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'I/A' ITEM NOTE

| From: | General Secretariat of the Council |
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| To: | Permanent Representatives Committee/Council |
| Subject: | Draft REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL amending Regulations (EU) 2021/1058 and (EU) 2021/1056 as regards specific measures to address strategic challenges in the context of the mid-term review |
| | (first reading) |
| | - Adoption of the legislative act |
| | = Statements |

Statement by Belgium, Ireland, Luxembourg, The Netherlands and Austria

The Netherlands, Austria, Belgium, Luxembourg and Ireland underline that the respect for the rule of law and fundamental rights is indispensable for mutual trust between Member States, including in the responsible use of the common resources included in the mid-term review. We welcome the improved text of recital 4 and the addition of a dedicated article 3 (JTF and ERDF/CF) and article 2 (ESF+) respectively on rule of law and fundamental rights. However we regret that this provision excludes the flexibility amount, as this could result in the partial release of suspended funds following a negative assessment by the Commission based on the application of horizontal enabling conditions pursuant to Article 15 of Regulation (EU) 2021/1060. In that light, and for the purpose of consistency, the Netherlands, Austria, Belgium, Luxembourg and Ireland stress the need to include appropriate provisions, without exemptions, in future regulations for all funds to which Regulation (EU) 2021/1060 applies, as well as the relevant regulations for the next MFF.

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Statement by Bulgaria

Although the Republic of Bulgaria does not share a direct land border with Ukraine, Belarus, or Russia, its strategic location on the external Eastern border of the European Union, along the Black Sea, places it firmly within the zone affected by the multiple and compounding adverse impacts of the ongoing war in Ukraine.

The Black Sea region is increasingly exposed to significant security risks, economic and ecological disruptions, and heightened strategic vulnerabilities. These spillover effects of the conflict have a direct and tangible impact on Bulgaria's Eastern regions.

In this context, Bulgaria strongly maintains that the Black Sea regions should be recognised as equivalent to regions directly bordering Ukraine, Belarus, or Russia for the purposes of relevant legislative and programming measures.

This position is fully aligned with the European Commission's Communication of 28 May 2025, "The European Union's Strategic Approach to the Black Sea Region", which underscores the need for a comprehensive and coordinated EU response, acknowledging the geostrategic importance of the Black Sea to the Union as a whole.

Statement by Italy

Italy recognises the need for high standards in the selection process for beneficiaries operating in the defence sector due to the sensitive nature of the data and information processed. However, it finds that the European Defence Fund (EDF)'s criteria should not be the main reference point in order to avoid the risk of biased selection. Other EU defence instruments, such as EDIRPA and ASAP, offer alternative, yet equally reliable, selection criteria for beneficiaries of interventions supported by cohesion funds. Italy therefore urges the Commission to consider this risk and allow also other reliable criteria to guide the selection of beneficiaries for projects supported under the defence priority, in the mid-term review exercise.

Statement by Hungary

Hungary recalls the European Council conclusions of 6 March (point 6b), which call on the Commission to propose additional EU-level funding sources for defence, including through additional possibilities and incentives offered to all Member States in the use of their current allocations, in line with the principles of equal treatment, objectivity, and non-discrimination.

Hungary does not oppose the adoption of the Regulation, nevertheless, considers that Article 3 is not in line with these principles, as they restrict Member States' ability to decide how to use their current allocations.

Furthermore, the 2021–2027 conditionalities, including enabling conditions, were adopted as part of the broader MFF agreement. The current proposal amends this framework mid-period, creating legal and political uncertainty, and should not set a precedent for the future.

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