources under that goal should be allocated from the ERDF and the ESF among the less developed regions, the transition regions and the more developed regions according to their gross domestic product (GDP) per capita in relation to the EU average. In order to ensure the long-term sustainability of investment from the Structural Funds ***and to drive economic growth and social cohesion in EU regions***, regions whose

average of the EU-25 for the reference period but whose GDP per capita has grown to more than 75% of the EU-27 average should receive at least two thirds of their 2007-2013 allocation. Member States whose per capita gross national income (GNI) is less than 90 % of that of the Union average should benefit under the 'Investment for growth and jobs' goal from the CF.

GDP per capita for the 2007-2013 period was less than 75% of the average of the EU-25 for the reference period but whose GDP per capita has grown to more than 75% of the EU-27 average should receive at least two thirds of their 2007-2013 allocation, *with a view to consolidating the development achieved*. Member States whose per capita gross national income (GNI) is less than 90 % of that of the Union average should benefit under the 'Investment for growth and jobs' goal from the CF.

Amendment 2

Proposal for a regulation

Recital 65

Text proposed by the Commission

(65) Where an urban or territorial development strategy requires an integrated approach because it involves investments under more than one priority axis of one or several operational programmes, action supported by the Funds should be carried out as an integrated territorial investment within an operational programme.

Amendment

(65) Where an urban or territorial development strategy – *which includes maritime and spatial planning aspects* – requires an integrated approach because it involves investments under more than one priority axis of one or several operational programmes, action supported by the Funds should be carried out as an integrated territorial investment within an operational programme.

Amendment 3

Proposal for a regulation

Recital 70

Text proposed by the Commission

(70) It is important to bring the achievements of the Union's Funds to the attention of the general public. Citizens have the right to know *how the Union's* financial resources are invested. The responsibility to ensure that the appropriate information is communicated to the public

Amendment

(70) It is important to bring the achievements of the Union's Funds to the attention of the general public. Citizens have the right to know *not only what EU* financial resources are *being* invested *but also what procedures must be followed in order to make use of those resources*. The

should lie with both the managing authorities and the beneficiaries. To ensure more efficiency in communication to the public at large and stronger synergies between the communication activities undertaken at the initiative of the Commission, the resources allocated to communication actions under this Regulation shall also contribute to cover the corporate communication of the political priorities of the European Union as far as they are related to the general objectives of this Regulation.

responsibility to ensure that the appropriate information is communicated to the public should lie with both the managing authorities and the beneficiaries. To ensure more efficiency in communication to the public at large and stronger synergies between the communication activities undertaken at the initiative of the Commission, the resources allocated to communication actions under this Regulation shall also contribute to cover the corporate communication of the political priorities of the European Union as far as they are related to the general objectives of this Regulation.

Amendment 4

Proposal for a regulation

Part 2 – title I – article 4 – paragraph 5

Text proposed by the Commission

5. Arrangements for the implementation and use of the CSF Funds, and in particular the financial and administrative resources required for the implementation of the CSF Funds, in relation to the reporting, evaluation, management and control shall take into account the principle of proportionality having regard to the level of support allocated.

Amendment

5. Arrangements for the implementation and use of the CSF Funds, and in particular the financial and administrative resources required for the implementation of the CSF Funds, in relation to the reporting, evaluation, management and control shall take into account the principle of proportionality having regard to the level of support allocated ***and the size and structure of the beneficiary.***

Amendment 5

Proposal for a regulation

Part 2 – title I – article 8 – subparagraph 2

Text proposed by the Commission

The Member States and the Commission shall ensure that environmental protection requirements, resource efficiency, climate change mitigation and adaptation, disaster resilience and risk prevention and

Amendment

The Member States and the Commission shall, ***based on existing environmental legislation,*** ensure that environmental protection requirements, resource efficiency, ***biodiversity and ecosystem***

management are promoted in the preparation and implementation of Partnership Contracts and programmes. Member States shall provide information on the support for climate change objectives using the methodology adopted by the Commission. The Commission shall adopt this methodology by means of an implementing act. The implementing act shall be adopted in accordance with the examination procedure referred to in Article 143(3).

protection, climate change mitigation and adaptation, **ecosystem-based** disaster resilience and risk prevention and management are promoted in the preparation and implementation of Partnership Contracts and **included as objectives in the** programmes. **Sustainability shall also be ensured in terms of maintaining and creating employment.** Member States shall provide information on the support for climate change **and biodiversity** objectives using the methodology adopted by the Commission. The Commission shall adopt this methodology by means of an implementing act. The implementing act shall be adopted in accordance with the examination procedure referred to in Article 143(3).

Amendment 6

Proposal for a regulation Part 2 – article 8 a (new)

Text proposed by the Commission

Amendment

Article 8a

Macro-regional strategies and sea-basin strategies

The CSF Funds shall contribute to macro-regional strategies and sea-basin strategies, where Member States and regions participate in such strategies. The Commission and the Member States concerned shall ensure the Funds' coordination with these strategies at the level of the Common Strategic Framework, of Partnership Contracts and of operational programmes in order to ensure sufficient allocation from the Funds to these strategies.

Justification

The Funds should be closely coordinated with macro-regional strategies and sea-basin strategies in order to ensure sufficient allocation from the Funds to these strategies.

Amendment 7

Proposal for a regulation

Part 2 – Title II - chapter I- article 9 – paragraph 1 – point 3

Text proposed by the Commission

(3) enhancing the competitiveness of small and medium-sized enterprises and the agricultural sector (for EAFRD) and fisheries and aquaculture sector (for the EMFF);

Amendment

(3) enhancing the competitiveness of small and medium-sized enterprises and the agricultural sector (for EAFRD) and **sustainable** fisheries and aquaculture sector (for the EMFF);

Amendment 8

Proposal for a regulation

Part 2 – title II – chapter I – article 9 – point 4

Text proposed by the Commission

(4) supporting the shift towards a low-carbon economy in all sectors;

Amendment

(4) supporting the shift towards a low-carbon economy **based on energy saving, efficiency and the use of renewable resources** in all sectors;

Amendment 9

Proposal for a regulation

Part 2 – title II – chapter I – article 9 – point 6

Text proposed by the Commission

(6) protecting the environment and promoting resource efficiency;

Amendment

(6) protecting the environment **and biodiversity of ecosystems** and promoting resource efficiency;

Amendment 10

Proposal for a regulation

Part 2 – article 12

Text proposed by the Commission

Article 12

Amendment

deleted

Adoption and review

The Commission shall be empowered to adopt a delegated act in accordance with Article 142 on the Common Strategic Framework within 3 months of the adoption of this Regulation.

Where there are major changes in the Union strategy for smart, sustainable and inclusive growth, the Commission shall review and, where appropriate, adopt, by delegated act in accordance with Article 142, a revised Common Strategic Framework.

Within 6 months of adoption of a revised Common Strategic Framework, Member States shall propose amendments, where necessary, to their Partnership Contract and programmes to ensure their consistency with the revised Common Strategic Framework.

Justification

The Common Strategic Framework is of central importance. It should therefore be adopted under the ordinary legislative procedure, not by means of a delegated act.

Amendment 11

Proposal for a regulation

Part 2 –title II – chapter II – article 14 – point a – subpoint iv

Text proposed by the Commission

iv) the indicative allocation of support by the Union by thematic objective at national level for each of the CSF Funds, as well as the total indicative amount of support foreseen for climate change objectives;

Amendment

iv) the indicative allocation of support by the Union by thematic objective at national level for each of the CSF Funds, as well as the total indicative amount of support foreseen for climate change **and biodiversity** objectives;

Amendment 12

Proposal for a regulation

Part 2 – title II – chapter II – article 14 – point d – subpoint iv

Text proposed by the Commission

iv) the actions taken to involve the partners and their role in the preparation of the Partnership Contract and the progress report as defined in Article 46 of this Regulation;

Amendment

iv) the actions taken **to implement a multi-level governance approach and** to involve the partners and their role in the preparation of the Partnership Contract and the progress report as defined in Article 46 of this Regulation **and in the preparation, implementation, monitoring and evaluation of the programmes, as laid down in the European code of conduct referred to in Article 3;**

Amendment 13

Proposal for a regulation

Part 2 – Title II - chapter III - article 17 – paragraph 2

Text proposed by the Commission

2. Member States shall assess whether the applicable ex ante conditionalities are fulfilled.

Amendment

2. Member States shall assess whether the applicable ex ante conditionalities are fulfilled. **Ex ante conditionalities shall not apply unless they are directly linked to implementation of the Funds.**

Justification

Ex ante conditionalities will improve the take-up of funds and make funding more effective. However, they must not be allowed to complicate matters for the Member States and the management authorities. They should therefore be directly linked to cohesion policy investments.

Amendment 14

Proposal for a regulation

Part 2 – Title II - chapter III- article 20 – paragraph 3

Text proposed by the Commission

3. Where there is evidence resulting from a performance review that a priority has

Amendment

3. Where there is evidence resulting from a performance review that a priority has

failed to achieve the milestones set out in the performance framework, the Commission may suspend all or part of ***an interim payment of*** a priority of a programme in accordance with the procedure laid down in Fund-specific rules.

failed to achieve the milestones set out in the performance framework, the Commission may ***ask the Member State to put forward proposals for changes to the programmes concerned. If the Member State fails to respond to this request or to make a satisfactory response thereto within three months, the Commission may*** suspend all or part of ***a commitment for*** a priority of a programme in accordance with the procedure laid down in Fund-specific rules.

Justification

The performance-related penalties system is too automatic. Before suspending payments, the Commission should insist that programmes deemed to be underperforming should be rejigged in order to address the reasons for the poor performance.

Amendment 15

Proposal for a regulation Part 2 –title II – chapter IV – article 21

Text proposed by the Commission

Amendment

Conditionality linked to the coordination of Member States' economic policies

deleted

1. The Commission may request a Member State to review and propose amendments to its Partnership Contract and the relevant programmes, where this is necessary:

(a) to support the implementation of a Council recommendation, addressed to the Member State concerned and adopted in accordance with Articles 121(2) and/or 148(4) of the Treaty, or to support the implementation of measures addressed to the Member State concerned and adopted in accordance with Article 136(1) of the Treaty;

(b) to support the implementation of a Council recommendation addressed to the Member State concerned and adopted in accordance with Article 126(7) of the

Treaty;

(c) to support the implementation of a Council recommendation addressed to the Member State concerned and adopted in accordance with Article 7(2) of Regulation (EU) No .../2011 [on the prevention and correction of macroeconomic imbalances], provided that these amendments are deemed necessary to help correct the macroeconomic imbalances; or

(d) to maximise the growth and competitiveness impact of the available CSF Funds pursuant to paragraph 4, if a Member State meets one of the following conditions:

(i) Union financial assistance is made available to it under Council Regulation (EU) No 407/2010;

(ii) medium-term financial assistance is made available to it in accordance with Council Regulation (EC) No 332/200229;

(iii) financial assistance in the form of an ESM loan is made available to it in accordance with the Treaty establishing the European Stability Mechanism.

2. The Member State shall submit a proposal for amending the Partnership Contract and the relevant programmes within one month. If necessary, the Commission shall make observations within one month from the submission of the amendments, in which case the Member State shall re-submit its proposal within one month.

3. Where the Commission has not made observations or where its observations have been satisfactorily taken into account, the Commission shall adopt a decision approving the amendments to the Partnership Contract and the relevant programmes without undue delay.

4. By derogation to paragraph 1, where financial assistance is made available to a

Member State in accordance with paragraph 1(d) and is linked to an adjustment programme, the Commission may without any proposal from the Member State amend the Partnership Contract and the programmes with a view to maximising the growth and competitiveness impact of the available CSF Funds. To ensure effective implementation of the Partnership Contract and the relevant programmes, the Commission shall become involved in their management as detailed in the adjustment programme or the Memorandum of Understanding signed with the Member State concerned.

5. Where the Member State fails to respond to the Commission's request referred to in paragraph 1 or does not reply satisfactorily within one month to the observations of the Commission referred to in paragraph 2, the Commission may, within three months following its observations, adopt a decision, by means of implementing acts, suspending part or all of the payments for the programmes concerned.

6. The Commission shall suspend, by means of implementing acts, part or all of the payments and commitments for the programmes concerned where:

(a) the Council decides that the Member State does not comply with the specific measures set out by the Council in accordance with Article 136(1) of the Treaty;

(b) the Council decides in accordance with Article 126(8) or Article 126(11) of the Treaty that the Member State concerned has not taken effective action to correct its excessive deficit;

(c) the Council concludes in accordance with Article 8(3) of Regulation (EU) No [...] /2011 [on the prevention and correction of macroeconomic imbalances] that, on two successive instances, the

Member State has not submitted a sufficient corrective action plan or the Council adopts a decision declaring non-compliance in accordance with Article 10(4) of that Regulation;

(d) the Commission concludes that the Member State has not taken measures to implement the adjustment programme referred to in Council Regulation (EU) No 407/2010 or Council Regulation (EC) No 332/2002 and as a consequence decides not to authorise the disbursement of the financial assistance granted to this Member State; or

(e) the Board of Directors of the European stability mechanism concludes that the conditionality attached to an ESM financial assistance in the form of an ESM loan to the concerned Member State was not met and as a consequence decides not to disburse the stability support granted to it.

7. When deciding to suspend part or all of the payments or commitments in accordance with paragraphs 5 and 6 respectively, the Commission shall ensure that the suspension is proportionate and effective, taking into account the economic and social circumstances of the Member State concerned, and respects equality of treatment between Member States, in particular with regard to the impact of the suspension on the economy of the Member State concerned.

8. The Commission shall without delay lift the suspension of payments and commitments where the Member State has proposed amendments to the Partnership Contract and the relevant programmes as requested by the Commission, which the Commission has approved and, where applicable:

(a) the Council has decided that the Member State complies with the specific measures set out by the Council in accordance with Article 136(1) of the

Treaty;

(b) the excessive deficit procedure is held in abeyance in accordance with Article 9 of Regulation (EC) No 1467/97 or the Council has decided in accordance with Article 126(12) of the Treaty to abrogate the decision on the existence of an excessive deficit;

(c) the Council has endorsed the corrective action plan submitted by the concerned Member State in accordance with Article 8(2) of Regulation (EU) No [...] [EIP Regulation] or the excessive imbalance procedure is placed in a position of abeyance in accordance with Article 10(5) of that Regulation or the Council has closed the excessive imbalance procedure in accordance with Article 11 of that Regulation;

(d) the Commission has concluded that the Member State has taken measures to implement the adjustment programme referred to in Council Regulation (EU) No 407/2010 or Council Regulation (EC) No 332/2002 and as a consequence has authorised the disbursement of the financial assistance granted to this Member State; or

(e) the Board of Directors of the European stability mechanism has concluded that the conditionality attached to a financial assistance in the form of an ESM loan to the concerned Member State is met and as a consequence has decided to disburse the stability support granted to it.

At the same time, the Council shall decide, on a proposal from the Commission, to re-budget the suspended commitments in accordance with Article 8 of Council Regulation (EU) No [...] laying down the multiannual financial framework for the years 2014 to 2020.

Amendment 16

Proposal for a regulation

Part 2 – Title III - chapter I - article 23 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2a. The implementation of multi-fund programmes (ERDF, ESF, Cohesion Fund, EAFRD, EMFF) shall be encouraged. To that end, the Commission shall take all necessary steps to make it possible for such programmes to be drawn up and implemented in accordance with the proportionality principle.

Justification

The implementation of multi-fund programmes should be facilitated.

Amendment 17

Proposal for a regulation

Part 2 – title III – chapter I – article 24 – paragraph 5

Text proposed by the Commission

Amendment

5. Each programme, except those where technical assistance is undertaken under a specific programme, shall set out the indicative amount of support to be used for climate change objectives.

5. Each programme, except those where technical assistance is undertaken under a specific programme, shall set out the indicative amount of support to be used for climate change ***and biodiversity*** objectives, ***including objectives relating to Natura 2000.***

Amendment 18

Proposal for a regulation

Part 2 –title III – chapter I – article 26 – paragraph 1 – subparagraph 1

Text proposed by the Commission

Amendment

Requests for amendment of programmes submitted by a Member State shall be duly substantiated and shall in particular set out the expected impact of the changes to the

Requests for amendment of programmes submitted by a Member State shall be duly substantiated and shall in particular set out the expected impact of the changes to the

programme on achieving the Union strategy for smart, sustainable and inclusive **growth** and the specific objectives defined in the programme, taking account of the Common Strategic Framework and the Partnership Contract. They shall be accompanied by the revised programme and, where appropriate, a revised Partnership Contract.

programme on achieving the Union strategy for smart, sustainable and inclusive **development** and the specific objectives defined in the programme, taking account of the Common Strategic Framework and the Partnership Contract. They shall be accompanied by the revised programme and, where appropriate, a revised Partnership Contract.

Amendment 19

Proposal for a regulation

Part 2 – title III – chapter II – article 29 – paragraph 4

Text proposed by the Commission

The selection and approval of **all** local development strategies shall be **completed by** 31 December 2015 **at the latest**.

Amendment

Deadlines for the selection and approval of local development strategies shall be:

(a) 31 December 2015 for the renewal of existing strategies, and

(b) 31 December 2016 for new strategies.

Amendment 20

Proposal for a regulation

Part 2 – title IX – chapter III – article 78 – paragraph 4 a (new)

Text proposed by the Commission

Amendment

4a. The deadlines for decommitment shall not apply to the annual budget commitment related to the 2014 total annual contribution.

Amendment 21

Proposal for a regulation

Part 3 – Title I - chapter II - article 84 – paragraph 1 – subparagraph 2

Text proposed by the Commission

Amendment

All regions whose GDP per capita for the 2007-2013 period was less than 75% of the

All regions whose GDP per capita for the 2007-2013 period was less than 75% of the

average of the EU-25 for the reference period but whose GDP per capita is above 75% of the GDP average of the EU-27 shall receive an allocation under the Structural Funds equal to at least two thirds of their 2007-2013 allocation.

average of the EU-25 for the reference period but whose GDP per capita is above 75% of the GDP average of the EU-27 shall receive an allocation under *each of* the Structural Funds equal to at least two thirds of their 2007-2013 allocation, *with a view to consolidating the development achieved*.

Amendment 22

Proposal for a regulation

Part 3 – Title II - chapter I - article 87 – paragraph 1

Text proposed by the Commission

1. An operational programme shall consist of priority axes. *A priority axis shall concern one Fund for a category of region and shall correspond, without prejudice to Article 52, to a thematic objective and comprise one or more investment priorities of that thematic objective, in accordance with the Fund-specific rules. For the ESF, a priority axis may combine investment priorities from different thematic objectives set out in Article 9(8), (9), (10) and (11) in order to facilitate their contribution to other priority axes, in duly justified circumstances.*

Amendment

1. An operational programme shall consist of priority axes. *In duly justified circumstances*, a priority axis may *cover one or more categories of region and combine complementary* investment priorities from different thematic objectives *and from several Funds, in accordance with the specific rules governing the Funds concerned*.

Justification

The implementation of multi-fund programmes should be facilitated.

Amendment 23

Proposal for a regulation

Part 3 – Title V - article 110 – paragraph 4

Text proposed by the Commission

4. The co-financing rate of the additional allocation in accordance with Article 84(1)(e) shall be no higher than 50%.

Amendment

deleted

The same co-financing rate shall apply to the additional allocation under Article 4(2) of Regulation (EU) No [...]/2012 [ETC Regulation].

PROCEDURE

Title	Common provisions on European Funds and repealing Regulation (EC) No 1083/2006
References	COM(2011)0615 – C7-0335/2011 – 2011/0276(COD)
Committee responsible Date announced in plenary	REGI 25.10.2011
Opinion by Date announced in plenary	PECH 25.10.2011
Rapporteur Date appointed	Jean-Paul Basset 22.11.2011
Discussed in committee	24.4.2012 30.5.2012
Date adopted	20.6.2012
Result of final vote	+: 20 -: 0 0: 1
Members present for the final vote	Antonello Antinoro, Alain Cadec, Chris Davies, João Ferreira, Carmen Fraga Estévez, Pat the Cope Gallagher, Dolores García-Hierro Caraballo, Carl Haglund, Ian Hudghton, Werner Kuhn, Isabella Lövin, Gabriel Mato Adrover, Guido Milana, Crescenzo Rivellini, Ulrike Rodust, Struan Stevenson, Jarosław Leszek Wałęsa
Substitute(s) present for the final vote	Jean-Paul Basset, Barbara Matera, Jens Nilsson, Mario Pirillo, Nikolaos Salavrakos, Antolín Sánchez Presedo

20.6.2012

OPINION OF THE COMMITTEE ON CULTURE AND EDUCATION

for the Committee on Regional Development

on the proposal for a regulation of the European Parliament and of the Council 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 covered by the Common Strategic Framework and laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and repealing Council Regulation (EC) No 1083/2006 (COM(2011)0615 – C7-0335/2011 – 2011/0276(COD))

Rapporteur: Malika Benarab-Attou

SHORT JUSTIFICATION

The proposal for a regulation of the European Parliament and of the Council 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 covered by the Common Strategic Framework and laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and repealing Regulation (EC) No 1083/2006 establishes the framework for EU cohesion policy over the period from 2014 to 2020.

It provides for funding to be focused on the priorities linked to the Europe 2020 Strategy for ‘smart, sustainable and inclusive’ growth. It draws up a list of thematic objectives consistent with those priorities and encourages integrated programming.

More specifically, in the Common Strategic Framework the Commission sets out the main measures to be taken to achieve the priorities, identifies the target groups and proposes examples of suitable measures, laying down a series of principles applicable to all the funds (partnerships, multi-level governance, promotion of gender equality, non-discrimination, sustainable development, etc.).

The aim of this opinion is to turn the spotlight on the issues the proposal for a regulation neglects, such as youth policy, cultural aspects and sport.

Youth policy

Point 9 of Annex IV on ex-ante conditionalities addresses youth-related topics, such as early school-leaving, higher education and lifelong learning and training. A more ambitious approach is needed which makes the needs of a generation severely affected by the crisis a priority, in particular by ensuring that the Member States regard bodies dealing with youth-related problems as fully-fledged partners.

Cultural aspects

Article 167(4) TFEU stipulates that ‘the Union shall take cultural aspects into account in its action under other provisions of the Treaties’. Unfortunately, the proposal for a regulation completely ignores the cultural aspects of cohesion. It makes no reference to the contribution made by culture to local and regional development, despite its being closely bound up with issues of education, social inclusion and innovation and, by extension, the Europe 2020 Strategy. The varied contribution culture makes to education and learning through the development of competences and know-how, to economic development through the creative industries and the arts, and to social inclusion by countering the marginalisation of communities, justifies the inclusion of primarily cultural projects in the proposed schemes.

Sport

Sport can do much to foster social cohesion and equal opportunities in European societies, as emphasised by Parliament in an own-initiative report (2011/2087(INI)). Some sports projects should therefore be regarded as a way of supporting struggling groups and combating early school-leaving and discrimination.

CONCLUSIONS

The scope created by the proposal for a regulation for drawing support from several Structural Funds to finance a given project is a major step forward, one which will certainly make it possible to put the measures financed on a more permanent footing. However, when projects and their results are assessed it would make sense to use a range of indicators which extend beyond the purely quantitative. For example, in connection with the ‘Creative Europe’ programme the Commission proposed that indicators and databases should be set up which make it possible to determine the impact the cultural sector has on economic and social development¹.

It should also be borne in mind that the results of cohesion policy are certainly among those which have the most tangible impact on the daily lives of EU citizens. The onus is on the Member States to translate the proposal into comprehensible and accessible legislation whose provisions are designed to meet citizens’ needs and to ensure that the action taken by the Union has a high public profile.

¹ *Impact assessment* of 23.11.2011, point 6.3, accompanying the proposal for a regulation of the European Parliament and of the Council establishing the ‘Creative Europe’ framework programme and Commission Communication to the European Parliament, the Council, the Economic and Social Committee and the Committee of the Regions – ‘Creative Europe’ framework programme.

AMENDMENTS

The Committee on Culture and Education calls on the Committee on Development, as the committee responsible, to incorporate the following amendments in its report:

Amendment 1

Proposal for a regulation

Recital 9

Text proposed by the Commission

(9) For the Partnership Contract and each programme respectively, a Member State should organise a partnership with the representatives of competent regional, local, urban and other public authorities, economic and social partners, and bodies representing civil society, including environmental partners, non-governmental organisations, and bodies responsible for promoting equality and non-discrimination. The purpose of such a partnership is to respect the principle of multi-level governance, ensure the ownership of planned interventions by stakeholders and build on the experience and know-how of relevant actors. The Commission should be empowered to adopt delegated acts providing for a code of conduct in order to ensure that partners are involved in the preparation, implementation, monitoring and evaluation of Partnership Contracts and programmes in a consistent manner.

Amendment

(9) For the Partnership Contract and each programme respectively, a Member State should organise a partnership with the representatives of competent regional, local, urban and other public authorities, ***public and private*** economic and social partners, and bodies representing civil society, including environmental partners, ***partners active in various fields such as culture, education and youth***, non-governmental organisations, and bodies responsible for promoting equality and non-discrimination. The purpose of such a partnership is to respect the principle of multi-level governance, ensure the ownership of planned interventions by stakeholders and build on the experience and know-how of relevant actors. The Commission should be empowered to adopt delegated acts providing for a code of conduct in order to ensure that partners are involved in the preparation, implementation, monitoring and evaluation of Partnership Contracts and programmes in a consistent manner.

Amendment 2

Proposal for a regulation

Recital 72

Text proposed by the Commission

(72) With a view to strengthening accessibility and transparency of information about funding opportunities and project beneficiaries, in each Member State a single website or website portal providing information on all the operational programmes, including the lists of operations supported under each operational programme, should be made available.

Amendment

(72) With a view to strengthening accessibility and transparency of information about funding opportunities and project beneficiaries, in each Member State a single website or website portal providing information on all the operational programmes, including the lists of operations supported under each operational programme, should be made available, ***with the aim of rendering access to funds less complex.***

Amendment 3

**Proposal for a regulation
Article 5 – paragraph 1 – point c**

Text proposed by the Commission

c) bodies representing civil society, including ***environmental partners***, non-governmental organisations, and bodies responsible for promoting equality and non-discrimination.

Amendment

c) bodies representing civil society, including ***those that perform their activities in the fields of the environment, culture, education, youth and sport***, non-governmental organisations, and bodies responsible for promoting equality and non-discrimination.

Amendment 4

**Proposal for a regulation
Article 9 – paragraph 1 – point 1**

Text proposed by the Commission

1) strengthening research, technological development and innovation

Amendment

1) strengthening research, technological development, ***the cultural and creative industries*** and innovation;

Amendment 5

Proposal for a regulation
Article 9 – paragraph 1 – point 6

Text proposed by the Commission

6) protecting the environment and promoting *resource efficiency*;

Amendment

6) protecting the environment *and the natural heritage* and promoting *efficient use of resources, including those linked to the historical, cultural, artistic and archeological heritage*;

Amendment 6

Proposal for a regulation
Article 9 – paragraph 1 – point 9

Text proposed by the Commission

(9) promoting social inclusion and combating poverty;

Amendment

(9) promoting social inclusion and combating poverty *and social disparities*;

Amendment 7

Proposal for a regulation
Article 9 – paragraph 1 – point 10

Text proposed by the Commission

10) investing in education, skills and lifelong learning;

Amendment

10) investing in education, *culture*, skills, *qualifications* and lifelong learning, *including vocational training, research and innovation and digital literacy*;

Amendment 8

Proposal for a regulation
Article 9 – paragraph 1 – point 11 a (new)

Text proposed by the Commission

Amendment

(11a) promoting cultural heritage and safeguarding cultural diversity.

Amendment 9

Proposal for a regulation
Article 28 – paragraph 1 – point b

Text proposed by the Commission

b) community-led, by local action groups composed of representatives of public and private local socio-economic interests, where at the decision-making level neither the public sector nor any single interest group shall represent more than 49 % of the voting rights;

Amendment

b) community-led, by local action groups composed of representatives of public and private local ***cultural and*** socio-economic interests, where at the decision-making level neither the public sector nor any single interest group shall represent more than 49 % of the voting rights;

Amendment 10
Proposal for a regulation
Article 28 – paragraph 1 – point d

Text proposed by the Commission

d) designed taking into consideration local needs and potential, and include innovative features in the local context, ***networking*** and, ***where appropriate***, cooperation.

Amendment

d) designed taking into consideration local needs and potential, and include innovative, ***social, cultural and educational*** features in the local context and ***the promotion of cooperation projects and the development of trans-territorial networks***.

Amendment 11
Proposal for a regulation
Article 30 – paragraph 3 – point a

Text proposed by the Commission

a) building the capacity of local actors to develop and implement operations;

Amendment

a) building the capacity of local actors to develop and implement operations, ***taking account of the social and cultural characteristics of a given region in order to develop innovative know-how which can generate new types of jobs at local level***;

Amendment 12
Proposal for a regulation
Article 30 – paragraph 3 – point g

Text proposed by the Commission

g) monitoring the implementation of the local development strategy and the operations supported and carrying out specific evaluation activities linked to the local development strategy.

Amendment

g) monitoring the implementation of the local development strategy and the operations supported and carrying out specific evaluation activities linked to the local development strategy, ***taking account of the qualitative aspect of the measures and their long-term results.***

Amendment 13

Proposal for a regulation

Article 42 – paragraph 1 – subparagraph 1

Text proposed by the Commission

The monitoring committee shall be composed of representatives of the managing authority and intermediate bodies and of representatives of the partners. Each member of the monitoring committee shall have a voting right.

Amendment

The monitoring committee shall be composed of representatives of the managing authority and intermediate bodies and of representatives of the partners ***referred to in Article 5.*** Each member of the monitoring committee shall have a voting right.

Amendment 14

Proposal for a regulation

Article 84 – paragraph 2 – point a

Text proposed by the Commission

a) eligible population, regional prosperity, national prosperity and unemployment rate for less developed regions and transition regions;

Amendment

a) eligible population, regional prosperity, national prosperity and unemployment rate ***by age group*** for less developed regions and transition regions;

Amendment 15

Proposal for a regulation

Article 84 – paragraph 2 – point b

Text proposed by the Commission

b) eligible population, regional prosperity, unemployment rate, employment rate,

Amendment

b) eligible population, regional prosperity, unemployment rate ***and*** employment rate

educational level and population density for more developed regions;

by age group, educational level and population density for more developed regions;

Amendment 16
Proposal for a regulation
Article 87 – paragraph 2 – point d

Text proposed by the Commission

d) the contribution to the integrated approach set out in the Partnership Contract to address the specific needs of geographical areas most affected by poverty or target groups at highest risk of discrimination or exclusion, with special regard to marginalised communities, and the indicative financial allocation;

Amendment

d) the contribution to the integrated approach set out in the Partnership Contract to address the specific needs of geographical areas most affected by poverty or target groups at highest risk of discrimination or exclusion, with special regard to marginalised communities, ***young people and persons with disabilities***, and the indicative financial allocation;

Amendment 17
Proposal for a regulation
Annex IV – point 6 – columns 2 and 3 – point 6.2 a (new)

Text proposed by the Commission

	Ex-ante conditionality	Criteria for fulfilment

Amendment by Parliament

	Ex-ante conditionality	Criteria for fulfilment
	<i>(6.2a) Cultural heritage sector: Development of projects to safeguard, pass on, promote and develop tangible and intangible cultural heritage.</i>	<i>– Effective instruments are available at national, regional and local level so that, in particular in regions with very specific characteristics, culture can become a force for economic development, for example through the cultural and creative industries and tourism;</i>
		<i>– Measures designed to</i>

		<i>exploit cultural and linguistic diversity and all aspects of the living heritage of the Union are developed in order to meet the challenges relating to access to culture, active participation in society and social inclusion.</i>
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Amendment 18

Proposal for a regulation

Annex IV – point 8 – point 8.1 – column 3 – point 2 a (new)

Text proposed by the Commission

Amendment

Criteria for fulfilment

Criteria for fulfilment

– training measures which provide people with the cross-disciplinary skills they need to find long-term employment more easily.

Amendment 19

Proposal for a regulation

Annex IV – point 9 – point 9.1 – column 3 – point – indent 4

Text proposed by the Commission

Amendment

Criteria for fulfilment

– cuts across-sectors, and involves and coordinates all policy sectors and stakeholders that are relevant to address ESL.

Criteria for fulfilment

– cuts across-sectors, and involves and coordinates all policy sectors and stakeholders, *in particular in the areas of culture, the arts and sport*, that are relevant to address ESL.

PROCEDURE

Title	Common provisions on European Funds and repealing Regulation (EC) No 1083/2006
References	COM(2011)0615 – C7-0335/2011 – 2011/0276(COD)
Committee responsible Date announced in plenary	REGI 25.10.2011
Opinion by Date announced in plenary	CULT 25.10.2011
Rapporteur Date appointed	Malika Benarab-Attou 27.1.2012
Discussed in committee	29.2.2012 25.4.2012
Date adopted	19.6.2012
Result of final vote	+: 25 -: 0 0: 2
Members present for the final vote	Zoltán Bagó, Malika Benarab-Attou, Lothar Bisky, Piotr Borys, Santiago Fisas Ayxela, Lorenzo Fontana, Petra Kammerevert, Morten Løkkegaard, Emma McClarkin, Emilio Menéndez del Valle, Marek Henryk Migalski, Katarína Neved'alová, Doris Pack, Chrysoula Paliadeli, Gianni Pittella, Marie-Thérèse Sanchez-Schmid, Marietje Schaake, Marco Scurria, Hannu Takkula, László Tőkés, Gianni Vattimo, Sabine Verheyen, Milan Zver
Substitute(s) present for the final vote	François Alfonsi, Ivo Belet, Seán Kelly, Iosif Matula, Rui Tavares
Substitute(s) under Rule 187(2) present for the final vote	Luigi Berlinguer, Mario Pirillo

22.6.2012

OPINION OF THE COMMITTEE ON WOMEN'S RIGHTS AND GENDER EQUALITY

for the Committee on Regional Development

on the proposal for a regulation of the European Parliament and of the Council 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 covered by the Common Strategic Framework and laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and repealing Regulation (EC) No 1083/2006 (COM(2011/0615 – C7-0335/2011 – 2011/0276(COD))

Rapporteur: Inês Cristina Zuber

AMENDMENTS

The Committee on Women's Rights and Gender Equality calls on the Committee on Regional Development, as the committee responsible, to incorporate the following amendments in its report:

Amendment 1

Proposal for a regulation

Recital 2 a (new)

Text proposed by the Commission

Amendment

2a. In accordance with Articles 8 and 10 of the Treaty on the Functioning of the European Union, the Commission and the Member States shall ensure that gender equality shall be a horizontal policy present in all the acts of the EU institutions, and that the implementation

of the priorities financed by the CSF Funds contributes to the promotion of equality between men and women, and takes into account the European Pact for Gender Equality 2011- 2020. Effective implementation of the principle of equality between men and women should include data and indicators based on gender, gender equality objectives and criteria, and should involve gender equality bodies in various stages of implementation, in particular in planning, monitoring and evaluation.

Amendment 2

Proposal for a regulation

Recital 9

Text proposed by the Commission

(9) For the Partnership Contract and each programme respectively, a Member State should organise a partnership with the representatives of competent regional, local, urban and other public authorities, economic and social partners, and bodies representing civil society, including environmental partners, non-governmental organisations, and bodies responsible for promoting equality and nondiscrimination. The purpose of such a partnership is to respect the principle of multi-level governance, ensure the ownership of planned interventions by stakeholders and build on the experience and know-how of relevant actors. The Commission should be empowered to adopt delegated acts providing for a code of conduct in order to ensure that partners are involved in the preparation, implementation, monitoring and evaluation of Partnership Contracts and programmes in a consistent manner.

Amendment

(9) For the Partnership Contract and each program respectively, a Member State should organize a partnership with the representatives of competent regional, local, urban and other public authorities, economic and social partners, and bodies representing civil society, including environmental partners, non-governmental organizations, **women's organizations** and bodies responsible for promoting **women's rights and respect for the principles of equality and non-discrimination, non-governmental organizations promoting social inclusion and organizations active in the areas of culture, education and youth policy. Specific attention shall be paid to groups that might be affected by the programs and may have difficulties to influence them.** The purpose of such a partnership is to respect the principle of multi-level governance, ensure the ownership of planned interventions by stakeholders and build on the experience and know-how of relevant actors. **Therefore the partners should represent**

the different territorial levels in accordance with the institutional structure of the Member States. The Commission should be empowered to adopt delegated acts providing for a code of conduct in order to ensure that partners are involved in the preparation, implementation, monitoring and evaluation of Partnership Contracts and programs in a consistent manner. *The cooperation with the partners shall follow the best practices. Each Member State shall ensure an adequate level of technical assistance in order to facilitate their involvement and participation in all stages of the programming process.*

Amendment 3

Proposal for a regulation

Recital 11

Text proposed by the Commission

(11) In the context of its effort to increase economic, territorial and social cohesion, the Union should, at all stages of implementation of the CSF Funds, aim at eliminating inequalities and promoting equality between men and women, as well as combating discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation.

Amendment

(11) In the context of its effort to increase economic, territorial and social cohesion, the Union **shall**, at all stages of implementation of the CSF Funds, aim at eliminating **all types of** inequalities and promoting **women's rights and** equality between **women and men, taking into account the EU Strategy for Equality Between Women and Men 2010-2015, the European Pact for Gender Equality 2011-2020 and implementation acts and further policies on EU national and regional level implementing Article 8 of the Treaty on the Functioning of the European Union**, as well as combating discrimination **and violence** based on sex, racial or ethnic origin, religion or belief, age or sexual orientation, **or disability, in particular taking into account the UN Convention on Rights of Persons with Disabilities which is in force since 3 May 2008 and EU policies to implement the**

UN Convention. Accordingly, the statistical operations linked to the implementation of the funds should gradually introduce indicators with a view to estimating the impact that the implementation of the various funds and programs is having on the elimination of such discrimination.

Amendment 4

Proposal for a regulation Recital 16

Text proposed by the Commission

(16) On the basis of the Common Strategic Framework adopted by the Commission, each Member State should prepare, in cooperation with its partners and in dialogue with the Commission, a Partnership Contract. The Partnership Contract should translate the elements set out in the Common Strategic Framework into the national context and set out firm commitments to the achievement of Union objectives through the programming of the CSF Funds.

Amendment

(16) On the basis of the Common Strategic Framework adopted by the Commission, each Member State should prepare, in cooperation with its partners and in dialogue with the Commission, a Partnership Contract. The Partnership Contract should translate the elements set out in the Common Strategic Framework into the national context and set out firm commitments to the achievement of Union objectives through the programming of the CSF Funds. ***The Partnership Contract should ensure that the promotion of women's rights, respect for the principle of equality between men and women and the gender perspective in data production and assessments are included among its objectives and priorities.***

Amendment 5

Proposal for a regulation Recital 19

Text proposed by the Commission

(19) Establishing a closer link between cohesion policy and the economic governance of the Union will ensure that

Amendment

deleted

the effectiveness of expenditure under the CSF Funds is underpinned by sound economic policies and that the CSF Funds can, if necessary, be redirected to addressing the economic problems a country is facing. This process has to be gradual, starting with amendments to the Partnership Contract and to the programmes in support of Council recommendations to address macroeconomic imbalances and social and economic difficulties. Where, despite the enhanced use of CSF funds, a Member State fails to take effective action in the context of the economic governance process, the Commission should have the right to suspend all or part of the payments and commitments. Decisions on suspensions should be proportionate and effective, taking into account the impact of the individual programmes for addressing the economic and social situation in the relevant Member State and previous amendments to the Partnership Contract. When deciding on suspensions, the Commission should also respect equality of treatment between Member States, taking into account in particular the impact of the suspension on the economy of the Member State concerned. The suspensions should be lifted and funds be made available again to the Member State concerned as soon as the Member State takes the necessary action.

Justification

Suspending CSF payments and commitments for economically fragile countries would only serve to heighten social and regional imbalances and inequalities, and women would be particularly affected.

Amendment 6

Proposal for a regulation
Recital 32

Text proposed by the Commission

(32) It is necessary to evaluate the effectiveness, efficiency and impact of assistance from the CSF Funds in order to improve the quality of implementation and design of programmes, and to determine the impact of programmes in relation to the targets for the Union strategy for smart sustainable and inclusive growth and in relation to GDP **and** unemployment, where relevant. The responsibilities of Member States and the Commission in this regard should be specified.

Amendment

(32) It is necessary to evaluate the effectiveness, efficiency and impact of assistance from the CSF Funds in order to improve the quality of implementation and design of programmes, and to determine the impact of programmes in relation to the targets for the Union strategy for smart sustainable and inclusive growth and in relation to GDP, unemployment, **gender and accessibility mainstreaming**, where relevant. The responsibilities of Member States and the Commission in this regard should be specified.

Amendment 7

Proposal for a regulation
Recital 33

Text proposed by the Commission

(33) In order to improve the quality and design of each programme, and verify that objectives and targets can be reached, an ex ante evaluation of each programme should be carried out.

Amendment

(33) In order to improve the quality and design of each programme, and verify that objectives and targets can be reached, an ex ante evaluation of each programme should be carried out. ***For each programme, the ex-ante evaluation should include an evaluation of the horizontal principles of Articles 6, 7 and 8 of this Regulation.***

Amendment 8

Proposal for a regulation
Recital 57

Text proposed by the Commission

(57) It is necessary to fix the limits of those resources for the 'Investment for growth and jobs' goal and to adopt objective criteria for their allocation to regions and Member States. In order to encourage the

Amendment

(57) It is necessary to fix the limits of those resources for the 'Investment for growth and jobs' goal and to adopt objective criteria for their allocation to regions and Member States. In order to encourage the

necessary acceleration of development of infrastructure in transport and energy as well as information and communication technologies across the Union, a Connecting Europe Facility should be created. The allocation of the annual appropriations from the Funds and the amounts transferred from the Cohesion Fund to the Connecting Europe Facility to a Member State should be limited to a ceiling that would be fixed taking into account the capacity of that particular Member State to absorb these appropriations. In addition, in line with the headline target on poverty reduction, it is necessary to reorient the scheme for food support for the most deprived persons to promote social inclusion and the harmonious development of the Union. A mechanism is envisaged which transfers resources to this instrument and ensures that these will be constituted from ESF allocations through an implicit corresponding decrease of the minimum percentage of the Structural Funds to be allocated to the ESF in each country.

necessary acceleration of development of infrastructure in transport and energy as well as information and communication technologies across the Union, a Connecting Europe Facility should be created. The allocation of the annual appropriations from the Funds and the amounts transferred from the Cohesion Fund to the Connecting Europe Facility to a Member State should be limited to a ceiling that would be fixed taking into account the capacity of that particular Member State to absorb these appropriations. In addition, in line with the headline target on poverty reduction, it is necessary to reorient the scheme for food support for the most deprived persons **by social group and gender** to promote social inclusion and the harmonious development of the Union. A mechanism is envisaged which transfers resources to this instrument and ensures that these will be constituted from ESF allocations through an implicit corresponding decrease of the minimum percentage of the Structural Funds to be allocated to the ESF in each country.

Amendment 9

Proposal for a regulation

Recital 61

Text proposed by the Commission

(61) It is necessary to lay down additional provisions concerning the programming, management, monitoring and control of operational programmes supported by the Funds. Operational programmes should set out priority axes corresponding to thematic objectives, elaborate a consistent intervention logic to tackle the development needs identified, and set out the framework for performance assessment. They should also contain other elements necessary to underpin the effective and efficient implementation of

Amendment

(61) It is necessary to lay down additional provisions concerning the programming, management, monitoring and control of operational programmes supported by the Funds. Operational programmes should set out priority axes corresponding to thematic objectives **and to the horizontal principles in Articles 6, 7 and 8 of this Regulation**, elaborate a consistent intervention logic to tackle the development needs identified, and set out the framework for performance assessment. They should also contain other elements necessary to underpin the

these Funds.

effective and efficient implementation of these Funds.

Amendment 10

Proposal for a regulation Recital 67

Text proposed by the Commission

(67) To ensure the availability of essential and up to date information on programme implementation, it is necessary that Member States provide the Commission with the key data on a regular basis. In order to avoid an additional burden on Member States, this should be limited to data collected continuously, and the transmission should be performed by way of electronic data exchange.

Amendment

(67) To ensure the availability of essential and up to date information on programme implementation, it is necessary that Member States provide the Commission with the key data on a regular basis. In order to avoid an additional burden on Member States, this should be limited to data collected continuously, and the transmission should be performed by way of electronic data exchange. ***Whenever possible, the data should be broken down by gender.***

Amendment 11

Proposal for a regulation Recital 69

Text proposed by the Commission

(69) It is considered appropriate that the Commission, in cooperation with the Member States, carries out the ex post evaluation for the Funds to obtain information at the appropriate level on the results and impact of interventions financed.

Amendment

(69) It is considered appropriate that the Commission, in cooperation with the Member States, carries out the ex post evaluation for the Funds to obtain information at the appropriate level on the results and impact of interventions financed. ***The Commission and Member States should ensure the inclusion of the gender perspective and a breakdown by gender in all evaluations and progress reports.***

Amendment 12

Proposal for a regulation
Article 2 – paragraph 2 – point 4

Text proposed by the Commission

(4) ‘programming’ means the process of organisation, decision-making and allocation of financial resources in several stages intended to implement, on a multi-annual basis, the joint action by the Union and the Member States to achieve Union strategy for smart, sustainable and inclusive growth;

Amendment

(4) ‘programming’ means the process of organisation, decision-making and allocation of financial resources in several stages ***in accordance with Article 5*** intended to implement, on a multi-annual basis, the joint action by the Union and the Member States to achieve Union strategy for smart, sustainable and inclusive growth

Amendment 13

Proposal for a regulation
Article 4 – paragraph 9

Text proposed by the Commission

9. The Commission and the Member States shall ensure the effectiveness of the CSF Funds, in particular through monitoring, reporting and evaluation.

Amendment

9. The Commission and the Member States shall ensure the effectiveness of the CSF Funds, in particular through monitoring, reporting and evaluation, ***and transparency in the selection process by stressing the need for justifications to be made public.***

Amendment 14

Proposal for a regulation
Article 5 – paragraph 1 – point a a (new)

Text proposed by the Commission

Amendment

(aa) those institutions, organisations and groups that might influence or might be affected by the implementation of the programmes, with specific attention paid to groups that might be affected by the programmes and may experience difficulties in influencing them, in particular people with special needs and marginalised groups.

Amendment 15

Proposal for a regulation

Article 5 – paragraph 1 – point c

Text proposed by the Commission

(c) bodies representing civil society, including environmental partners, nongovernmental organisations, and bodies responsible for promoting equality and non-discrimination.

Amendment

(c) bodies representing civil society, including environmental partners, nongovernmental organizations, and bodies responsible for promoting equality ***between women and men, women's rights, fundamental freedoms*** and non-discrimination, ***in particular women's rights organizations, and non-governmental organizations promoting social inclusion and organizations active in the areas of culture, education and youth policy.***

Amendment 16

Proposal for a regulation

Article 5 – paragraph 2

Text proposed by the Commission

2. In accordance with the multi-level governance approach, the partners shall be involved by Member States in the preparation of Partnership Contracts and progress reports and in the preparation, implementation, monitoring and evaluation of programmes. The partners shall participate in the monitoring committees for programmes.

Amendment

2. In accordance with the multi-level governance approach, the partners shall be involved by Member States in the preparation of Partnership Contracts and progress reports and in the preparation, implementation, monitoring and evaluation of programmes. The partners shall participate in the monitoring committees for programmes ***and select and appoint their members representing them in the monitoring committee. Steps must be taken to ensure that all Partnership documents include the gender perspective and a breakdown by gender of data.***

Amendment 17

Proposal for a regulation Article 7 – paragraph 1

Text proposed by the Commission

The Member States and the Commission shall ensure that equality between men and women and the integration of gender perspective is promoted in the preparation and implementation of programmes.

Amendment

The Member States and the Commission shall ensure that equality between men and women ***and non-discrimination, the participation of women in political, economic and social life***, and the ***coherent integration of gender perspective are promoted into all stages of the preparation, programming and implementation, monitoring and evaluation of the CSF-Funds with methods of the gender budgeting assessment***. Member States shall further allow for a balanced participation of women and men in the management and implementation of operational programmes at local, regional and national level and report on progress in this matter. The programmes should be geared to eliminating discrimination between men and women, particularly in the family and work environment.

Amendment 18

Proposal for a regulation Article 7 – paragraph 2

Text proposed by the Commission

2. The Member States and the Commission shall take appropriate steps to prevent any discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation during the preparation and implementation of programmes³

Amendment

2. The Member States and the Commission shall take ***all necessary and*** appropriate steps to prevent ***and combat all types of*** discrimination ***and violence*** based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation during the preparation and implementation of programmes, ***in particular when***

establishing criteria and indicators, and selecting beneficiaries, paying particular attention to those who face multiple discriminations. All data must be analysed by gender wherever possible.

Amendment 19

Proposal for a regulation Article 7 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

When incorporating the gender perspective into the orientation of the programmes and when assessing them, the Member States shall cooperate amongst themselves and with Eurostat in order to develop ad hoc indicators.

Amendment 20

Proposal for a regulation Article 9 – paragraph 1 – introductory part

Text proposed by the Commission

Amendment

Each CSF Fund shall support the following thematic objectives in accordance with its mission in order to contribute to the Union strategy for smart, sustainable and inclusive growth:

Each CSF Fund shall support the following thematic objectives in accordance with its mission in order to contribute to the Union strategy for smart, sustainable and inclusive growth, *as well as to promote equality between men and women and the integration of gender perspective:*

Amendment 21

Proposal for a regulation Article 9 – paragraph 1 – point (7 a) (new)

Text proposed by the Commission

Amendment

(7a) protecting women's rights and strengthening gender equality.

Amendment 22

Proposal for a regulation

Article 9 – paragraph 1 – point 8

Text proposed by the Commission

(8) promoting employment and supporting labour mobility;

Amendment

(8) promoting employment and supporting labour mobility **and combating discrimination, paying particular attention to women's access to the labour market and the conditions relating to such access;**

Amendment 23

Proposal for a regulation

Article 9 – paragraph 1 – point 9

Text proposed by the Commission

(9) promoting social inclusion and combating poverty;

Amendment

(9) promoting social inclusion, **gender and accessibility mainstreaming**, combating poverty, **social inequalities and discrimination based on gender, paying particular attention to the situation of women who constitute a vulnerable group as regards social exclusion, insecurity and poverty;**

Amendment 24

Proposal for a regulation

Article 9 – paragraph 1 – point 10

Text proposed by the Commission

(10) investing in education, skills and lifelong learning;

Amendment

(10) investing in education, skills and lifelong learning, **in particular with measures targeted at women, emphasizing the importance of this aspect for the social advancement of women and strengthening their capacities which contributes to their participation in**

political, economic and social life;

Amendment 25

Proposal for a regulation Article 9 – paragraph 1 – point 11

Text proposed by the Commission

(11) *enhancing* institutional capacity and *an* efficient public administration.

Amendment

(11) ***Enhancing*** institutional capacity and efficient ***and participative*** public administration ***and promoting capacity building for social partners, non-governmental organisations, regional and local authorities and other stakeholders in particular those partners as referred to in Article 5 of this Regulation.***

Amendment 26

Proposal for a regulation Article 9 – paragraph 2

Text proposed by the Commission

2. Thematic objectives shall be translated into priorities specific to each ***CSF Fund*** and set out in the Fund-specific rules.

Amendment

2. Thematic objectives shall be translated into priorities specific to each ***of the Funds covered by the CPR*** and set out in the Fund-specific rules, ***while ensuring that the gender perspective and equality between women and men are integrated into activities under all thematic priorities and at all phases of preparation, programming, implementation, monitoring and evaluation of programmes. Priorities shall be given to those projects which are simultaneously promoting more than one of the above mentioned thematic objectives.***

Amendment 27

Proposal for a regulation

Article 14 – point (a) – introductory wording

Text proposed by the Commission

(a) arrangements to ensure alignment with the Union strategy for smart, sustainable and inclusive growth, including:

Amendment

(a) arrangements to ensure alignment with the Union strategy for smart, sustainable and inclusive growth, ***as well as to promote equality between men and women and the integration of gender perspective***, including:

Amendment 28

Proposal for a regulation

Article 14 – point a – point ii

Text proposed by the Commission

(ii) a summary analysis of the ex ante evaluations of the programmes justifying the selection of the thematic objectives and the indicative allocations of the CSF Funds;

Amendment

(ii) a summary analysis of the ex ante evaluations of the programmes justifying the selection of the thematic objectives and the indicative allocations of the CSF Funds, ***and distribution of responsibilities***;

Amendment 29

Proposal for a regulation

Article 14 – point c

Text proposed by the Commission

(c) an integrated approach to address the specific needs of geographical areas most affected by poverty or of target groups at highest risk of discrimination or exclusion, with special regard to marginalised communities, where appropriate, including the indicative financial allocation for the relevant ***CSF*** Funds;

Amendment

(c) an integrated approach to address the specific needs of geographical areas most affected by poverty or of target groups at highest risk of discrimination or exclusion, with special regard to ***women, marginalised communities and persons with disabilities***, where appropriate, including the indicative financial allocation for the relevant Funds ***covered by the CPR***;

Amendment 30

Proposal for a regulation Article 14 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

All data in the Partnership Contract where possible should be broken down by gender.

Amendment 31

Proposal for a regulation Article 21

Text proposed by the Commission

Amendment

Article deleted.

Justification

Suspension of payments and authorisations to economically fragile countries from the CSF Funds will only serve to accentuate social and territorial imbalances and inequalities and will have a particularly harsh impact on women.

Amendment 32

Proposal for a regulation Article 24 – paragraph 1

Text proposed by the Commission

Amendment

1. Each programme shall set out a strategy for the programme's contribution to the Union strategy for smart, sustainable and inclusive growth consistent with the Common Strategic Framework and Partnership Contract. Each programme shall include the arrangements to ensure effective, efficient and coordinated implementation of the CSF Funds and actions to achieve a reduction of administrative burden for beneficiaries.

1. Each programme shall set out a strategy for the programme's contribution to the Union strategy for smart, sustainable and inclusive growth, ***as well as to promote equality between men and women and the integration of gender perspective*** consistent with the Common Strategic Framework and Partnership Contract. Each programme shall include the arrangements to ensure effective, efficient and coordinated implementation of the CSF Funds and actions to achieve a reduction of administrative burden for beneficiaries. ***All data where possible should be broken***

down by gender.

Amendment 33

Proposal for a regulation

Article 24 – paragraph 3 – point (c) (a)(new)

Text proposed by the Commission

Amendment

(c)(a) indicators related to the gender dimension with regard to participation in the programmes and the impact of the Structural Funds.

Amendment 34

Proposal for a regulation

Article 24 – paragraph 4

Text proposed by the Commission

Amendment

4. Each programme, except those which cover exclusively technical assistance, shall include ***a description of*** the actions to ***take into account*** the principles set out in Articles 7 and 8.

4. Each programme, except those which cover exclusively technical assistance, shall include ***measurable qualitative and quantitative targets and milestones for the indicators referring to the horizontal principles in Article 7 and 8, if it is appropriate added by programme-specific indicators and the specific actions in order to comply with*** the principles set out in Articles 7 and 8.

Amendment 35

Proposal for a regulation

Article 25 – paragraph 1

Text proposed by the Commission

Amendment

1. The Commission shall assess the consistency of programmes with this Regulation, the Fund-specific rules, their effective contribution to the thematic objectives and the Union priorities specific to each CSF Fund, the Common Strategic

1. The Commission shall assess the consistency of programmes with this Regulation, the Fund-specific rules, their effective contribution to the thematic objectives and the Union priorities specific to each CSF Fund, the Common Strategic

Framework, the Partnership Contract, the country-specific recommendations under Article 121(2) of the Treaty and the Council recommendations adopted under 148(4) of the Treaty, taking account of the ex ante evaluation. The assessment shall address, in particular, the adequacy of the programme strategy, the corresponding objectives, indicators, targets and the allocation of budgetary resources.

Framework, the Partnership Contract, the country-specific recommendations under Article 121(2) of the Treaty and the Council recommendations adopted under 148(4) of the Treaty, taking account of the ex ante evaluation. The assessment shall address, in particular, the adequacy of the programme strategy, the corresponding objectives, indicators, targets and the allocation of budgetary resources. ***The decision should be preceded by a transparent process.***

Amendment 36

Proposal for a regulation

Article 28 – paragraph 1 – point b

Text proposed by the Commission

(b) community-led, by local action groups composed of representatives of public and private local socio-economic interests, where at the decision-making level neither the public sector nor any single interest group shall represent more than 49 % of the voting rights;

Amendment

(b) community-led, by local action groups composed of representatives of public and private local socio-economic interests, where at the decision-making level neither the public sector nor any single interest group shall represent more than 49 % of the voting rights; ***gender equality should be pursued in the compilation of the group.***

Amendment 37

Proposal for a regulation

Article 28 – paragraph 1 – point (d a) (new)

Text proposed by the Commission

Amendment

(da) focused on objectives that will combat social inequalities and poverty and promote equality between men and women.

Amendment 38

Proposal for a regulation

Article 29 – paragraph 1 – point (a)

Text proposed by the Commission

(a) the definition of the area and population covered by the strategy;

Amendment

(a) the definition of the area and population covered by the strategy, ***segmented according to gender***;

Amendment 39

Proposal for a regulation

Article 30 – paragraph 1 – subparagraph 2

Text proposed by the Commission

Member States shall define the respective roles of the local action group and the authorities responsible for the implementation of the relevant programmes, for all implementation tasks relating to the strategy.

Amendment

Member States shall define the respective roles of the local action group and the authorities responsible for the implementation of the relevant programmes, for all implementation tasks relating to the strategy. ***Particular attention must be given to the balanced participation of men and women in local action groups and related procedures.***

Amendment 40

Proposal for a regulation

Article 30 – paragraph 3 – point b

Text proposed by the Commission

(b) drawing up a non-discriminatory and transparent selection procedure and criteria for the selection of operations, which avoid conflicts of interest, that shall ensure that at least 50% of the votes in selection decisions are from the non public sector partners, providing for the possibility of appeal against selection decisions and allowing selection by written procedure;

Amendment

(b) drawing up a ***gender-equity based***, non-discriminatory and transparent selection procedure and criteria for the selection of operations, which avoid conflicts of interest, that shall ensure that at least 50% of the votes in selection decisions are from the non public sector partners, providing for the possibility of appeal against selection decisions and allowing selection by written procedure;

Amendment 41

Proposal for a regulation Article 32 – paragraph 2

Text proposed by the Commission

2. Final recipients supported by financial instruments may also receive grants or other assistance from a programme or from another instrument supported by the budget of the Union. In this case, separate records must be maintained for each source of financing.

Amendment

2. Final recipients supported by financial instruments may also receive grants or other assistance from a programme or from another instrument supported by the budget of the Union. In this case, separate records must be maintained for each source of financing. ***Particular financial care and technical assistance must be given to actions carried out by women.***

Amendment 42

Proposal for a regulation Article 42 – paragraph 1 – subparagraph 1

Text proposed by the Commission

The monitoring committee shall be composed of representatives of the managing authority and intermediate bodies and of representatives of the partners. Each member of the monitoring committee shall have a voting right.

Amendment

The monitoring committee shall be composed of representatives of the managing authority and intermediate bodies and of representatives of the partners ***referred to in Article 5, in particular considering partners involved in the preparation of the concerned programmes.*** Each member of the monitoring committee shall have a voting right. ***Member states shall ensure the gender equality at this body.***

Amendment 43

Proposal for a regulation Article 42 – paragraph 1 – subparagraph 2

Text proposed by the Commission

The monitoring committee of a programme under the European territorial cooperation goal shall also include representatives of

Amendment

The monitoring committee of a programme under the European territorial cooperation goal shall also include representatives of

any third country participating in that programme.

any third country participating in that programme. ***In deciding on the composition of the monitoring committee, account shall be taken of the principle of equality between men and women.***

Amendment 44

Proposal for a regulation Article 43 – paragraph 1

Text proposed by the Commission

1. The monitoring committee shall meet at least once a year and shall review implementation of the programme and progress towards achieving its objectives. In doing so, it shall have regard to the financial data, common and programme-specific indicators, including changes in result indicators and progress towards quantified target values, and the milestones defined in the performance framework.

Amendment

1. The monitoring committee shall meet at least once a year and shall review implementation of the programme and progress towards achieving its objectives. In doing so, it shall have regard to the financial data, common and programme-specific indicators, ***particularly those relating to the issue of gender,*** including changes in result indicators and progress towards quantified target values, and the milestones defined in the performance framework.

Amendment 45

Proposal for a regulation Article 44 – paragraph 2

Text proposed by the Commission

2. Annual implementation reports shall set out information on implementation of the programme and its priorities by reference to the financial data, common and programme-specific indicators and quantified target values, including changes in result indicators, and the milestones defined in the performance framework. The data transmitted shall relate to values for indicators for fully implemented operations and also for selected operations. They shall also set out actions taken to fulfil the *ex ante* conditionalities and any

Amendment

2. Annual implementation reports shall set out information on implementation of the programme and its priorities by reference to the financial data, common and programme-specific indicators ***which should take into account the gender dimension,*** and quantified target values, including changes in result indicators, and the milestones defined in the performance framework. The data transmitted shall relate to values for indicators for fully implemented operations and also for selected operations. They shall also set out

issues which affect the performance of the programme, and the corrective measures taken.

actions taken to fulfil the ex ante conditionalities and any issues which affect the performance of the programme, and the corrective measures taken. ***Whenever possible, the data shall be broken down by gender.***

Amendment 46

Proposal for a regulation Article 44 – paragraph 4

Text proposed by the Commission

4. The annual implementation report submitted in 2019 and the final implementation report for the CSF Funds shall, in addition to the information and assessment set out in paragraphs 2 and 3, include information on and assess progress towards achieving the objectives of the programme and its contribution to achieving the Union strategy for smart, sustainable and inclusive growth.

Amendment

4. The annual implementation report submitted in 2019 and the final implementation report for the CSF Funds shall, in addition to the information and assessment set out in paragraphs 2 and 3, include information on and assess progress towards achieving the objectives of the programme and its contribution to achieving the Union strategy for smart, sustainable and inclusive growth, ***as well as its contribution to equality between men and women and gender mainstreaming.***

Amendment 47

Proposal for a regulation Article 46 – paragraph 2 – point (b)

Text proposed by the Commission

(b) progress towards achievement of the Union strategy for smart, sustainable and inclusive growth, in particular in respect of the milestones set out for each programme in the performance framework and the support used for climate change objectives;

Amendment

(b) progress towards achievement of the Union strategy for smart, sustainable and inclusive growth, ***and towards promoting equality between men and women and gender mainstreaming,*** in particular in respect of the milestones set out for each programme in the performance framework and the support used for climate change objectives;

Amendment 48

Proposal for a regulation Article 46 – paragraph 5

Text proposed by the Commission

5. In 2018 and 2020, the Commission shall include in its Annual Progress Report to the spring meeting of the European Council a section summarising the strategic report, in particular with regard to progress made towards Union strategy for smart, sustainable and inclusive growth.

Amendment

5. In 2018 and 2020, the Commission shall include in its Annual Progress Report to the spring meeting of the European Council a section summarising the strategic report, in particular with regard to progress made towards Union strategy for smart, sustainable and inclusive growth, ***and towards promoting equality between men and women and gender mainstreaming.***

Amendment 49

Proposal for a regulation Article 47 – paragraph 1

Text proposed by the Commission

1. Evaluations shall be carried out to improve the quality of the design and implementation of programmes, as well as to assess their effectiveness, efficiency and impact. Impact of programmes shall be evaluated in accordance with the mission of the respective CSF Funds in relation to the targets for the Union strategy for smart, sustainable and inclusive growth as well as in relation to Gross Domestic Product (GDP) and unemployment, where appropriate.

Amendment

1. Evaluations shall be carried out to improve the quality of the design and implementation of programmes, as well as to assess their effectiveness, efficiency and impact. Impact of programmes shall be evaluated in accordance with the mission of the respective CSF Funds in relation to the targets for the Union strategy for smart, sustainable and inclusive growth, ***equality between men and women and gender mainstreaming,*** as well as in relation to Gross Domestic Product (GDP) and unemployment, where appropriate.

Amendment 50

Proposal for a regulation Article 47 – paragraph 2

Text proposed by the Commission

2. Member States shall provide the resources necessary for carrying out evaluations, and shall ensure that procedures are in place to produce and collect the data necessary for evaluations, including data related to common and where appropriate programme-specific indicators.

Amendment

2. Member States shall provide the resources necessary for carrying out evaluations, and shall ensure that procedures are in place to produce and collect the data necessary for evaluations, including data related to common and where appropriate programme-specific indicators. ***Whenever possible, the data should be broken down by gender.***

Amendment 51

Proposal for a regulation Article 51 – paragraph 1 – subparagraph 2 – point f

Text proposed by the Commission

(f) actions to disseminate information, support networking, carry out communication activities, raise awareness and promote cooperation and exchange of experience, including with third countries. To bring about greater efficiency in communication to the public at large and stronger synergies between the communication activities undertaken at the initiative of the Commission, the resources allocated to communication actions under this Regulation shall also contribute to the corporate communication of the political priorities of the European Union as far as they are related to the general objectives of this Regulation;

Amendment

(f) actions to disseminate information, support networking, carry out communication activities, raise awareness and promote cooperation and exchange of experience, including with third countries. To bring about greater efficiency in communication to the public at large and stronger synergies between the communication activities undertaken at the initiative of the Commission, the resources allocated to communication actions under this Regulation shall also contribute to the corporate communication of the political priorities of the European Union as far as they are related to the general objectives of this Regulation; ***Since, according to research, women have less access to information than men, particular emphasis shall be given to women's access to information at national and European level;***

Amendment 52

Proposal for a regulation Article 63 – paragraph 4

Text proposed by the Commission

4. All official exchanges of information between the Member State and the Commission shall be carried out using an electronic data exchange system established in compliance with the terms and conditions laid down by the Commission by means of implementing acts. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 143(3).

Amendment

4. All official exchanges of information between the Member State and the Commission shall be carried out using an electronic data exchange system established in compliance with the terms and conditions laid down by the Commission by means of implementing acts. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 143(3). ***Whenever possible, the data shall be broken down by gender.***

Amendment 53

Proposal for a regulation Article 87 – paragraph 2 – point (a) – introductory wording

Text proposed by the Commission

(a) a strategy for the operational programme's contribution to the Union strategy for smart, sustainable and inclusive growth, including:

Amendment

(a) a strategy for the operational programme's contribution to the Union strategy for smart, sustainable and inclusive growth, ***as well as to equality between men and women and gender mainstreaming,*** including:

Amendment 54

Proposal for a regulation Article 87 – paragraph 2 – point (d)

Text proposed by the Commission

(d) the contribution to the integrated approach set out in the Partnership Contract to address the specific needs of geographical areas most affected by poverty or target groups at highest risk of

Amendment

(d) the contribution to the integrated approach set out in the Partnership Contract to address the specific needs of geographical areas most affected by poverty or target groups at highest risk of

discrimination or exclusion, with special regard to marginalised communities, and the indicative financial allocation;

discrimination or exclusion, with special regard to marginalised communities **and to women, who are an even more vulnerable group in times of crisis**, and the indicative financial allocation;

Amendment 55

Proposal for a regulation

Article 87 – paragraph 3 – subparagraph 1 – point (ii)

Text proposed by the Commission

(ii) a description of the specific actions to promote equal opportunities and prevent any discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation during the preparation, design and implementation of the operational programme and in particular in relation to access to funding, taking account of the needs of the various target groups at risk of such discrimination and in particular the requirements of ensuring accessibility for disabled persons;

Amendment

(ii) a description of the specific actions to promote equal opportunities and prevent any discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation **or gender identity** during the preparation, design and implementation of the operational programme, **as well as when establishing criteria and indicators and selecting beneficiaries**, and in particular in relation to access to funding, taking account of the needs of the various target groups at risk of such discrimination and in particular the requirements of ensuring accessibility for disabled persons;

Amendment 56

Proposal for a regulation

Article 87 – paragraph 3 – subparagraph 1 – point iii

Text proposed by the Commission

(iii) a description of its contribution to the promotion of equality between men and women and, **where appropriate**, the arrangements to ensure the integration of gender perspective at operational programme and operation level.

Amendment

(iii) a description of its contribution to the promotion of equality between men and women and, the arrangements to ensure the integration of gender perspective at operational programme and operation level **and a description of the specific actions put in place to promote equality between men and women**.

Amendment 57

Proposal for a regulation Article 92 – paragraph 1

Text proposed by the Commission

1. The Commission shall appraise the major project on the basis of the information referred to in Article 91 in order to determine whether the proposed support from the Funds is justified.

Amendment

1. The Commission shall appraise the major project on the basis of the information referred to in Article 91 in order to determine whether the proposed support from the Funds is justified. ***The decision should be preceded by a transparent process.***

Amendment 58

Proposal for a regulation Article 97 – paragraph 1 – subparagraph 2

Text proposed by the Commission

Its composition shall be decided by the Member State in agreement with the managing authority, respecting the principle of partnership.

Amendment

Its composition shall be decided by the Member State in agreement with the managing authority, respecting the principle of partnership ***and the promotion of gender equality in its compilation.***

Amendment 59

Proposal for a regulation Article 101 – paragraph 3 – point i

Text proposed by the Commission

(i) progress in the implementation of measures to address the specific needs of geographical areas most affected by poverty or of target groups at highest risk of discrimination or exclusion, with special regard to marginalised communities including, where appropriate, the financial resources used;

Amendment

(i) progress in the implementation of measures to address the specific needs of geographical areas most affected by poverty or of target groups at highest risk of discrimination or exclusion, with special regard to ***women***, marginalised communities ***and persons with disabilities***, including, where appropriate, the financial resources used;

Amendment 60

Proposal for a regulation

Article 106 – paragraph 2 – subparagraph 1

Text proposed by the Commission

The communication strategy shall be discussed and approved by the first monitoring committee following the adoption of the operational programme.

Amendment

The communication strategy shall be discussed and approved by the first monitoring committee following the adoption of the operational programme. ***Over and beyond the technical aspects relating to the dissemination of information, the strategy shall promote gender-oriented language in all media, in accordance with best practice and guidelines drawn up by specific states, regions and local authorities.***

Amendment 61

Proposal for a regulation

Article 107 – paragraph 4

Text proposed by the Commission

4. Union networks comprising the members designated by the Member States and the managing authorities shall be set up by the Commission to ensure exchange on the results of the implementation of the communication strategies, the exchange of experience in implementing the information and communication measures, and the exchange of good practices.

Amendment

4. Union networks comprising the members designated by the Member States and the managing authorities shall be set up by the Commission to ensure exchange on the results of the implementation of the communication strategies, the exchange of experience in implementing the information and communication measures, and the exchange of good practices. ***It is important in the European Union networks to ensure the balanced participation of men and women.***

Amendment 62

Proposal for a regulation Article 111 – paragraph (1)

Text proposed by the Commission

(1) the importance of the priority axis for the delivery of the Union strategy for smart, sustainable and inclusive growth, having regard to the specific gaps to be addressed;

Amendment

(1) the importance of the priority axis for the delivery of the Union strategy for smart, sustainable and inclusive growth, **as well as for equality between men and women and gender mainstreaming**, having regard to the specific gaps to be addressed;

Amendment 63

Proposal for a regulation Article 143 – paragraph 1

Text proposed by the Commission

1. The Commission shall be assisted by a Coordination Committee of the Funds. That committee shall be a committee within the meaning of Regulation (EU) No 182/2011.

Amendment

1. The Commission shall be assisted by a Coordination Committee of the Funds. That committee shall be a committee within the meaning of Regulation (EU) No 182/2011. **Gender equality should be pursued in the compilation of the committee.**

PROCEDURE

Title	Common provisions on European Funds and repealing Regulation (EC) No 1083/2006
References	COM(2011)0615 – C7-0335/2011 – 2011/0276(COD)
Committee responsible Date announced in plenary	REGI 25.10.2011
Opinion by Date announced in plenary	FEMM 25.10.2011
Rapporteur Date appointed	Inês Cristina Zuber 20.1.2012
Previous rapporteur	Ilda Figueiredo
Discussed in committee	30.5.2012
Date adopted	21.6.2012
Result of final vote	+: 18 -: 3 0: 1
Members present for the final vote	Edit Bauer, Marije Cornelissen, Edite Estrela, Iratxe García Pérez, Zita Gurmai, Mikael Gustafsson, Lívia Járóka, Teresa Jiménez-Becerril Barrio, Nicole Kiil-Nielsen, Rodi Kratsa-Tsagaropoulou, Constance Le Grip, Astrid Lulling, Barbara Matera, Elisabeth Morin-Chartier, Siiri Oviir, Raül Romeva i Rueda, Marc Tarabella, Britta Thomsen, Anna Záborská
Substitute(s) present for the final vote	Minodora Cliveti, Christa Kläß, Mariya Nedelcheva, Norica Nicolai

PROCEDURE

Title	Common provisions on European Funds and repealing Regulation (EC) No 1083/2006			
References	COM(2013)0246 – C7-0107/2013 – COM(2011)0615 – C7-0335/2011 – COM(2012)0496 – C7-0291/2012 – 2011/0276(COD)			
Date submitted to Parliament	22.4.2013			
Committee responsible Date announced in plenary	REGI 25.10.2011			
Committee(s) asked for opinion(s) Date announced in plenary	BUDG 25.10.2011	CONT 25.10.2011	ECON 25.10.2011	EMPL 25.10.2011
	ENVI 25.10.2011	ITRE 25.10.2011	TRAN 25.10.2011	AGRI 25.10.2011
	PECH 25.10.2011	CULT 25.10.2011	FEMM 25.10.2011	
Associated committee(s) Date announced in plenary	EMPL 18.4.2013			
Rapporteur(s) Date appointed	Lambert van Nistelrooij 21.6.2011	Constanze Angela Krehl 21.6.2011		
Discussed in committee	22.11.2011	19.12.2011	25.1.2012	27.2.2012
	28.2.2012	19.3.2012	26.4.2012	8.5.2012
	29.5.2012	20.6.2012	21.6.2012	11.7.2012
	10.10.2012	26.11.2012	27.11.2012	23.1.2013
	19.2.2013	19.3.2013	23.4.2013	29.5.2013
	19.6.2013			
Date adopted	10.7.2013			
Result of final vote	+: –: 0:	41 3 0		
Members present for the final vote	François Alfonsi, Luís Paulo Alves, Catherine Bearder, Jean-Jacob Bicep, Victor Boștinăru, John Bufton, Francesco De Angelis, Tamás Deutsch, Rosa Estaràs Ferragut, Brice Hortefeux, Danuta Maria Hübner, Filiz Hakaeva Hyusmenova, Vincenzo Iovine, María Irigoyen Pérez, Seán Kelly, Mojca Kleva Kekuš, Constanze Angela Krehl, Jacek Olgierd Kurski, Petru Constantin Luhan, Ramona Nicole Mănescu, Vladimír Maňka, Iosif Matula, Erminia Mazzoni, Jens Nilsson, Jan Olbrycht, Wojciech Michał Olejniczak, Younous Omarjee, Markus Pieper, Monika Smolková, Georgios Stavrakakis, Nuno Teixeira, Lambert van Nistelrooij, Oldřich Vlasák, Kerstin Westphal, Hermann Winkler, Joachim Zeller, Elżbieta Katarzyna Łukacijewska			

Substitute(s) present for the final vote	Jan Březina, Andrea Cozzolino, Karima Delli, Cornelia Ernst, Ivars Godmanis, Elisabeth Schroedter, Evžen Tošenovský, Giommara Uggias
Date tabled	22.7.2013