



Plenary sitting

A8-0181/2019

25.3.2019

*****I**
REPORT

on the proposal for a regulation of the European Parliament and of the Council
amending Regulation (EU) No 1303/2013 as regards the adjustment of annual
pre-financing for the years 2021 to 2023
(COM(2018)0614 – C8-0396/2018 – 2018/0322(COD))

Committee on Regional Development

Rapporteur: Mirosław Piotrowski

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

Amendments by Parliament set out in two columns

Deletions are indicated in ***bold italics*** in the left-hand column. Replacements are indicated in ***bold italics*** in both columns. New text is indicated in ***bold italics*** in the right-hand column.

The first and second lines of the header of each amendment identify the relevant part of the draft act under consideration. If an amendment pertains to an existing act that the draft act is seeking to amend, the amendment heading includes a third line identifying the existing act and a fourth line identifying the provision in that act that Parliament wishes to amend.

Amendments by Parliament in the form of a consolidated text

New text is highlighted in ***bold italics***. Deletions are indicated using either the ■ symbol or strikeout. Replacements are indicated by highlighting the new text in ***bold italics*** and by deleting or striking out the text that has been replaced.

By way of exception, purely technical changes made by the drafting departments in preparing the final text are not highlighted.

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DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION

**on the proposal for a regulation of the European Parliament and of the Council amending Regulation (EU) No 1303/2013 as regards the adjustment of annual pre-financing for the years 2021 to 2023
(COM(2018)0614 – C8-0396/2018 – 2018/0322(COD))**

(Ordinary legislative procedure: first reading)

The European Parliament,

- having regard to the Commission proposal to Parliament and the Council (COM(2018)0614),
 - 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 (C-0396/2018),
 - having regard to Article 294(3) of the Treaty on the Functioning of the European Union,
 - having regard to the opinion of the European Economic and Social Committee of 24 January 2019¹,
 - after consulting the Committee of the Regions,
 - having regard to Rule 59 of its Rules of Procedure,
 - having regard to the report of the Committee on Regional Development (A8-0181/2019),
1. Adopts its position at first reading hereinafter set out;
 2. Calls on the Commission to refer the matter to Parliament again if it replaces, substantially amends or intends to substantially amend its proposal;
 3. Instructs its President to forward its position to the Council, the Commission and the national parliaments.

Amendment 1

Proposal for a regulation

Article 1 – paragraph 1 – point b

Regulation (EU) No 1303/2013

Article 134 – paragraph 2 – indent 6

¹ Not yet published in the Official Journal.

Text proposed by the Commission

“— 2021–2023: **1 %**”.

Amendment

“— 2021–2023: **2 %**”.

EXPLANATORY STATEMENT

On 7 September 2018, the Commission submitted a new proposal to amend the current Common Provisions Regulation (CPR) for 2014-2020. That amendment concerns the pre-financing rates for the years 2021-2023 under the 2014-2020 programmes. Funding under the CPR for 2021-2027 is not affected.

At current rates, annual pre-financing paid to Member States results in annual recovery orders for large amounts (for example, EUR 6.6 billion in 2017). This means that payment credits are requested from Member States each year in order to pay them annual pre-financing from the Union budget, which in turn has to be recovered to a significant extent a year later.

As annual pre-financing is made available for an accounting year which spans over two annual budgetary years, the excess amount paid in year N as annual pre-financing is cleared in year N+1, which results in unnecessary payment flows.

Therefore, for 2021-2023, which corresponds to the last three years of the current implementation period and overlaps with the next implementation period starting in 2021, the Commission proposes that annual pre-financing should be reduced. This approach results from the proposal for the 2021-2027 period, where it is intended that only initial pre-financing should be paid, in six annual tranches.

The Commission's proposal to reduce the rate of annual pre-financing for 2021-2023 from 3 % of the amount of support from the Funds to 1 % goes too far, and the rapporteur of the Committee on Regional Development is of the opinion that it is more appropriate to set an annual pre-financing rate of 2 % for the cash flow requirements for the implementation of the Programme. This pre-financing rate takes into account the expected increasing number of interim payment claims, the addition of the performance reserve to the basis for the calculation of pre-financing, and the new pre-financing available under the 2021-2027 programming period.

Article 134(2) will therefore be modified to set the annual pre-financing for 2021-2023 at 2 %. The annual pre-financing for the year 2020 is to be maintained at 3 %. Funding for 2021-2023 under the CPR for 2021-2027 will be determined by the new regulation and is not affected by this amendment.

The rapporteur believes that only with a 2 % payment rate can the Commission's proposal can be accepted.

PROCEDURE – COMMITTEE RESPONSIBLE

Title	Adjustment of annual pre-financing for the years 2021 to 2023		
References	COM(2018)0614 – C8-0396/2018 – 2018/0322(COD)		
Date submitted to Parliament	7.9.2018		
Committee responsible Date announced in plenary	REGI 13.9.2018		
Committees asked for opinions Date announced in plenary	BUDG 13.9.2018	EMPL 13.9.2018	PECH 13.9.2018
Not delivering opinions Date of decision	BUDG 13.9.2018	EMPL 27.9.2018	PECH 12.9.2018
Rapporteurs Date appointed	Miroslaw Piotrowski 22.11.2018		
Previous rapporteurs	Iskra Mihaylova		
Discussed in committee	14.2.2019		
Date adopted	21.3.2019		
Result of final vote	+: 19 -: 0 0: 0		
Members present for the final vote	Franc Bogovič, Mercedes Bresso, Aleksander Gabelic, Ivan Jakovčić, Constanze Krehl, Iskra Mihaylova, Miroslaw Piotrowski, Stanislav Polčák, Fernando Ruas, Monika Smolková, Ramón Luis Valcárcel Siso, Matthijs van Miltenburg, Lambert van Nistelrooij, Kerstin Westphal, Joachim Zeller		
Substitutes present for the final vote	John Howarth, Ivana Maletić, Milan Zver		
Substitutes under Rule 200(2) present for the final vote	Stanisław Ożóg		
Date tabled	25.3.2019		

FINAL VOTE BY ROLL CALL IN COMMITTEE RESPONSIBLE

19	+
ALDE	Ivan Jakovčić, Iskra Mihaylova, Matthijs van Miltenburg
ECR	Stanisław Ożóg, Mirosław Piotrowski
PPE	Franc Bogovič, Ivana Maletić, Lambert van Nistelrooij, Stanislav Polčák, Fernando Ruas, Ramón Luis Valcárcel Siso, Joachim Zeller, Milan Zver
S&D	Mercedes Bresso, Aleksander Gabelic, John Howarth, Constanze Krehl, Monika Smolková, Kerstin Westphal

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Key to symbols:

+ : in favour

- : against

0 : abstention