



**COUNCIL OF  
THE EUROPEAN UNION**

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**"I" ITEM NOTE**

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**From:** General Secretariat of the Council

**To:** Permanent Representatives Committee (Part 1)

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**Subject:** Proposal for a Regulation of the European Parliament and of the Council on amending Council Regulation (EC) No 1198/2006 as regards certain provisions relating to financial management of certain Member States experiencing or threatened with serious difficulties with respect to their financial stability (doc. 11641/13 PECHE 283 CODEC 1620 CADREFIN 163)

- endorsement of Council position

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This document set out the Council's position on the above proposal.

Changes to the Commission proposal are highlighted in ***bold italics***, while text parts deviating from the text of the existing EFF Regulation are highlighted in **shaded grey**.

Proposal for a

**REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL**

**on amending Council Regulation (EC) No 1198/2006 as regards certain provisions relating to financial management for certain Member States experiencing or threatened with serious difficulties with respect to their financial stability**

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 43(2) thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Having regard to the opinion of the European Economic and Social Committee<sup>1</sup>,

Having regard to the opinion of the Committee of the Regions<sup>2</sup>,

Acting in accordance with the ordinary legislative procedure,

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<sup>1</sup> OJ C , , p. .

<sup>2</sup> OJ C , , p. .

Whereas:

- (1) The unprecedented global financial crisis and economic downturn have seriously damaged economic growth and financial stability and provoked a strong deterioration in financial and economic conditions in several Member States. In particular, certain Member States are experiencing serious difficulties or are threatened with such difficulties, notably with problems in their economic growth and financial stability and with a deterioration in their deficit and debt position.
- (2) Important actions to counterbalance the negative effects of the crisis have been taken pursuant to Articles 122(2), 136 and 143 of the Treaty. However, pressure on national financial resources is increasing and appropriate steps are needed to alleviate that pressure through the maximum and optimal use of the funding from the European Fisheries Fund.
- (3) In order to facilitate the management of Union funding, to help accelerate investments in Member States and regions and to improve the availability of funding to the economy, Council Regulation (EC) No 1198/2006 of 27 July 2006 on the European Fisheries Fund<sup>3</sup> was amended by Regulation (EU) No 387/2012 of the European Parliament and of the Council<sup>4</sup> to allow the increase of interim and final payments from the European Fisheries Fund by an amount corresponding to ten percentage points above the actual co-financing rate for each priority axis for Member States which are facing serious difficulties with respect to their financial stability and request to benefit from that measure.
- (4) Paragraph 5 of Article 77a of Regulation (EC) No 1198/2006 allows for the application of that increased co-financing rate up to 31 December 2013. However, since Member States still face serious difficulties with respect to their financial stability, the application of the increased co-financing rate should not be limited to the end of 2013.

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<sup>3</sup> OJ L 223, 15.8.2006, p. 1.

<sup>4</sup> OJ L 129, 16.5.2012, p. 7.

- (4a) *Member States receiving financial assistance should also benefit from the increase of the co-financing until the end of the eligibility period and to claim it in their requests for final balance even where the financial assistance is no more provided.*
- (5) Regulation (EC) No 1198/2006 should therefore be amended accordingly.
- (6) Given the unprecedented crisis, swift adoption of support measures is needed. Therefore it is appropriate that this Regulation enters into force on the day of its publication in the Official Journal of the European Union *and the measures ~~should~~ apply from 1 January 2014.*

HAVE ADOPTED THIS REGULATION:

*Article 1*

~~It~~ Regulation (EC) No 1198/2006 *is amended as follows:*

*a) In paragraph 3 of Article 76, the introductory part is replaced by the following:*

*"By way of derogation from Article 53(3), at the request of a Member State, interim payments shall be increased by an amount corresponding to ten percentage points above the co-financing rate applicable to each priority axis, up to a maximum of 100%, to be applied to the amount of eligible public expenditure newly declared in each certified statement of expenditure submitted by a Member State which on or after 31 December 2013 fulfils one of the following conditions:"*

*b) Paragraph 2 of Article 77 is replaced by the following:*

*"By way of derogation Article 53(3), a the request of a Member State, payments of the final balance shall be increased by an amount corresponding to ten percentage points above the co-financing rate applicable to each priority axis, up to a maximum of 100 %, to be applied to the amount of eligible public expenditure newly declared in each certified statement of expenditure submitted by a Member State which fulfils one of the conditions laid down in points (a), (b) and (c) of Article 76(3) on or after 31 December 2013."*

*c) In Article 77a, paragraph 2 is replaced by the following:*

*"The derogation referred to in Articles 76(3) and 77(2) shall be granted by the Commission upon written request of a Member State fulfilling one of the conditions laid down in points (a), (b) and (c) of Article 76(3)."*

*d) Paragraph 5 of Article 77a is deleted.*

*Article 2*

This Regulation shall enter into force on the day of its publication in the *Official Journal of the European Union*.

***It shall apply from 1 January 2014.***

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

*For the European Parliament*

*For the Council*

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