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'I' ITEM NOTE

From: General Secretariat of the Council
To: Permanent Representatives Committee (Part 2)

No. Cion doc.: COM(2017) 565 final
No. prev. doc.: 12963/17 + ADD 1

Subject: Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL amending Regulation (EU) No 1303/2013 as regards the changes to the resources for economic, social and territorial cohesion and to the resources for the investment for growth and jobs goal and for the European territorial cooperation goal
- Mandate for negotiations with the European Parliament

I. INTRODUCTION

1. On 5 October 2017, the Commission transmitted to the Council the proposal for a Regulation of the European Parliament and of the Council amending Regulation (EU) No 1303/2013 as regards the changes to the resources for economic, social and territorial cohesion and to the resources for the investment for growth and jobs goal and for the European territorial cooperation goal (doc. 12963/17 + ADD 1).

2. The proposal is of a technical nature and implies a technical modification in order to align the financial figures included in Regulation (EU) No 1303/2013 (Common Provisions Regulation) to previous decisions already taken. In particular, the proposal is the result of the provisions of Article 92(3) regarding the review of the allocations of cohesion policy for the years 2017-2020, the decisions to transfer resources between categories and goals under Articles 93 and 94, the decision to extend the Youth Employment Initiative to the years 2017 to 2020 and the decision to transfer some commitment appropriations of 2014 to subsequent years.
3. The objective of the proposal is to adapt the amounts of resources available for the Investment for growth and jobs goal and for the European territorial cooperation goal set out in Articles 91(1) and 92(1) and (5) of Regulation (EU) No 1303/2013 and the annual breakdown of commitment appropriations reflected in Annex VI to decisions adopted since the adoption of that Regulation.

II. PRESIDENCY COMPROMISE PROPOSAL

4. The Working Party on Structural Measures examined the Commission proposal at its meeting on 13 October 2017. Delegations gave support to the proposal, including preference for a speedy adoption of the legal act.
5. At the same Working Party on Structural Measures, on 13 October 2017, the Presidency proposed to proceed by taking over the Commission's proposal. There were no objections to the Presidency's proposal, as set out in the Annex to this note.

III. SUBMISSION TO COREPER

6. On that basis, the Permanent Representatives Committee is invited to:

- confirm the agreement reached in favour of the compromise package concerning the proposal for a Regulation of the European Parliament and of the Council amending Regulation (EU) No 1303/2013 as regards the changes to the resources for economic, social and territorial cohesion and to the resources for the investment for growth and jobs goal and for the European territorial cooperation goal.

- authorise the Presidency to send a letter to the Chair of the European Parliament's Committee on Regional Development confirming that, should the European Parliament adopt its position at first reading, in accordance with Article 294 paragraph 3 of the Treaty, in the form set out in the compromise package contained in the Annex (subject to revision by the legal linguists of both institutions), the Council would, in accordance with Article 294, paragraph 4 of the Treaty, approve the European Parliament's position and the act shall be adopted in the wording which corresponds to the European Parliament's position.

2017/0247 (COD)

Proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

amending Regulation (EU) No 1303/2013 as regards the changes to the resources for economic, social and territorial cohesion and to the resources for the investment for growth and jobs goal and for the European territorial cooperation goal

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 177 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,

After consulting the Committee of the Regions²,

Acting in accordance with the ordinary legislative procedure,

¹ OJ C [...], [...], p. [...].

² OJ C [...], [...], p. [...].

Whereas:

- (1) Regulation (EU) No 1303/2013 of the European Parliament and of the Council³ lays down the common and general rules applicable to the European Structural and Investment Funds.
- (2) In accordance with Article 7(1) of Council Regulation (EU, Euratom) No 1311/2013⁴ and Article 92(3) of Regulation (EU) No 1303/2013 the Commission reviewed in 2016 the total allocations of all Member States under the Investment for growth and jobs goal of cohesion policy for the years 2017 to 2020.
- (3) In accordance with Article 7(3) of Regulation (EU, Euratom) No 1311/2013 and Article 92(3) of Regulation (EU) No 1303/2013 the Commission presented the results of the review to the Council and the European Parliament⁵. In the Communication it is mentioned that, on the basis of the most recent statistics, there is a cumulative divergence of more than +/- 5 % between the total and the revised allocations in Belgium, the Czech Republic, Denmark, Estonia, Ireland, Greece, Spain, Croatia, Italy, Cyprus, the Netherlands, Slovenia, Slovakia, Finland, Sweden and the United Kingdom. In addition, it is mentioned that, on the basis of its gross national income (GNI) per capita figures of 2012-2014, Cyprus will become fully eligible for support from the Cohesion Fund as of 1 January 2017.
- (4) In accordance with Article 7(4) and (5) of Regulation (EU, Euratom) No 1311/2013 and Article 92(3) of Regulation (EU) No 1303/2013 the allocations of those Member States are to be adjusted accordingly, provided that the total net effect of those adjustments does not exceed EUR 4 billion.

³ Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013 laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No 1083/2006.

⁴ Council Regulation (EU, Euratom) No 1311/2013 of 2 December 2013 laying down the multiannual financial framework for the years 2014-2020 (OJ L 347, 20.12.2013, p. 884).

⁵ Communication from the Commission to the Council and the European Parliament - Technical adjustment of the financial framework for 2017 in line with movements in GNI and adjustment of cohesion policy envelopes (COM(2016) 311 of 30 June 2016).

- (5) Insofar as the revision had an impact on the annual breakdown of the allocations for the global resources by Member State under the Investment for growth and jobs goal and under the European Territorial Cooperation Goal as well as on the Youth Employment Initiative (hereinafter referred to as 'YEI'), it was implemented by Commission Implementing Decision (EU) 2016/1941⁶.
- (6) The total net effect of those adjustments is to increase the resources for economic, social and territorial cohesion by EUR 4 billion. This increase should be reflected in Article 91(1) of Regulation (EU) No 1303/2013, which should therefore be adjusted accordingly.
- (7) The resources for the Investment for growth and jobs goal and their allocation between less developed regions, transition regions, more developed regions, Member States supported by the Cohesion Fund and outermost regions as set out in Article 92(1) of Regulation (EU) No 1303/2013 should be adjusted accordingly.
- (8) In accordance with Article 14(1) of Regulation (EU, Euratom) No 1311/2013, the margins left available below the ceilings for commitment appropriations of the multiannual financial framework (hereinafter referred to as 'MFF') are to constitute the Global MFF Margin for commitments, to be made available over and above the ceilings established in the MFF for the years 2016 to 2020 for policy objectives related to growth and employment, in particular youth employment. By Council Regulation (EU, Euratom) No 2017/1123⁷ the limitation of the margins left available below the MFF ceilings for commitment appropriations to the years 2014 to 2017 was deleted thus allowing that the YEI could be extended to 2020 and that the specific allocation for the YEI could be increased by an amount of EUR 1.2 billion in current prices for the period 2017-2020. The specific allocation for the YEI as set out in Articles 91(1) and 92(5) of Regulation (EU) No 1303/2013 should therefore be adjusted accordingly.
- (9) In accordance with Article 94(2) of Regulation (EU) No 1303/2013 the Commission accepted a proposal submitted by Denmark to transfer a part of its appropriations for the European territorial cooperation goal to the investment for growth and jobs goal. This transfer should be reflected in an amendment of the global resources available for the European territorial cooperation goal in Article 92(9) of that Regulation.

⁶ Commission Implementing Decision (EU) 2016/1941 of 3 November 2016 amending Implementing Decision 2014/190/EU setting out the annual breakdown by Member State of global resources for the European Regional Development Fund, the European Social Fund and the Cohesion Fund under the Investment for growth and jobs goal and the European territorial cooperation goal, the annual breakdown by Member State of resources from the specific allocation for the Youth Employment Initiative together with the list of eligible regions, and the amounts to be transferred from each Member State's Cohesion Fund and Structural Funds allocations to the Connecting Europe Facility and to aid for the most deprived for the period 2014-2020 (notified under document C(2016) 6909) (OJ L 299, 5.11.2016, p. 61).

⁷ Council Regulation (EU, Euratom) 2017/1123 of 20 June 2017 amending Regulation (EU, Euratom) No 1311/2013 laying down the multiannual financial framework for the years 2014-2020 (OJ L 163, 24.6.2017, p. 1).

- (10) Pursuant to the procedure set out in Article 19(1) of Regulation (EU, Euratom) No 1311/2013, Council Regulation (EU, Euratom) 2015/623⁸ transferred to subsequent years an amount of EUR 11 216 187 326 in current prices of the allocation provided for the Structural Funds and the Cohesion Fund. An amount of EUR 9 446 050 652 in current prices of the allocation provided for the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund which could not be committed in 2014 nor carried over to 2015 was transferred to subsequent years. That transfer should be reflected in Annex VI of Regulation (EU) No 1303/2013 setting out the global annual breakdown of commitment appropriations for 2014 to 2020,
- (11) Given the urgency of extending the programmes supporting the YEI this Regulation should enter into force on the day following that of its publication in the *Official Journal of the European Union*.
- (12) Regulation (EU) No 1303/2013 should therefore be amended,

HAVE ADOPTED THIS REGULATION:

Article 1

Regulation (EU) No 1303/2013 is amended as follows:

1. Article 91(1) is replaced by the following:

'1. The resources for economic, social and territorial cohesion available for budgetary commitment for the period 2014 - 2020 shall be EUR 329 978 401 458 in 2011 prices, in accordance with the annual breakdown set out in Annex VI, of which EUR 325 938 694 233 represents the global resources allocated to the ERDF, the ESF and the Cohesion Fund and EUR 4 039 707 225 represents a specific allocation for the YEI. For the purposes of programming and subsequent inclusion in the budget of the Union, the amount of resources for economic, social and territorial cohesion shall be indexed at 2% per year.';

⁸ Council Regulation (EU, Euratom) 2015/623 of 21 April 2015 amending Regulation (EU, Euratom) No 1311/2013 laying down the multiannual financial framework for the years 2014-2020 (OJ L 103, 22.4.2015, p. 1).

2. Article 92 is amended as follows:

(a) paragraph 1 is replaced by the following:

'1. Resources for the Investment for growth and jobs goal shall amount to 96.09% of the global resources (i.e., a total of EUR 317 103 114 309) and shall be allocated as follows:

(a) 48.64% (i.e., a total of EUR 160 498 028 177) for less developed regions;

(b) 10.19% (i.e., a total of EUR 33 621 675 154) for transition regions;

(c) 15.43% (i.e., a total of EUR 50 914 723 304) for more developed regions;

(d) 20.01% (i.e., a total of EUR 66 029 882 135) for Member States supported by the Cohesion Fund;

(e) 0.42% (i.e., a total of EUR 1 378 882 914) as additional funding for the outermost regions identified in Article 349 TFEU and the NUTS level 2 regions fulfilling the criteria laid down in Article 2 of Protocol No 6 to the 1994 Act of Accession.';

(b) paragraph 5 is replaced by the following:

'5. Resources for the YEI shall amount to EUR 4 039 707 225 from the specific allocation for the YEI and at least EUR 4 039 707 225 from ESF targeted investment.';

(c) paragraph 9 is replaced by the following:

'9. Resources for the European territorial cooperation goal shall amount to 2.69% of the global resources available for budgetary commitment from the Funds for the period 2014-2020 (i.e., a total of EUR 8 865 148 841).';

3. Annex VI is replaced by the text set out in the Annex to this Regulation.

Article 2

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

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

Done at Brussels,

For the European Parliament
The President

For the Council
The Presiden

"ANNEX VI

ANNUAL BREAKDOWN OF COMMITMENT APPROPRIATIONS FOR 2014 TO 2020

Adjusted annual profile (including YEI top-up)

	2014	2015	2016	2017	2018	2019	2020	Total
EUR,	34.108.069.924	55.725.174.682	46.044.910.736	48.027.317.164	48.240.419.297	48.712.359.314	49.120.150.341	329.978.401.458
2011 prices								

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