



**COUNCIL OF
THE EUROPEAN UNION**

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from: The General Secretariat
to: Permanent Representatives Committee

No. Cion prop.: COM(2011) 655 final

No. prev. doc 15527/11 FSTR 57 FC 43 REGIO 94 SOC 876 CADREFIN 99 CODEC 1688
FIN 745

Subject: Proposal for a Regulation of the European Parliament and of the Council
amending Council Regulation (EC) No 1083/2006 as regards certain provisions
relating to risk sharing instruments for Member States experiencing or
threatened with serious difficulties with respect to their financial stability
- General approach

1. The European Commission submitted the above-mentioned proposal to the Council on 12 October 2011 (doc. 15527/11 FSTR 57 FC 43 REGIO 94 SOC 876 CADREFIN 99 CODEC 1688 FIN 745).
2. The proposal addresses liquidity problems faced by financial institutions in Member States most affected by the financial crisis and having received financial assistance under a programme either from the European Financial Stabilisation Mechanism (EFSM) or from other euro area Member States; from the Balance of Payments mechanism; or from the European Stability Mechanism. The aim is to address such liquidity problems that affect the

privately financed part of Cohesion Policy projects and other operations which contribute to Cohesion Policy objectives. Thus, the proposal creates the possibility to establish, by means of a cooperation agreement to be concluded between the Commission and the EIB or similar bodies, a risk-sharing instrument with a view to facilitate investment and growth by reallocating financial appropriations up to 10% of the ERDF and Cohesion Fund allocation for the period 2007-2013 for the risk sharing instrument.

3. The proposal has been examined by the Working Party on Structural Measures. Following the meeting of the Working Party on 23 February 2012 and a silence procedure which ended on 6 March 2012, all delegations agreed on the text of the draft Regulation, as set out in doc. 7332/12 FSTR 17 FC 11 REGIO 32 SOC 175 CADRFIN 126 CODEC 571 FIN 169.
4. Against this background it is suggested that the Permanent Representatives Committee:
 - agrees on the general approach with regard to the proposal for a Regulation of the European Parliament and of the Council amending Council Regulation (EC) No 1083/2006 as regards certain provisions relating to risk sharing instruments for Member States experiencing or threatened with serious difficulties with respect to their financial stability, as set out in doc. 7332/12 FSTR 17 FC 11 REGIO 32 SOC 175 CADRFIN 126 CODEC 571 FIN 169;
 - invites the Presidency to start negotiations with the European Parliament on the basis of this general approach, with a view to reaching an agreement in first reading;
 - enters into its minutes the statement, as set out in the Annex to this document.

Joint statement by the Commission and the Council on budgetary impact

The Council and the Commission consider that the subject Regulation shall also be considered in the context of the budgetary restraints facing all Member States, which should be reflected appropriately in the EU budget for 2012 and 2013. Any increased amounts for the payments consequent on the entry into force of this regulation should be accommodated through the procedure for the Commission to present updated figures concerning payment appropriations under sub-heading 1b by September 2012 and, if necessary to utilise the Global Transfer exercise for 2012, subject to other possible needs under other financial framework headings, and if then still necessary to present a draft amending budget for this sole purpose. It is considered that this new element applies especially to the unprecedented situation of the Member States concerned and is without prejudice to the outcome of the negotiations on the next financial framework.
