

AMENDMENTS 001-106

by the Committee on Regional Development

Report**Pascal Arimont**

Brexit Adjustment Reserve

A9-0178/2021

Proposal for a regulation (COM(2020)0854 – C9-0433/2020 – 2020/0380(COD))

Amendment 1**Proposal for a regulation****Recital 1***Text proposed by the Commission*

(1) On 1 February 2020, the United Kingdom of Great Britain and Northern Ireland ('United Kingdom') left the European Union and the European Atomic Energy Community ('Euratom') – hereafter referred together as the 'Union', entering a transition period. That time-limited period was agreed as part of the Withdrawal Agreement¹¹ and ***is to last until*** 31 December 2020. During the transition period, the Union and the United Kingdom started formal negotiations on a future relationship.

¹¹ Agreement on the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community ('Withdrawal Agreement') (OJ L 29, 31.1.2020, p. 7).

Amendment

(1) On 1 February 2020, the United Kingdom of Great Britain and Northern Ireland ('United Kingdom') left the European Union and the European Atomic Energy Community ('Euratom') – hereafter referred together as the 'Union', entering a transition period. That time-limited period was agreed as part of the Withdrawal Agreement¹¹ and ***ended on*** 31 December 2020. During the transition period, the Union and the United Kingdom started formal negotiations on a future relationship.

¹¹ Agreement on the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community ('Withdrawal Agreement') (OJ L 29, 31.1.2020, p. 7).

Amendment 2

Proposal for a regulation

Recital 2

Text proposed by the Commission

(2) Following the end of the transition period, barriers to trade **and** to cross-border exchanges between the Union and the United Kingdom **will be present**. Broad and far-reaching consequences for businesses, **citizens** and public administrations **are expected**. Those consequences are unavoidable and stakeholders need to make sure that they are ready for them.

Amendment

(2) Following the end of the transition period, barriers to trade, to cross-border exchanges **and to the free movement of persons, services and capital** between the Union and the United Kingdom **have become reality with** broad and far-reaching consequences for businesses, **particularly SMEs, and their workers, as well as for local communities** and public administrations **and citizens**. **As** those consequences are unavoidable, **they need to be mitigated as much as possible**, and stakeholders need to make sure that they are ready for them.

Amendment 3

Proposal for a regulation

Recital 3

Text proposed by the Commission

(3) The Union is committed to mitigating the economic **impact** of the withdrawal of the United Kingdom from the Union and to show solidarity with all Member States, especially the most affected ones in such exceptional circumstances.

Amendment

(3) The Union is committed to mitigating the **adverse economic, social, environmental and territorial consequences** of the withdrawal of the United Kingdom from the Union and to show solidarity with all Member States, **including their regions and local communities, as well as economic sectors**, especially the most **adversely** affected ones, in such exceptional circumstances.

Amendment 4

Proposal for a regulation

Recital 3 a (new)

Text proposed by the Commission

Amendment

(3a) The Union is also committed to sustainable fisheries management in line with the objectives of the CFP, including the principle of achieving maximum sustainable yield for all stocks according to the best available scientific advice, ending over fishing, restoring populations of harvested species and protecting the marine environment, as also provided for by international commitments.

Amendment 5

Proposal for a regulation

Recital 4

Text proposed by the Commission

Amendment

(4) A Brexit Adjustment Reserve (the ‘Reserve’) should be established to provide support to counter adverse consequences in Member States, regions and sectors, in particular those that are worst affected by the withdrawal of the United Kingdom from the Union, and thus to mitigate the related impact on the economic, social and territorial cohesion. It should cover in whole or in part the additional **public** expenditure incurred by Member States for measures specifically taken to mitigate those consequences.

(4) A Brexit Adjustment Reserve (the ‘Reserve’) should be established to provide support to counter adverse consequences in Member States, regions and sectors, in particular those that are worst affected by the withdrawal of the United Kingdom from the Union, and thus to mitigate the related **negative** impact on the economic, social and territorial cohesion. It should cover in whole or in part the additional expenditure incurred by **national, regional, or local public authorities in** Member States for measures specifically taken to mitigate those consequences. ***The reference period, as defined in this Regulation, determining the eligibility of expenditure should apply to payments made by public authorities in the Member States, including payments to public or private entities, for measures carried out.***

Amendment 6

Proposal for a regulation

Recital 4 a (new)

(4a) It is the opinion that Member States benefitting from the Brexit Adjustment Reserve have to provide all of the necessary public support evidence to maintain and create quality jobs where employment was negatively affected or lost due to the withdrawal of the UK from the EU.

Amendment 7

Proposal for a regulation Recital 5

(5) For the purposes of contributing to economic, social and territorial cohesion, it is appropriate that Member States, when designing support measures, focus in particular on the regions, areas and local communities, including those dependent on fishing activities ***in the United Kingdom waters***, that are ***likely to be*** most negatively impacted by the withdrawal of the United Kingdom. Member States ***may have to take specific*** measures ***notably*** to support businesses ***and economic sectors*** adversely affected by the withdrawal. It is therefore appropriate to provide a non-exhaustive list of the type of measures that are most likely to achieve ***this objective***.

(5) For the purposes of contributing to economic, social and territorial cohesion, it is appropriate that Member States, when designing support measures, focus in particular on ***and allocate funds from the Reserve to*** the regions, areas and local communities, including those dependent on fishing activities, that are most negatively impacted by the withdrawal of the United Kingdom. ***For the purposes of countering the adverse consequences of the withdrawal of the United Kingdom,*** Member States ***should use a substantial part of the contribution from the Reserve on*** measures to support ***private and public*** businesses adversely affected by the withdrawal, ***in particular SMEs and their workers, as well as self-employed, as they now face barriers to trade flows, an increase in administrative and custom procedures, and greater regulatory and financial burden.*** It is therefore appropriate to provide a non-exhaustive list of the type of measures that are most likely to achieve ***those objectives. In their efforts to support their adversely affected sectors, regions, areas and local communities,*** Member States ***should apply the principles laid down in the European Code of***

Conduct on Partnership and rely on their regional and local public entities to identify the most appropriate measures. Support measures should take into account the European Green Deal and the Digital agenda, respect the ‘Do no significant harm’ principle within the meaning of Article 17 of Regulation (EU) No 2020/852 and be in accordance with the principles set out in the European Pillar of Social Rights including its inherent contribution to eliminate inequalities and to promote gender equality and gender mainstreaming.

Amendment 8

Proposal for a regulation Recital 5 a (new)

Text proposed by the Commission

Amendment

(5a) In view of the importance of tackling climate change in line with the Union’s commitments to implement the Paris Agreement and the UN Sustainable Development Goals, the Funds and programmes will contribute to mainstream climate actions and to the achievement of an overall target of 30 % of the Union budget expenditure supporting climate objectives. The Brexit Adjustment Reserve is expected to contribute 30% of the overall financial envelope to climate objective according to the specific needs and priorities of each Member State.

Amendment 9

Proposal for a regulation Recital 5 b (new)

Text proposed by the Commission

Amendment

(5b) At the initiative of the Member

States, expenditure for technical assistance should be eligible in order to reduce the administrative burden and to help local, regional and national authorities to implement the Reserve in assisting particularly SMEs, which due to their size lack the resources and knowledge to overcome the increased administrative burden and costs.

Amendment 10

Proposal for a regulation Recital 6

Text proposed by the Commission

(6) At the same time, it is important to clearly specify any exclusions from support provided by the Reserve. The Reserve should exclude from support the value added tax as it constitutes a Member State revenue, which offsets the related cost for the Member State budget. ***In order to concentrate the use of limited resources in the most efficient way, technical assistance used by the bodies responsible for the implementation of the Reserve should not be eligible for support from the Reserve.*** In line with the general approach for cohesion policy, expenditure linked to relocations or contrary to any applicable Union or national law should not be supported.

Amendment

(6) At the same time, it is important to clearly specify any exclusions from support provided by the Reserve. The Reserve should exclude from support the value added tax as it constitutes a Member State revenue, which offsets the related cost for the Member State budget. In line with the general approach for cohesion policy, expenditure linked to relocations or contrary to any applicable Union or national law should not be supported. ***In order to concentrate the limited resources and to be in line with the objectives of this regulation to focus on the most adversely affected Member States and sectors by the withdrawal the United Kingdom from the Union, financial sector entities including entities of the banking sector that benefitted from the withdrawal should not be eligible for support from the Reserve.***

Amendment 11

Proposal for a regulation Recital 7

Text proposed by the Commission

(7) In order to take into account the

Amendment

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immediate impact of the adverse consequences of the withdrawal of the United Kingdom from the Union on the Member States and their economies and ***the need to adopt mitigating measures, as appropriate, prior to the expiry of the transition period, the eligibility period for implementing such measures*** should start as from 1 July **2020** and be concentrated over a limited period of **30** months.

impact of the adverse ***economic, social, environmental and territorial*** consequences of the withdrawal of the United Kingdom from the Union on the Member States and their economies and, ***where appropriate, measures taken by the Member States to mitigate the expected negative effects of the withdrawal*** prior to the expiry of the transition period, the eligibility period should start as from 1 July **2019** and be concentrated over a limited period of **54** months.

Amendment 12

Proposal for a regulation Recital 7 a (new)

Text proposed by the Commission

Amendment

(7a) Calls on the European Commission to provide the European Parliament with an impact assessment on the fluctuation of the British pound (GBP) in relation to the euro (EUR) in order to highlight the adverse consequences of the UK's withdrawal on EU businesses and economic sectors, beginning 1 January 2019, the start of the reference period for financial contribution from the Reserve.

Amendment 13

Proposal for a regulation Recital 8 a (new)

Text proposed by the Commission

Amendment

(8a) Member States, together with the European Commission, while implementing the Brexit Adjustment Reserve, have to seek to establish synergies with support received from the European Structural Funds, as well as to avoid overlaps between the use of this

Amendment 14

Proposal for a regulation

Recital 9

Text proposed by the Commission

(9) Horizontal financial rules adopted by the European Parliament and the Council on the basis of Article 322 of the Treaty on the Functioning of the European Union (TFEU) apply to this Regulation. These rules are laid down in the Financial Regulation and determine in particular the procedure for establishing and implementing the budget, and provide for checks on the responsibility of financial actors. Rules adopted on the basis of Article 322 TFEU also concern the general regime of conditionality for the protection of the Union budget.

Amendment

(9) Horizontal financial rules adopted by the European Parliament and the Council on the basis of Article 322 of the Treaty on the Functioning of the European Union (TFEU) apply to this Regulation. These rules are laid down in the Financial Regulation and determine in particular the procedure for establishing and implementing the budget, and provide for checks on the responsibility of financial actors. Rules adopted on the basis of Article 322 TFEU also concern the general regime of conditionality for the protection of the Union budget ***in cases of generalised deficiencies as regards the rule of law and the respect for fundamental rights in the Member States, as the respect for the rule of law and the fundamental rights is an essential precondition for sound financial management and effective EU funding.***

Amendment 15

Proposal for a regulation

Recital 10

Text proposed by the Commission

(10) For the purpose of sound financial management, specific rules should be laid down for budget commitments, payments, carry-overs and the recovery of the Reserve. While respecting the principle that the Union budget is set annually, this Regulation should provide for possibilities to carry-over unused funds beyond those

Amendment

(10) ***The Reserve should be implemented in accordance with the principle of sound financial management, including the effective prevention and prosecution of tax fraud, tax evasion, tax avoidance and aggressive tax planning.*** For the purpose of sound financial management, specific rules should be laid down for budget

set out in the Financial Regulation, thus maximising the Reserve's capacity to address adverse consequences of the withdrawal of the United Kingdom from the Union on the Member States and their economies.

commitments, payments, carry-overs and the recovery of the Reserve. While respecting the principle that the Union budget is set annually, this Regulation should, ***on account of the exceptional and specific nature of the Reserve***, provide for possibilities to carry-over unused funds beyond those set out in the Financial Regulation, thus maximising the Reserve's capacity to address adverse consequences of the withdrawal of the United Kingdom from the Union on the Member States, ***including on regional and local level***, and their economies.

Amendment 16

Proposal for a regulation Recital 11

Text proposed by the Commission

(11) In order to enable Member States to deploy the additional resources and to ensure sufficient financial means to swiftly implement measures under the Reserve, a substantial amount thereof should be disbursed ***in 2021*** as pre-financing. ***The distribution*** method should take into account the importance of trade with the United Kingdom and the importance of fisheries in the United Kingdom exclusive economic zone, based on reliable and official statistics. Given the unique nature of the event that the withdrawal of the United Kingdom from the Union constitutes and the uncertainty that has surrounded key aspects of the relationship between the United Kingdom and the Union after the expiry of the transition period, it is difficult to anticipate the appropriate measures Member States will have to take rapidly to counter the effects of the withdrawal. It is therefore necessary to grant Member States flexibility and in particular to allow the Commission to adopt the financing decision providing the pre-financing without the obligation

Amendment

(11) In order to enable Member States to deploy the additional resources and to ensure sufficient financial means to swiftly implement measures under the Reserve, a substantial amount thereof should be disbursed as pre-financing, ***in two equal instalments, in 2021 and 2022***. ***The allocation method for the Resources of the Reserve*** should take into account the importance of trade with the United Kingdom and the importance of fisheries in the United Kingdom exclusive economic zone, ***and the importance of the neighbouring maritime border regions and their communities*** based on reliable and official statistics. Given the unique nature of the event that the withdrawal of the United Kingdom from the Union constitutes and the uncertainty that has surrounded key aspects of the relationship between the United Kingdom and the Union after the expiry of the transition period, it is difficult to anticipate the appropriate measures Member States will have to take rapidly to counter the effects of the withdrawal. It is therefore necessary

pursuant to Article 110(2) of the Financial Regulation to provide a description of the concrete actions to be financed.

to grant Member States flexibility and in particular to allow the Commission to adopt the financing decision providing the pre-financing without the obligation pursuant to Article 110(2) of the Financial Regulation to provide a description of the concrete actions to be financed.

Amendment 17

Proposal for a regulation Recital 12

Text proposed by the Commission

(12) Prior to the payment of the pre-financing, Member States should notify the Commission of the identity of the bodies designated and of the body to which the pre-financing shall be paid, and confirm that the systems' descriptions have been drawn up, within three months of the entry into force of this Regulation.

Amendment

(12) Prior to the payment of the pre-financing, Member States should notify the Commission of the identity of the bodies designated and of the body to which the pre-financing shall be paid, and confirm that the systems' descriptions have been drawn up, within three months of the entry into force of this Regulation. ***Member States should designate the relevant bodies at the appropriate territorial level, in accordance with their institutional, legal and financial framework.***

Amendment 18

Proposal for a regulation Recital 13

Text proposed by the Commission

(13) To ensure equal treatment of all Member States, there should be one single deadline applicable to all Member States for the submission of applications ***for a*** financial contribution from the Reserve. The specific nature of the instrument and the relatively short implementation period justify the establishment of a tailor-made reference period and would make disproportionate the requirement for Member States to provide the documents required in paragraphs 5, 6 and 7 of Article

Amendment

(13) To ensure equal treatment of all Member States, there should be one single deadline applicable to all Member States for the submission of applications ***fora*** financial contribution from the Reserve. The specific nature of the instrument and the relatively short implementation period justify the establishment of a tailor-made reference period and would make disproportionate the requirement for Member States to provide the documents required in paragraphs 5, 6 and 7 of Article

63 of the Financial Regulation, on an annual basis. Given that at the same time, the risks for the Union budget are mitigated by the requirement for *a* solid management and control system to be set up by Member States, it is justified to derogate from the obligation to submit the required documents in February or March of each year. In order to enable the Commission to check the correctness of the use of the financial contribution of the Reserve, Member States should also be required to submit, as part of the application, implementation reports providing more detail on the actions financed, a management declaration as well as an opinion of an independent audit body, drawn up in accordance with internationally accepted audit standards.

63 of the Financial Regulation, on an annual basis. Given that at the same time, the risks for the Union budget are mitigated by the requirement for *making use of* solid management and control system *already existing in, or where appropriate*, to be set up by Member States, it is justified to derogate from the obligation to submit the required documents in February or March of each year. In order to enable the Commission to check the correctness of the use of the financial contribution of the Reserve, Member States should also be required to submit, as part of the application, implementation reports providing more detail on the actions financed, *the elements of accounts, the controls carried out*, a management declaration as well as an opinion of an independent audit body, drawn up in accordance with internationally accepted audit standards.

Amendment 19

Proposal for a regulation Recital 14

Text proposed by the Commission

(14) Pursuant to paragraphs 22 and 23 of the Inter-institutional agreement for Better Law-Making of 13 April 2016¹³, there is a need to evaluate the Reserve on the basis of information collected through specific monitoring requirements, while avoiding overregulation and administrative burden, *in particular on Member States*. These requirements, where appropriate, should include measurable indicators, as a basis for the evaluation of the Reserve.

¹³ Interinstitutional Agreement between the European Parliament, the Council of the European Union and the European Commission on Better Law-Making (OJ L

Amendment

(14) Pursuant to paragraphs 22 and 23 of the Inter-institutional agreement for Better Law-Making of 13 April 2016¹³, there is a need to evaluate the Reserve on the basis of information collected through specific monitoring requirements, while avoiding overregulation and administrative burden *on national, regional and local authorities*. These requirements, where appropriate, should include measurable indicators, as a basis for the evaluation of the Reserve.

¹³ Interinstitutional Agreement between the European Parliament, the Council of the European Union and the European Commission on Better Law-Making (OJ L

Amendment 20

Proposal for a regulation

Recital 15

Text proposed by the Commission

(15) To ensure equal treatment of all Member States and consistency in the evaluation of the applications, the Commission should assess the applications in a package. It should look in particular into the eligibility and the accuracy of the expenditure declared, the direct link of the expenditure with measures taken to address the consequences of the withdrawal and the measures put in place by the Member State concerned to avoid double funding. Upon assessment of the applications for a financial contribution from the Reserve, the Commission should clear the pre-financing paid, **and** recover the unused amount. ***In order to concentrate the support on Member States most affected by the withdrawal, where the expenditure in the Member State concerned, accepted as eligible by the Commission, exceeds the amount paid as pre-financing and 0.06% of the nominal Gross National Income (GNI) for 2021 of the Member State concerned, it should be possible to allow for a further allocation from the Reserve to that Member State within the limits of the financial resources available.*** Given the extent of the expected economic shock, the ***possibility to use the amounts recovered from the pre-financing for the reimbursement of additional expenditure by Member States should be provided for.***

Amendment 21

Proposal for a regulation

Recital 15 a (new)

Amendment

(15) To ensure equal treatment of all Member States and consistency in the evaluation of the applications, the Commission should assess the applications in a package. It should look in particular into the eligibility and the accuracy of the expenditure declared, the direct link of the expenditure with measures taken to address the ***adverse*** consequences of the withdrawal and the measures put in place by the Member State concerned to avoid double funding. Upon assessment of the applications for a financial contribution from the Reserve, the Commission should clear the pre-financing paid, recover the unused amount, ***and decide on additional payments up to*** the limits of the ***provisional allocation.*** Given the extent of the expected economic shock, the ***unused amounts from the provisional allocation should be made available to Member States whose total accepted amount exceeds their respective provisional allocation.***

Text proposed by the Commission

Amendment

(15a) Given the unprecedented and exceptional nature of the instrument and its purpose, it is appropriate that the Commission assists Member States in order to help them identifying measures that were carried out or are to be carried out to counter the adverse consequences of the withdrawal of the United Kingdom, including on how to assess the direct link of the expenditure with the withdrawal of the United Kingdom from the Union.

Amendment 22

Proposal for a regulation Recital 16

Text proposed by the Commission

Amendment

(16) In order to ensure the proper functioning of shared management, Member States should establish a management and control system, designate and notify the Commission of the bodies responsible for the management of the Reserve as well as a separate independent audit body. ***For simplification reasons, Member States may make use of existing bodies designated and systems*** set up for the purpose of the management and control of cohesion policy funding or the European Union Solidarity Fund. It is necessary to specify the responsibilities of the Member States and lay down the specific requirements for the bodies designated.

(16) In order to ensure the proper functioning of shared management, Member States should establish a management and control system designate and notify the Commission of the bodies responsible ***at the appropriate territorial level*** for the management of the Reserve as well as a separate independent audit body. Member States ***should*** make use of existing ***systems where possible, and should delegate tasks to existing bodies at the appropriate territorial level,*** set up for the purpose of the management and control of cohesion policy funding or the European Union Solidarity Fund. It is necessary to specify the responsibilities of the Member States and lay down the specific requirements for the bodies designated. ***Member States will ensure that the local and regional authorities concerned are involved in the monitoring bodies, if they are not already part of them.***

Amendment 23

Proposal for a regulation
Recital 16 a (new)

Text proposed by the Commission

Amendment

(16a) To ensure effective controls and audits for the purposes of avoiding double funding and preventing, detecting and correcting fraud, corruption and conflict of interests in relation to the measures supported by the Reserve, it is essential that Member States collect and record data on recipients of a financial contribution from the Reserve and their beneficial owners in an electronic standardised and interoperable format and use the single data mining tool to be provided by the Commission.

Amendment 24

Proposal for a regulation
Recital 16 b (new)

Text proposed by the Commission

Amendment

(16b) In order to reduce bureaucracy it is recommended to use existing techniques such as the simplified costs option to contribute to faster distribution of the financial resources

Amendment 25

Proposal for a regulation
Recital 17

Text proposed by the Commission

Amendment

(17) In accordance with the Financial Regulation, Council Regulation (EC, Euratom) No 2988/95¹⁴, Council Regulation (Euratom, EC) No 2185/96¹⁵ and Council Regulation (EU) 2017/1939¹⁶, the financial interests of the Union are to

(17) In accordance with the Financial Regulation, Council Regulation (EC, Euratom) No 2988/95¹⁴, Council Regulation (Euratom, EC) No 2185/96¹⁵ and Council Regulation (EU) 2017/1939¹⁶ ***and Regulation (EU,***

be protected through proportionate measures, including the prevention, detection, correction and investigation of irregularities and fraud, the recovery of funds lost, wrongly paid or incorrectly used and, where appropriate, the imposition of administrative sanctions. In particular, in accordance with Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council¹⁷ and Regulation (Euratom, EC) No 2185/96, the European Anti-Fraud Office (OLAF) may carry out administrative investigations, including on-the-spot checks and inspections, with a view to establishing whether there has been fraud, corruption or any other illegal activity affecting the financial interests of the Union. In accordance with Regulation (EU) 2017/1939, the European Public Prosecutor's Office (EPPO) may investigate and prosecute fraud and other criminal offences affecting the financial interests of the Union as provided for in Directive (EU) 2017/1371 of the European Parliament and of the Council¹⁸. In accordance with the Financial Regulation, any person or entity receiving Union funds is to fully cooperate in the protection of the Union's financial interests, to grant the necessary rights and access to the Commission, OLAF, the EPPO and the European Court of Auditors and to ensure that any third parties involved in the implementation of Union funds grant equivalent rights.

¹⁴ Council Regulation (EC, Euratom) No 2988/95 of 18 December 1995 on the protection of the European Communities financial interests (OJ L 312, 23.12.1995, p. 1).

¹⁵ Council Regulation (Euratom, EC) No 2185/96 of 11 November 1996 concerning on-the-spot checks and inspections carried

Euratom) No 2020/2092 on a general regime of Rule of Law conditionality for the protection of the Union budget, the financial interests of the Union are to be protected through proportionate measures, including the prevention, detection, correction and investigation of irregularities and fraud, the recovery of funds lost, wrongly paid or incorrectly used and, where appropriate, the imposition of administrative sanctions. In particular, in accordance with Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council¹⁷ and Regulation (Euratom, EC) No 2185/96, the European Anti-Fraud Office (OLAF) may carry out administrative investigations, including on-the-spot checks and inspections, with a view to establishing whether there has been fraud, corruption or any other illegal activity affecting the financial interests of the Union. In accordance with Regulation (EU)2017/1939, the European Public Prosecutor's Office (EPPO) may investigate and prosecute fraud and other criminal offences affecting the financial interests of the Union as provided for in Directive (EU) 2017/1371 of the European Parliament and of the Council¹⁸. In accordance with the Financial Regulation, any person or entity receiving Union funds is to fully cooperate in the protection of the Union's financial interests, to grant the necessary rights and access to the Commission, OLAF, the EPPO and the European Court of Auditors and to ensure that any third parties involved in the implementation of Union funds grant equivalent rights.

¹⁴ Council Regulation (EC, Euratom) No 2988/95 of 18 December 1995 on the protection of the European Communities financial interests (OJ L 312, 23.12.1995, p. 1).

¹⁵ Council Regulation (Euratom, EC) No 2185/96 of 11 November 1996 concerning on-the-spot checks and inspections carried

out by the Commission in order to protect the European Communities' financial interests against fraud and other irregularities (OJ L 292, 15.11.1996, p. 2).

¹⁶ Council Regulation (EU) 2017/1939 of 12 October 2017 implementing enhanced cooperation on the establishment of the European Public Prosecutor's Office ('the EPPO') (OJ L 283, 31.10.2017, p. 1).

¹⁷ Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council of 11 September 2013 concerning investigations conducted by the European Anti-Fraud Office (OLAF) and repealing Regulation (EC) No 1073/1999 of the European Parliament and of the Council and Council Regulation (Euratom) No 1074/1999 (OJ L 248, 18.9.2013, p. 1).

¹⁸ Directive (EU) 2017/1371 of the European Parliament and of the Council of 5 July 2017 on the fight against fraud to the Union's financial interests by means of criminal law (OJ L 198, 28.7.2017, p. 29).

out by the Commission in order to protect the European Communities' financial interests against fraud and other irregularities (OJ L 292, 15.11.1996, p. 2).

¹⁶ Council Regulation (EU) 2017/1939 of 12 October 2017 implementing enhanced cooperation on the establishment of the European Public Prosecutor's Office ('the EPPO') (OJ L 283, 31.10.2017, p. 1).

¹⁷ Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council of 11 September 2013 concerning investigations conducted by the European Anti-Fraud Office (OLAF) and repealing Regulation (EC) No 1073/1999 of the European Parliament and of the Council and Council Regulation (Euratom) No 1074/1999 (OJ L 248, 18.9.2013, p. 1).

¹⁸ Directive (EU) 2017/1371 of the European Parliament and of the Council of 5 July 2017 on the fight against fraud to the Union's financial interests by means of criminal law (OJ L 198, 28.7.2017, p. 29).

Amendment 26

Proposal for a regulation

Recital 18

Text proposed by the Commission

(18) Member States should raise awareness on the Union contribution from the Reserve and inform the public accordingly as transparency, communication and visibility activities are essential in making Union action visible on the ground. Those activities should be based on accurate and updated information.

Amendment 27

Proposal for a regulation

Recital 19

Amendment

(18) Member States, ***regions and local communities*** should raise awareness on the Union contribution from the Reserve and inform the public ***and in particular recipients*** accordingly as transparency, communication and visibility activities are essential in making Union action visible on the ground. Those activities should be based on accurate and updated information.

Text proposed by the Commission

(19) In order to enhance transparency on the use of the Union contribution, the Commission should provide a final report **to the European Parliament and the Council** on the implementation of the Reserve.

Amendment

(19) In order to enhance transparency on the use of the Union contribution, the Commission should provide a final report on the implementation of the Reserve **to the European Parliament, the Council, the Committee of the Regions and the European Economic and Social Committee**.

Amendment 28

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

Text proposed by the Commission

(1) ‘reference period’ means the reference period referred to in Article 63(5), point (a), of the Financial Regulation, which shall be from 1 July **2020** to 31 December **2022**;

Amendment

(1) ‘reference period’ means the reference period referred to in Article 63(5), point (a), of the Financial Regulation, which shall be from 1 July **2019** to 31 December **2023**;

Amendment 29

**Proposal for a regulation
Article 2 – paragraph 1 – point 6 a (new)**

Text proposed by the Commission

Amendment

(6a) "Special Status Territories" means, where appropriate, the British Overseas Territories and the Crown Dependencies;

Amendment 30

**Proposal for a regulation
Article 3 – paragraph 1**

Text proposed by the Commission

The Reserve shall provide support to counter the adverse consequences of the withdrawal of the United Kingdom from

Amendment

The Reserve shall provide support to counter the adverse **economic, environmental, social and territorial**

the Union in Member States, regions and sectors, in particular those that are *worst* affected by that withdrawal, and to mitigate the related impact on the economic, social and territorial cohesion.

consequences of the withdrawal of the United Kingdom from the Union in Member States, *including their* regions and *local communities, as well as economic* sectors, in particular those that are *most adversely* affected by that withdrawal, and to mitigate the related *negative* impact on the economic, social and territorial cohesion.

Amendment 31

Proposal for a regulation Article 4 – paragraph 2

Text proposed by the Commission

2. The maximum resources for the Reserve shall be EUR **5 370 994 000 in current** prices.

Amendment

2. The maximum resources for the Reserve shall be EUR **5 000 000 000 in 2018** prices.

Amendment 32

Proposal for a regulation Article 4 – paragraph 3 – introductory part

Text proposed by the Commission

3. The resources referred to in paragraph 2 shall be allocated as follows:

Amendment

3. The resources referred to in paragraph 2 shall be *provisionally* allocated *pursuant to the method and resulting amounts set out in Annex I. They shall be made available* as follows:

Amendment 33

Proposal for a regulation Article 4 – paragraph 3 – point a

Text proposed by the Commission

(a) a pre-financing amount of EUR **4 244 832 000** shall be made available in 2021 in accordance with Article 8;

Amendment

(a) a pre-financing amount of EUR **4 000 000 000 in 2018 prices** shall be made available *and paid in two instalments of EUR 2 000 000 000 in 2021 and EUR 2 000 000 000 in 2022* in accordance with

Article 8;

Amendment 34

Proposal for a regulation

Article 4 – paragraph 3 – point b

Text proposed by the Commission

(b) additional amounts of EUR **1 126 162 000** shall be made available in **2024** in accordance with Article 11.

Amendment

(b) additional amounts of EUR **1 000 000 000 in 2018 prices** shall be made available in **2025** in accordance with Article 11.

Amendment 35

Proposal for a regulation

Article 5 – paragraph 1 – introductory part

Text proposed by the Commission

1. The financial contribution from the Reserve shall only support ***the public expenditure directly linked to*** measures specifically taken by Member States to contribute to the objectives referred to in Article 3, and may cover, in particular the following:

Amendment

1. The financial contribution from the Reserve shall only support measures specifically taken by Member States, ***including at regional and local authorities' level,*** to contribute to the objectives referred to in Article 3, and may cover, in particular the following:

Amendment 36

Proposal for a regulation

Article 5 – paragraph 1 – point a

Text proposed by the Commission

(a) measures to ***assist*** businesses ***and*** local communities adversely affected by the withdrawal;

Amendment

(a) measures to ***support private and public*** businesses, ***in particular SMEs, self-employed,*** local communities ***and organisations*** adversely affected by the withdrawal;

Amendment 37

Proposal for a regulation
Article 5 – paragraph 1 – point b

Text proposed by the Commission

(b) measures to support the most affected economic sectors;

Amendment

(b) measures to support the most **adversely** affected economic sectors;

Amendment 38

Proposal for a regulation
Article 5 – paragraph 1 – point c

Text proposed by the Commission

(c) measures to support **businesses** and local communities dependent on fishing activities in the United Kingdom waters;

Amendment

(c) measures to support **regional** and local communities **and organisations, in particular the small scale fisheries sector**, dependent on fishing activities in the United Kingdom waters **in the waters of its territories with special status or in the waters covered by fisheries agreements with coastal states where fishing opportunities for EU fleets have been reduced as a result of the United Kingdom's withdrawal from the Union**;

Amendment 39

Proposal for a regulation
Article 5 – paragraph 1 – point d

Text proposed by the Commission

(d) measures to support **employment**, including **through** short-time work schemes, re-skilling and training in affected sectors;

Amendment

(d) measures to support **job creation and protection**, including **green jobs**, short-time work schemes, re-skilling and training in **adversely** affected sectors, **and to take accommodating steps to facilitate the re-integration of Union citizens as well as persons with having the right to stay on the territory of the Union or on the territory of a Member State who left the United Kingdom as a result of its withdrawal**;

Amendment 40

Proposal for a regulation Article 5 – paragraph 1 – point e

Text proposed by the Commission

(e) measures to ensure the functioning of border, customs, sanitary and phytosanitary, security and fisheries controls, as well as the collection of indirect taxation including additional personnel and infrastructure;

Amendment

(e) measures to ensure the functioning of border, customs, sanitary and phytosanitary, security and fisheries controls, as well as the collection of indirect taxation, including additional personnel and ***its training, and*** infrastructure;

Amendment 41

Proposal for a regulation Article 5 – paragraph 1 – point e a (new)

Text proposed by the Commission

Amendment

(ea) measures to mitigate disruptions caused by the withdrawal of the United Kingdom for local and regional cross-border cooperation and exchange programmes;

Amendment 42

Proposal for a regulation Article 5 – paragraph 2

Text proposed by the Commission

2. Expenditure shall be eligible if it is incurred and paid during the reference period for measures carried out in the Member State concerned or for the benefit of the Member State concerned.

Amendment

2. Expenditure shall be eligible ***for a financial contribution from the Reserve*** if it is incurred and paid ***by public national, regional or local authorities in the Member States, including payments to public and/or private entities,*** during the reference period for measures carried out in the Member State concerned or for the benefit of the Member State concerned.

Amendment 43

Proposal for a regulation
Article 5 – paragraph 3

Text proposed by the Commission

3. When designing support measures, Member States shall take into account the varied impact of the withdrawal of the United Kingdom from the Union on different regions and local communities and focus support from the Reserve on those most affected, **as appropriate**.

Amendment

3. When designing support measures, Member States shall take into account the varied impact of the withdrawal of the United Kingdom from the Union on different regions and local communities and focus support from the Reserve on those most **adversely** affected.

Amendment 44

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

Text proposed by the Commission

Amendment

3a. When designing support measures in the field of fisheries, Member States shall take into account the objectives of the Common Fisheries Policy, making sure those measures contribute to the sustainable management of fish stocks and shall endeavour to support fishers most adversely affected by the United Kingdom withdrawal from the Union, in particular small-scale fisheries.

Amendment 45

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

Text proposed by the Commission

Amendment

3b. In accordance with their institutional, legal and financial framework and in accordance with the partnership principle laid down in Article 6 of Regulation(EU) .../... [new CPR], Member States shall establish a multi-level dialogue with local and regional authorities and communities of regions

and sectors most adversely affected, social partners and civil society, aimed at defining and implementing mutually agreed measures to be supported by the Reserve as well as a monitoring mechanism.

Amendment 46

Proposal for a regulation Article 5 – paragraph 4

Text proposed by the Commission

4. The measures referred to in paragraph 1 shall comply with applicable law.

Amendment

4. The measures referred to in paragraph 1 shall comply with applicable law *and with the principles set out in the European Pillar of Social Rights including its inherent contribution to eliminate inequalities and to promote gender equality and gender mainstreaming, take into account the European Green Deal, respect the ‘Do no significant harm’ principle and contribute to the Union’s environmental targets in line with the objectives of the Paris Agreement and to the UN Sustainable Development Goals.*

Amendment 47

Proposal for a regulation Article 5 – paragraph 5

Text proposed by the Commission

5. Measures eligible under paragraph 1 may receive support from other Union programmes and instruments provided that such support does not cover the same cost.

Amendment

5. Measures eligible under paragraph 1 may receive support from other Union programmes and instruments provided that such support does not cover the same cost. *Members States shall consult the relevant local and regional authorities that act as managing authorities or intermediate bodies for EU funds in order to avoid any overlapping of funding.*

Amendment 48

Proposal for a regulation Article 5 a (new)

Text proposed by the Commission

Amendment

Article 5a

Technical assistance

Each Member State may use up to 2.5% of its allocation from Reserve for technical assistance to help local, regional, national authorities to manage, monitor, communicate and control the implementation of the measures taken to counter the adverse consequences of the withdrawal of the United Kingdom from the Union and to help SMEs in particular to overcome the increased administrative burden and costs.

Amendment 49

Proposal for a regulation Article 6 – paragraph 1 – point b

Text proposed by the Commission

Amendment

(b) technical assistance for the management, monitoring, information and communication, complaint resolution, and control and auditing of the Reserve;

deleted

Amendment 50

Proposal for a regulation Article 6 – paragraph 1 – point d a (new)

Text proposed by the Commission

Amendment

(da) expenditure supporting financial sector entities, including entities of the banking sector, that benefitted from the withdrawal of the United Kingdom from the Union;

Amendment 51

Proposal for a regulation Article 7 – paragraph 2

Text proposed by the Commission

2. Member States shall use the contribution from the Reserve to implement the measures referred to in Article 5 to provide non-repayable forms of support. The Union contribution shall take the form of reimbursement of eligible costs actually incurred and paid by Member States in implementing the measures.

Amendment

2. Member States, shall use the contribution from the Reserve to implement the measures referred to in Article 5 to provide non-repayable forms of support. The Union contribution shall take the form of reimbursement of eligible costs actually incurred and paid by ***competent authorities in the*** Member States ***including payments to public and/or private entities,*** in implementing the measures ***and for technical assistance.***

Amendment 52

Proposal for a regulation Article 7 – paragraph 3 a (new)

Text proposed by the Commission

Amendment

3a. Member States whose share from the resources of the Reserve is determined on the basis of fish caught in the waters that belong to the UK Exclusive Economic Zone (EEZ) pursuant to Annex I shall allocate at least 7% of their provisionally allocated amount on measures to support local and regional communities, in the particular the small scale fisheries sector, dependent on fishing activities.

Amendment 53

Proposal for a regulation Article 8 – paragraph 1

Text proposed by the Commission

1. The allocation criteria for **pre-financing** to be paid by the Commission to Member States are set out in Annex I.

Amendment

1. The allocation criteria for **resources** to be paid by the Commission to Member States are set out in Annex I.

Amendment 54

Proposal for a regulation
Article 8 – paragraph 3

Text proposed by the Commission

3. The Commission shall pay the pre-financing within **60** days of the date of the adoption of the implementing act referred to in paragraph 2. It shall be cleared in accordance with Article 11.

Amendment

3. The Commission shall pay the pre-financing within **30** days of the date of the adoption of the implementing act referred to in paragraph 2. It shall be cleared in accordance with Article 11.

Amendment 55

Proposal for a regulation
Article 9 – paragraph 1

Text proposed by the Commission

1. The Member States shall submit an application to the Commission for a financial contribution from the Reserve by 30 **September 2023**. The Commission shall assess this application and establish whether additional amounts are due to Member States or any amounts should be recovered from the Member States in accordance with Article 11.

Amendment

1. The Member States, **after consulting the stakeholders as referred to in Article 5 paragraph 3 b**, shall submit an application to the Commission for a financial contribution from the Reserve by 30 **June 2024**. The Commission shall assess this application and establish whether additional amounts are due to Member States or any amounts should be recovered from the Member States in accordance with Article 11.

Amendment 56

Proposal for a regulation
Article 9 – paragraph 2

Text proposed by the Commission

2. Where a Member State does not submit an application for a financial contribution from the Reserve by 30 **September 2023**, the Commission shall recover the total amount paid as pre-financing to that Member State.

Amendment

2. Where a Member State does not submit an application for a financial contribution from the Reserve by 30 **June 2024**, the Commission shall recover the total amount paid as pre-financing to that Member State.

Amendment 57

Proposal for a regulation
Article 10 – paragraph 1

Text proposed by the Commission

1. The application shall be based on the template set out in Annex II. The application shall include information on the total **public** expenditure incurred and paid by Member States and the values of output indicators for the measures supported. It shall be accompanied by the documents referred to in paragraphs 5, 6 and 7 of Article 63 of the Financial Regulation and by an implementation report.

Amendment

1. The application shall be based on the template set out in Annex II. The application shall include information on the total expenditure incurred and paid by **national, regional or local public authorities in** Member States, **including the territorial distribution of the expenditure at NUTS level 2**, and the values of output indicators for the measures supported. It shall be accompanied by the documents referred to in paragraphs 5, 6 and 7 of Article 63 of the Financial Regulation and by an implementation report.

Amendment 58

Proposal for a regulation
Article 10 – paragraph 2 – point a

Text proposed by the Commission

(a) a description of the impact of the withdrawal of the United Kingdom from the Union in economic **and** social terms including an identification of the regions, areas and **sectors** most affected;

Amendment

(a) a description of the **negative** impact of the withdrawal of the United Kingdom from the Union in economic, social, **territorial, and environmental** terms including an identification of the **sectors**, regions, areas and **local communities** most **adversely** affected;

Amendment 59

Proposal for a regulation

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

Text proposed by the Commission

Amendment

(ca) upon request by the Commission, a provision of evidence of the adverse consequences of the withdrawal on the businesses and economic sectors that received support from the Reserve, taking into account the movement of economic sectors from the United Kingdom to the Union;

Amendment 60

Proposal for a regulation

Article 10 – paragraph 2 – point e

Text proposed by the Commission

Amendment

(e) a description of the contribution of the measures to ***climate change mitigation and adaptation***.

(e) a description of the contribution of the measures to ***the principles set out in the European Pillar of Social Rights including on the promotion of gender equality and gender mainstreaming, to the Digital Agenda, to the Union’s environmental targets in line with the objectives of the Green Deal and the Paris Agreement, to the UN Sustainable Development Goals***.

Amendment 61

Proposal for a regulation

Article 11 – paragraph 2 – point a

Text proposed by the Commission

Amendment

(a) the ***total*** amount of eligible ***public*** expenditure (***the ‘accepted amount’***);

(a) the amount of eligible expenditure accepted;

Amendment 62

Proposal for a regulation
Article 11 – paragraph 2 – point a (new)

Text proposed by the Commission

Amendment

(aa) the amount of technical assistance as referred to in Article 5a

Amendment 63

Proposal for a regulation
Article 11 – paragraph 2 – point a b (new)

Text proposed by the Commission

Amendment

(ab) the sum of the amounts in (a) and (a a) ('total accepted amount')

Amendment 64

Proposal for a regulation
Article 11 – paragraph 2 – point b

Text proposed by the Commission

Amendment

(b) whether additional amounts are due to the Member State, in line with paragraph 3, or whether amounts need to be recovered pursuant to paragraph 5.

(b) whether additional amounts are due to the Member State, in line with paragraph 3, or whether amounts need to be recovered pursuant to paragraph 6.

Amendment 65

Proposal for a regulation
Article 11 – paragraph 3 – subparagraph 1

Text proposed by the Commission

Amendment

Where the accepted amount exceeds **both** the amount of pre-financing **and 0.06% of the nominal GNI of 2021 of the Member State concerned**, an additional amount shall be due to that Member State from the allocation referred to in Article 4(3), point (b), and any amounts carried over pursuant to Article 8(4).

Where the **total** accepted amount exceeds the amount of pre-financing **paid**, an additional amount shall be due to that Member State from the allocation referred to in Article 4(3), point(b), **until the amount provisionally allocated to that Member State in accordance with Annex I is reached.**

Amendment 66

Proposal for a regulation

Article 11 – paragraph 3 – subparagraph 2

Text proposed by the Commission

In such a case, the Commission shall pay the amount exceeding the pre-financing paid to the Member State concerned or 0.06% of the nominal GNI of 2021, whichever is higher.

Amendment

The part of the provisional allocation of a Member State not covered by the total accepted amount, and any amounts carried over pursuant to Article 8(3) shall be made available to Member States whose total accepted amount exceeds their provisional allocation.

Amendment 67

Proposal for a regulation

Article 11 – paragraph 3 – subparagraph 3

Text proposed by the Commission

Where the sum of the additional amounts for all Member States *calculated* pursuant to the first subparagraph of this paragraph exceeds the resources available according to Article 4(3), point (b), the contributions from the Reserve shall be reduced proportionately.

Amendment

Where the sum of the additional amounts *calculated* for all Member States pursuant to the first subparagraph of this paragraph exceeds the resources available according to Article 4(3), point (b) *and the second subparagraph of this paragraph*, the contributions from the Reserve *for the amounts exceeding the provisional allocations* shall be reduced proportionately.

Amendment 68

Proposal for a regulation

Article 11 – paragraph 5

Text proposed by the Commission

5. The Commission shall clear the respective pre-financing and pay any additional amount due within **60** days of adoption of the implementing act referred to in paragraph 2.

Amendment

5. The Commission shall clear the respective pre-financing and pay any additional amount due within **30** days of adoption of the implementing act referred to in paragraph 2.

Amendment 69

Proposal for a regulation Article 11 – paragraph 6

Text proposed by the Commission

6. Where the accepted amount is lower than the pre-financing *for* the Member State concerned, the difference shall be recovered in accordance with the Financial Regulation, and in particular its Part I, Chapter 6, Sections 3, 4 and 5. The recovered amounts shall be treated as internal assigned revenue in accordance with Article 21(3), point (b), of the Financial Regulation and, where the third subparagraph of paragraph 3 of this Article has been applied, shall be used to increase proportionately the contributions paid to Member States eligible for additional amounts under paragraph 3 of this Article up to a maximum of 100 %. In case payments to Member States pursuant to paragraph 3 of this Article have been made at a rate of 100 %, the amounts recovered shall be returned to the general budget of the Union.

Amendment 70

Proposal for a regulation Article 11 – paragraph 7

Text proposed by the Commission

7. The Commission shall, by means of an implementing act, set out the additional amounts due pursuant to the second sentence of paragraph 6 of this Article. That implementing act shall constitute a financing decision within the meaning of Article 110(1) of the Financial Regulation and the legal commitment within the meaning of that Regulation. The Commission shall pay any additional

Amendment

6. Where the *total* accepted amount is lower than the pre-financing *paid to* the Member State concerned, the difference shall be recovered in accordance with the Financial Regulation, and in particular its Part I, *Title IV*, Chapter 6, Sections 3, 4 and 5. The recovered amounts shall be treated as internal assigned revenue in accordance with Article 21(3), point (b), of the Financial Regulation and, where the third subparagraph of paragraph 3 of this Article has been applied, shall be used to increase proportionately the contributions paid to Member States eligible for additional amounts under paragraph 3 of this Article up to a maximum of 100 %. In case payments to Member States pursuant to paragraph 3 of this Article have been made at a rate of 100 %, the amounts recovered shall be returned to the general budget of the Union.

Amendment

7. The Commission shall, by means of an implementing act, set out the additional amounts due pursuant to the second sentence of paragraph 6 of this Article. That implementing act shall constitute a financing decision within the meaning of Article 110(1) of the Financial Regulation and the legal commitment within the meaning of that Regulation. The Commission shall pay any additional

amount due within **60** days of adoption of that act.

amount due within **30** days of adoption of that act.

Amendment 71

Proposal for a regulation

Article 13 – paragraph 1 – introductory part

Text proposed by the Commission

1. When executing tasks relating to the implementation of the Reserve, Member States shall take all the necessary measures, including legislative, regulatory and administrative measures, to protect the financial interests of the Union, namely by:

Amendment

1. When executing tasks relating to the implementation of the Reserve, Member States, ***including, when applicable, their regional or local authorities***, shall take all the necessary measures, including legislative, regulatory and administrative measures, to protect the financial interests of the Union, namely by:

Amendment 72

Proposal for a regulation

Article 13 – paragraph 1 – point a

Text proposed by the Commission

(a) designating a body responsible for the management of the financial contribution from the Reserve and an independent audit body in accordance with Article 63(3) of the Financial Regulation, and supervising such bodies;

Amendment

(a) designating ***at the appropriate territorial level*** a body, ***or where required by the Member State's institutional, legal and financial framework, bodies*** responsible for the management of the financial contribution from the Reserve and an independent audit body in accordance with Article 63(3) of the Financial Regulation, and supervising such bodies;

Amendment 73

Proposal for a regulation

Article 13 – paragraph 1 – point d

Text proposed by the Commission

(d) notifying the Commission of the identity of the bodies designated ***and of the body*** to which the pre-financing shall be

Amendment

(d) notifying the Commission of the identity of the ***body or*** bodies designated to which the pre-financing shall be paid

paid, and confirming that the systems' descriptions have been drawn up, within **three** months of the entry into force of this Regulation;

including, where applicable, the bodies to which tasks and funds from the Reserve have been delegated, and confirming that the systems' descriptions have been drawn up, within **two** months of the entry into force of this Regulation;

Amendment 74

Proposal for a regulation Article 13 – paragraph 2

Text proposed by the Commission

2. For the purposes of points (a) and (b) of paragraph 1, the Member States **may** make use of bodies **and** management and control systems already in place for the implementation of cohesion policy funding or the European Union Solidarity Fund.

Amendment

2. For the purposes of points (a) and (b) of paragraph 1, the Member States **shall** make use of bodies **at the appropriate territorial level, and may make use of newly set up** management and control systems **or** already in place for the implementation of cohesion policy funding or the European Union Solidarity Fund.

Amendment 75

Proposal for a regulation Article 13 – paragraph 3 – introductory part

Text proposed by the Commission

3. The body responsible for managing the financial contribution from the Reserve shall:

Amendment

3. The body **or bodies** responsible for managing the financial contribution from the Reserve shall:

Amendment 76

Proposal for a regulation Article 13 – paragraph 4 – subparagraph 4

Text proposed by the Commission

Where the population consists of less than 300 sampling units, a non-statistical sampling method may be used based on the professional judgment of the independent audit body. In such cases, the size of the

Amendment

Where the population consists of less than 300 sampling units, a non-statistical sampling method may be used based on the professional judgment of the independent audit body. In such cases, the size of the

sample shall be sufficient to enable the independent audit body to draw up a valid audit opinion. The non-statistical sampling method shall cover a minimum of 10% of the sampling units in the population of the *accounting year*, selected randomly.

sample shall be sufficient to enable the independent audit body to draw up a valid audit opinion. The non-statistical sampling method shall cover a minimum of 10% of the sampling units in the population of the *reference period*, selected randomly.

Amendment 77

Proposal for a regulation Article 13 – paragraph 5 a (new)

Text proposed by the Commission

Amendment

5a. Where a Member State decides not to use, for the purposes of the Reserve, its management and control systems set up for the implementation of cohesion policy funding or the European Union Solidarity Fund but to set up a new system, the Commission shall, within six months of the entry into force of this Regulation, assess whether the system is effective and provides a sufficient level of protection of the financial interests of the Union. Where the Commission concludes that the system is not effective and does not provide a sufficient level of protection of the financial interests of the Union, it shall recommend corrective measures to the Member State concerned. That Member State shall implement those measures within two months after the Commission recommendation.

Amendment 78

Proposal for a regulation Article 14 – paragraph 1

Text proposed by the Commission

Amendment

1. The financial corrections made by the Member State in accordance with Article 13(1), point (f), shall consist of cancelling all or part of the financial contribution from the *Fund*. The Member

1. The financial corrections made by the Member State in accordance with Article 13(1), point (f), shall consist of cancelling all or part of the financial contribution from the *Reserve*. The

State shall recover any amount lost as a result of an irregularity detected.

Member State shall recover any amount lost as a result of an irregularity detected.

Amendment 79

Proposal for a regulation Article 15 – paragraph 1

Text proposed by the Commission

Member States shall be responsible for informing and publicising to Union citizens the role, the results and impact of the Union contribution from the Reserve through information and communication actions.

Amendment

Member States **and regions** shall be responsible for informing and publicising to Union citizens the role, the results and impact of the Union contribution from the Reserve through information and communication actions ***in order to alleviate the negative impact on businesses and economic sectors, to avoid administrative bottlenecks and to strengthen their information campaigns to raise awareness about the new rules in place after the withdrawal of the United Kingdom from the Union, and in particular shall ensure that recipients of the measures referred to in Article 5 are informed of the contribution from the Reserve as a Union initiative.***

Amendment 80

Proposal for a regulation Article 16 – paragraph 1

Text proposed by the Commission

1. By 30 June 2026, ***the Commission shall carry out*** an evaluation to examine the effectiveness, efficiency, relevance, coherence and EU added value of the Reserve. The Commission ***may make use of*** all relevant information already available in accordance with Article 128 of the Financial Regulation.

Amendment

1. By 30 June 2026, an evaluation ***shall be carried out*** to examine the effectiveness, efficiency, relevance, coherence and EU added value of the Reserve. The Commission ***shall provide*** all relevant information already available in accordance with Article 128 of the Financial Regulation.

Amendment 81

Proposal for a regulation
Article 16 – paragraph 2

Text proposed by the Commission

2. By 30 June **2027**, the Commission shall submit to the European Parliament and **to** the Council a report on the implementation of the Reserve.

Amendment

2. By 30 June **2024** the Commission shall submit to the European Parliament and the Council a ***detailed report on the implementation process of this regulation accompanied by a legislative proposal when necessary, and by 30 June 2027 the Commission shall submit a final*** report on the implementation of the Reserve ***to the European Parliament, the Council, the Committee of the Regions and the European Economic and Social Committee.***

Amendment 82

Proposal for a regulation
Annex I – subheading 1

Text proposed by the Commission

Allocation method for the ***pre-financing*** of the Brexit Adjustment Reserve

Amendment

Allocation method for the ***resources*** of the Brexit Adjustment Reserve

Amendment 83

Proposal for a regulation
Annex I – paragraph 1 – introductory part

Text proposed by the Commission

The ***pre-financing*** of the Brexit Adjustment Reserve shall be distributed between the Member States according to the following methodology:

Amendment

The ***resources*** of the Brexit Adjustment Reserve shall be distributed between the Member States according to the following methodology:

Amendment 84

Proposal for a regulation
Annex I – paragraph 1 – point 1

Text proposed by the Commission

1. Each Member State's share from **pre-financing** of the Brexit Adjustment Reserve is determined as the sum of a factor linked to the fish caught in the waters that belong to the UK Exclusive Economic Zone (EEZ) and a factor linked to trade with the UK.

Amendment

1. Each Member State's share from **resources** of the Brexit Adjustment Reserve is determined as the sum of a factor linked to the fish caught in the waters that belong to the UK Exclusive Economic Zone (EEZ) and a factor linked to trade with the UK, **and a factor linked to the population of maritime border regions with the UK.**

Amendment 85

**Proposal for a regulation
Annex I – paragraph 1 – point 2**

Text proposed by the Commission

2. The factor linked to fish caught in the UK EEZ is used to allocate EUR 600 million. The factor linked to trade is used to allocate EUR **3 400** million. **Both** amounts **are** expressed in 2018 prices.

Amendment

2. The factor linked to fish caught in the UK EEZ is used to allocate EUR 600 million. The factor linked to trade is used to allocate EUR **4 150** million. **The factor linked to maritime border regions is used to allocate EUR 250 million. Each of these** amounts **is** expressed in 2018 prices.

Amendment 86

**Proposal for a regulation
Annex I – paragraph 1 – point 3 – point b – point ii**

Text proposed by the Commission

(ii) the initial share of the value of fish caught in the UK EEZ is adjusted by multiplying it with the Member State's index of dependency;

Amendment

(ii) the initial share of the value of fish caught in the UK EEZ is adjusted by multiplying it with the Member State's index of dependency **raised to the power of 75%**;

Amendment 87

**Proposal for a regulation
Annex I – paragraph 1 – point 4 – point c**

Text proposed by the Commission

c) the initial share of trade with the UK is adjusted by multiplying it with the Member State's index of dependency;

Amendment

c) the initial share of trade with the UK is adjusted by multiplying it with the Member State's index of dependency ***raised to the power of 75%***;

Amendment 88

Proposal for a regulation

Annex I – paragraph 1 – point 4 – point g

Text proposed by the Commission

g) if this calculation leads to an allocation exceeding **0.35%** of a Member State's GNI (measured in Euro), that Member State's allocation is capped at the level of **0.35%** of its GNI. The resources deducted due to this capping are redistributed to the other Member States, proportionally to their non-capped shares;

Amendment

g) if this calculation leads to an allocation exceeding **0,36%** of a Member State's GNI (measured in Euro), that Member State's allocation is capped at the level of **0,36%** of its GNI. The resources deducted due to this capping are redistributed to the other Member States, proportionally to their non-capped shares;

Amendment 89

Proposal for a regulation

Annex I – paragraph 1 – point 4 – point h

Text proposed by the Commission

h) if the calculation referred to in point g) results in an aid intensity of more than EUR **190/inhabitant**, that Member State's allocation is capped at the level corresponding to an aid intensity of EUR **190/inhabitant**. The resources deducted due to this capping are distributed to the Member States not capped under points g) or h), proportionally to their shares as calculated in point g).

Amendment

h) if the calculation referred to in point g) results in an aid intensity of more than EUR **195/inhabitant**, that Member State's allocation is capped at the level corresponding to an aid intensity of EUR **195/inhabitant**. The resources deducted due to this capping are distributed to the Member States not capped under points g) or h), proportionally to their shares as calculated in point g).

Amendment 90

Proposal for a regulation

Annex I – paragraph 1 – point 4 a (new)

Text proposed by the Commission

Amendment

4 a. The factor linked to the maritime border regions is obtained by calculating the share of each Member State in the total population of maritime border regions with the UK. Maritime border regions are NUTS level 3 regions along border coastlines and other NUTS level 3 regions of which at least half of the regional population lives within 25 kilometres of the border coastlines. Border coastlines are defined as coastlines that are located at maximum 150 km from the UK coastline.

Amendment 91

Proposal for a regulation

Annex I – paragraph 1 – point 5 – introductory part

Text proposed by the Commission

Amendment

5. For the purposes of calculating the distribution of the ***pre-financing*** of the Brexit Adjustment Reserve:

5. For the purposes of calculating the distribution of the ***resources*** of the Brexit Adjustment Reserve:

Amendment 92

Proposal for a regulation

Annex I – paragraph 1 – point 5 – point f a (new)

Text proposed by the Commission

Amendment

f a) for population of the NUTS level 3 regions the reference period shall be 2017.

Amendment 93

Proposal for a regulation

Annex II – table – row 7a (new)

Text proposed by the Commission

Amendment

7a	<i>Body or bodies to which tasks and funds from the Reserve have been delegated, where applicable.</i>	
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Amendment 94

Proposal for a regulation

Annex II – table – row 8 – column 2

Text proposed by the Commission

Amendment

Short description of the areas and sectors affected and the response measures put in place

Description of the areas and sectors affected and the response measures put in place

Amendment 95

Proposal for a regulation

Annex II – table – row 8 a (new)

Text proposed by the Commission

Amendment

8a	<i>Description of the Multi-Level-Dialogue and the monitoring mechanism</i>	
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Amendment 96

Proposal for a regulation

Annex II – table – row 9 – column 2

Text proposed by the Commission

Amendment

Total **public** expenditure incurred and paid

Total expenditure incurred and paid before

before deductions

deductions

Amendment 97

Proposal for a regulation Annex II – table – row 14 a (new)

Text proposed by the Commission

Amendment

<i>14a</i>	<i>Territorial distribution of the expenditure at NUTS level 2</i>	
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Amendment 98

Proposal for a regulation Annex II – table – row 15.1 – column 2

Text proposed by the Commission

Measures to *assist* businesses *adversely and* local communities affected by the withdrawal

Amendment

Measures to *support private and public* businesses, *in particular SMEs, self-employed*, local communities *and organisations adversely* affected by the withdrawal

Amendment 99

Proposal for a regulation Annex II – table – row 15.2 – column 2

Text proposed by the Commission

Measures to support the most affected economic sectors

Amendment

Measures to support the most *adversely* affected economic sectors

Amendment 100

Proposal for a regulation

Annex II – table – row 15.3 – column 2

Text proposed by the Commission

Measures to support businesses and local communities dependent on fishing activities in the United Kingdom waters

Amendment

Measures to support **regional and** local communities **and organisations, in particular the small scale fisheries sector,** dependent on fishing activities in the United Kingdom waters, **in the waters of its territories with special status or in the waters covered by fisheries agreements with coastal states where fishing opportunities for EU fleets have been reduced as a result of the United Kingdom's withdrawal from the Union;**

Amendment 101

Proposal for a regulation

Annex II – table – row 15.4 – column 2

Text proposed by the Commission

Measures to support employment through short-time work schemes, re-skilling and training in affected sectors

Amendment

Measures to support **job creation and employment, including green jobs -**, short-time work schemes, re-skilling and training in **adversely** affected sectors **and to take accommodating steps to facilitate the re-integration of Union citizens as well as persons with having the right to stay on the territory of the Union or on the territory of a Member State who left the United Kingdom as a result of its withdrawal;**

Amendment 102

Proposal for a regulation

Annex II – table – row 15.4 a (new)

Text proposed by the Commission

Amendment

15.4 a	Measures to mitigate disruptions caused by the withdrawal of the United			
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	<i>Kingdom for local and regional cross-border cooperation and exchange programmes;</i>			
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Amendment 103

**Proposal for a regulation
Annex II – table – row 15.5 – column 2**

Text proposed by the Commission

Amendment

Measures to ensure the functioning of border, and security controls, including additional personnel and infrastructure

Measures to ensure the functioning of border, and security controls, including additional personnel **and its training**, and infrastructure

Amendment 104

**Proposal for a regulation
Annex II – table – row 16 – column 2 – paragraph 2**

Text proposed by the Commission

Amendment

Short description / amount
(e.g. use of Cohesion Policy funding/ REACT-EU/JTF/RRF/other – please specify)

Description / amount
(e.g. use of Cohesion Policy funding/ REACT-EU/JTF/RRF/other – please specify)

Amendment 105

**Proposal for a regulation
Annex II – paragraph 1 – point b a (new)**

Text proposed by the Commission

Amendment

(b a) the control systems put in place ensure the legality and regularity of the underlying transactions.

Amendment 106

**Proposal for a regulation
Annex III – point 1 – point 1.3 – point a a (new)**

Text proposed by the Commission

Amendment

a a) where applicable, the body or bodies to which tasks and funds from the Reserve have been delegated (name, address and contact point in the body):