



**COUNCIL OF
THE EUROPEAN UNION**

Brussels, 26 February 2014

6751/14

**Interinstitutional File:
2013/0200 (COD)**

**CODEC 498
CADREFIN 34
PECHE 80
PE 98**

INFORMATION NOTE

from: General Secretariat
to: Permanent Representatives Committee/Council
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 for certain Member States experiencing or threatened with serious difficulties with respect to their financial stability
– Outcome of the European Parliament's first reading
(Strasbourg, 24 to 27 February 2014)

I. INTRODUCTION

In accordance with the provisions of Article 294 of the TFEU and the joint declaration on practical arrangements for the codecision procedure ¹, a number of informal contacts took place between the Council, the European Parliament and the Commission with a view to reaching an agreement on this dossier at first reading, thereby avoiding the need for second reading and conciliation.

In this context, the Committee on Fisheries presented seven compromise amendments, which had been agreed during the informal contacts referred to above.

¹ OJ C 145, 30.6.2007, p.5

II. VOTE

When it voted on 25 February 2014, the plenary adopted the seven compromise amendments. No other amendments were adopted. The Commission's proposal as thus amended constitutes the Parliament's first-reading position which is contained in its legislative resolution as set out in the Annex hereto ¹.

The Parliament's position reflects what had been previously agreed between the institutions. The Council should therefore be in a position to approve the Parliament's position.

The text of the Parliament legislative resolution is annexed to this note. The legislative resolution does not set out the adopted amendments themselves, but rather the Parliament's first-reading position - which is the text of the Commission's proposal as modified by the amendments.

¹ The version of the Parliament's position in the legislative resolution has been marked up to indicate the changes made by the amendments to the Commission's proposal. Additions to the Commission's text are highlighted in ***bold and italics***. The symbol "■" indicates deleted text.

Member States experiencing or threatened with serious difficulties with respect to their financial stability *I**

European Parliament legislative resolution of 25 February 2014 on the 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 (COM(2013)0428 – C7-0178/2013 – 2013/0200(COD))

(Ordinary legislative procedure: first reading)

The European Parliament,

- having regard to the Commission proposal to Parliament and the Council (COM(2013)0428),
 - having regard to Article 294(2) and Article 43(2) of the Treaty on the Functioning of the European Union, pursuant to which the Commission submitted the proposal to Parliament (C7-0178/2013),
 - 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 19 September 2013¹,
 - having regard to the undertaking given by the Council representative by letter of 3 February 2014 to approve Parliament's position, in accordance with Article 294(4) of the Treaty on the Functioning of the European Union,
 - having regard to Rule 55 of its Rules of Procedure,
 - having regard to the report of the Committee on Fisheries (A7-0046/2014),
1. Adopts its position at first reading hereinafter set out;
 2. Calls on the Commission to refer the matter to Parliament again if it intends to amend its proposal substantially or replace it with another text;
 3. Instructs its President to forward its position to the Council, the Commission and the national parliaments.

¹ OJ C 341, 21.11.2013, p. 75.

Position of the European Parliament adopted at first reading on 25 February 2014 with a view to the adoption of Regulation (EU) No .../2014 of the European Parliament and of the Council amending Council Regulation (EC) No 1198/2006 on the European Fisheries Fund, 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 Committee¹,

Acting in accordance with the ordinary legislative procedure²,

¹ OJ C 341, 21.11.2013, p. 75.

² Position of the European Parliament of 25 February 2014.

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. In particular, they face problems in their economic growth and financial stability and a deterioration in their deficit and debt position.
- (2) Important measures have been taken pursuant to Articles 122(2), 136 and 143 of the Treaty on the Functioning of the European Union in order to counterbalance the negative effects of the crisis. However, pressure on national financial resources is increasing and appropriate steps are needed to alleviate it through the maximum and optimal use of funding from the European Fisheries Fund, established by Council Regulation (EC) No 1198/2006¹.

¹ Council Regulation (EC) No 1198/2006 of 27 July 2006 on the European Fisheries Fund (OJ L 223, 15.8.2006, p. 1).

- (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, Regulation (EC) No 1198/2006 was amended by Regulation (EU) No 387/2012 of the European Parliament and of the Council¹. That amendment allowed the increase of interim and final payments from the European Fisheries Fund by an amount corresponding to 10 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 which request to benefit from that measure.
- (4) Regulation (EC) No 1198/2006 allows for the application of that increased co-financing rate until 31 December 2013. However, since certain 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.
- (5) ***Member States receiving financial assistance should also benefit from the increase of the co-financing rate until the end of the eligibility period and should be able to claim it in their requests for payment of the final balance, even if the financial assistance is no longer provided.***
- (6) Regulation (EC) No 1198/2006 should therefore be amended accordingly.
- (7) Given the unprecedented nature of the crisis, swift adoption of support measures is needed. Therefore it is appropriate that this Regulation should enter into force on the day of its publication in the *Official Journal of the European Union*,

HAVE ADOPTED THIS REGULATION:

¹ Regulation (EU) No 387/2012 of the European Parliament and of the Council of 19 April 2012 amending Council Regulation (EC) No 1198/2006 on the European Fisheries Fund, as regards certain provisions relating to financial management for certain Member States experiencing or threatened with serious difficulties with respect to their financial stability (OJ L 129, 16.5.2012, p. 7).

Article 1

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

(1) *In Article 76(3), the introductory phrase is replaced by the following:*

"3. 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 10 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 provided that the Member State, on or after 31 December 2013, fulfils one of the following conditions:";

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

"2. By way of derogation from Article 53(3), at the request of a Member State, payments of the final balance shall be increased by an amount corresponding to 10 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 provided that the Member State, on or after 31 December 2013, fulfils one of the conditions laid down in points (a), (b) and (c) of Article 76(3).";

(3) *Article 77a is amended as follows:*

(a) *paragraph 2 is replaced by the following:*

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

(b) *paragraph 5 is deleted.*

Article 2

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

This Regulation shall apply from 1 January 2014.

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

Done at ...

For the European Parliament

For the Council

The President

The President